# Flexible Employment, Risk and the Welfare State

# Flexibele arbeid, risico's en de verzorgingsstaat

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# Flexible Employment, Risk and the Welfare State

**Fabian Dekker** 

For my brother

# Acknowledgments

This book represents my fascination for labour market issues and its consequences for individuals and society. Furthermore, with this research project I was able to combine my interest in sociology and social policy (in my opinion, too many sociologists do not contribute to policy debates and discussions, while the academic and extra-academic audience are two sides of the same sociological coin!<sup>1</sup>)

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<sup>&</sup>lt;sup>1</sup> See Burawoy, M. (2005). 2004 Presidential Address: For Public Sociology, *American Sociological Review*, 70(1): 4-28.

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#### 1 INTRODUCTION:

#### SOCIAL POLICY PREFERENCES IN THE FLEXIBLE WORKING LIFE

#### 1.1 Introduction

In most developed countries, the welfare state provides some form of protection for its citizens. The provision of social arrangements differs substantially between countries but, on the basis of institutional characteristics such as the level of spending on welfare programmes, entitlements and labour market participation, countries can be clustered into several ideal-typical welfare state regimes (Esping-Andersen, 1990; 1999); social democratic, corporatist and liberal<sup>2</sup>. This typology is based on differences in how responsibilities are distributed between the state, market and the family. The social security system is central to public welfare, covering social risks such as unemployment, sickness, disability or old age<sup>3</sup>.

The social security system depends on public support in society. Public support is important for the legitimacy of social security systems and, in this way, is an important factor in the expansion or decline of the welfare state (Brooks and Manza, 2007; 2006; Hobolt and Klemmemsen, 2005; Burstein, 1998; Page and Shapiro, 1983). Of course, one must not overlook the relevance of all kinds of macro level factors, such as the globalization of financial markets, the costs associated with welfare reform (such as the 'sunk costs' in existing public arrangements), sudden shocks from outside the political system and the influence of the media, all of which may also affect the development of the welfare state (see, for example, John, 2006; Pierson, 1998; Pierson, 1994; Pfau-Effinger, 2005), but electoral pressure means that how people perceive social security practices is a very significant factor for social policy. In accordance with democratic theory (cf. Manza and Cook, 2002), it is commonly accepted that social policy preferences impact on levels of social protection, while power relations between social actors (such as the strength of left-wing political parties) may moderate social policy

<sup>&</sup>lt;sup>2</sup> However, it is commonly agreed, this classification can be extended to more welfare state regimes: a Southern European and a Central-Eastern European welfare system (see, for example, Cerami, 2005; Arts and Gelissen, 2002; Bonoli, 1997).

<sup>&</sup>lt;sup>3</sup> Esping-Andersen (1990; 1999) refers to the level of 'de-commodification'; the possibility of making a living independently of the market.

preferences in shaping actual policy outputs (see, for example, Korpi, 2006; Korpi and Palme, 2003).

Many researchers argue that the legitimacy of the modern social security system is under pressure (see, for a review, Clasen, 2002). For example, as a consequence of rising living standards or the socio-cultural process of individualization, people may be less willing to pay for social security programmes. However, according to Taylor-Gooby (2001), Ullrich (2000) or Pettersen (1995) and, for example, De Beer and Koster (2007) or Becker (2005) in the Netherlands, empirical research generally shows that the level of support for social security programmes is stable in most countries<sup>4</sup>. One possible explanation for this may be 'force of habit' – citizens tend to support existing social arrangements, whatever these arrangements actually are (Arts, 2002). In other words, the existing welfare state is 'taken for granted' by its citizens.

While there seems to be no clear legitimacy crisis, this does not imply that people are not questioning social security arrangements at all. For example, Iversen and Cusack (2000) argue that deindustrialization, the decline in industrial employment since the 1960s, poses risks for individual workers and that, consequently, people expect support and protection from these risks. According to this line of reasoning, we can understand the welfare state expansion across countries between the 1960s and 1990s; the transformation from industry to services meant that people experienced greater insecurity and demanded collective (economic) support.

Today, the work context is changing again. Against the background of rapid technological developments and increasing economic interdependence between countries, increasing flexibilization is one of the most fundamental changes in the labour markets of Western economies (Kalleberg, 2003; 2001; 2000). The search for flexibility has resulted in the growth of 'atypical' employment relationships, for example. 'Atypical' employment is any type of employment that is not full-time and permanent and it includes temporary contracts, agency work, self-employment and part-time employment (Hevenstone, 2010). All these 'atypical' forms of employment have now become common forms of working. Another important type of labour flexibility is functional

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<sup>&</sup>lt;sup>4</sup> Cf. also Pierson (1998).

flexibility<sup>5</sup> and refers to new working practices, such as job rotation, task rotation, job enlargement, job enrichment and (semi-autonomous) team-working. To date, it remains to be seen whether social policy preferences will be affected by the increasing importance of labour flexibility in most European countries (see for the empirical importance of different types of flexibility, for example, Dekker, 2007; European Foundation for the Improvement of Living and Working Conditions, 2007a).

This study aims to increase our understanding of individual reactions to increasing labour flexibility and the impact on social policy preferences. While the existing literature on individual support for social security focuses on a variety of individual risk factors related to the labour market (Cusack et al., 2006; Rehm, 2005; Iversen and Soskice, 2001; Kramer and Stephenson, 2001), no empirical studies have been conducted on the question: does labour flexibility play a role in the formation of social policy preferences and if so, in what way and why? This will be the central research question of the study. Although the literature provides us with several – contradictory – arguments about the possible effects of labour flexibility on individual support for social security, research is limited.

The central research question involves some important aspects of sociology. In studies that seek to explain social policy preferences, many scholars focus on self-interest, ideological values or community sentiment as a basis for supporting social security arrangements (see, for example, Yang and Barrett, 2006; Van Oorschot, 2002). Regarding the idea of self-interest, social insurance is particularly in the interest of the poor and it is therefore they who are more supportive towards social security compared to others (see Cook and Barrett, 1992). This idea that the socially disadvantaged – such as the less well-educated, the less well-paid and the unemployed – are more likely to support social security, relates to the theoretical issue of class-based policy preferences and behaviour. In other words, the less-skilled working class in particular has an interest in social security. While some would argue that the relevance of social class<sup>6</sup> in

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<sup>&</sup>lt;sup>5</sup> Some refer to the concept of 'high-performance work systems', particularly in the case of team-working (see, for example, Gittleman et al., 1998).

<sup>&</sup>lt;sup>6</sup> There is no agreed definition of social class in sociology. In general, the occupational status is central to the concept of social class (Houtman, 2003; Breen and Rottman, 1995; Goldthorpe and Marshall, 1992).

understanding political voting behaviour is declining (Pakulski and Waters, 1996; Clark and Lipset, 1991), or that social class is no longer relevant at all given the processes of individualization and globalization (Beck, 1999), most scholars state that class considerations are still important in understanding voting behaviour and social inequality in general (see, for example, Achterberg, 2006; Achterberg and Snel, 2008; Blossfeld et al, 2006). A problem regarding studies of social class is that they tend to neglect structural changes in the labour market. While some attempts have been made to include the post-industrial employment structure into class analyses (De Graaf and Steijn, 1997; Esping-Andersen, 1993), scholars have been less interested in the importance of labour flexibility for new inequalities (e.g. risk) and its impact on social policy preferences. Regarding labour flexibility, there are two conflicting assumptions. Some authors suggest that labour flexibility will increase insecurity for all employees (Beck, 2000; Heery and Salmon, 2000), while others, such as Breen (1997), suggest that labour market risks in flexible economies will especially affect the position of the already less-advantaged in society. Beck assumes that the nature of work is changing towards less stable employment relationships for all individuals: regardless of whether someone is highly educated or not, all employees will be hit by work insecurity. This is the debate on the 'individualization of insecurity'. By contrast, Breen (1997) argues that labour market risks in a flexible economy follow the lines of occupational class. In his opinion, the already vulnerable, lower-skilled workers are exposed to increased work insecurity in flexible economies. While empirical studies have shown that social class is important in social stratification research (see Blossfeld et al., 2006 for an overview), it is still unclear how different forms of labour flexibility impact on the perception of risk and the willingness of different groups of workers to support social security. In this study, I will therefore investigate whether labour flexibility has resulted in risk cleavages between different groups of employees and how this is linked to their social policy preferences.

In addition to labour flexibility, its impact on the risks that people experience and their social policy preferences, this study also focuses on the controversial question of the role of community in modern society (cf. Day, 2006; Delanty, 2003). Looking at the labour market, it is generally agreed that by interacting with one another, the workplace

provides an opportunity for the development of community (Vogl, 2009). This is considered particularly true for the so-called Fordist workplace. A key principle of the Fordist workplace is one in which manual and mental labour are separated, but also one in which employees believe that they are likely to work for the same employer over a long time and with stable terms of employment. This strong tradition of stable employment binds people together. However, during recent decades, the labour market has undergone some significant changes. In the contemporary, post-Fordist workplace the importance of the standardized and stable employment contracts has declined in favour of 'atypical' employment contracts (Kalleberg, 2000). According to several sociologists, such as Sennett (1998) and Bauman (2001), it is more difficult to create a sense of community among workers in the post-Fordist workplace. In their view, 'atypical' workers are less likely to form a coherent group, and more likely to be fragmented, shifting them away from other members in a given society. While some researchers have made empirical advances in this debate on the changing labour market and community (Vogl, 2009), the connection between labour flexibility and community is still mainly being debated at the theoretical level. I would therefore argue that a fruitful approach would be to seek an empirical approach to test the different theoretical claims. The question is, then, what the changing nature of labour implies for the perception of community and the willingness to support social security.

In this study, I will explore the relationships between labour flexibility, risk, sense of community and social policy preferences. Throughout the study, I will show how researchers have different and often contradictory views on these relationships. My main interest is in 'atypical' employment and functional flexibility as two central features of labour flexibility, because these two forms of flexibility are widespread throughout the workforce and well established in the theoretical literature (Kashefi, 2007).

The next section will present a review of the literature on the determinants of social policy preferences. Secondly, the chapter will focus in greater detail on the notion of labour flexibility and its international proliferation. Then, I will explore the possible implications for understanding social policy preferences. Fourthly, a description of the

data sources and methodology will be given. Finally, the chapter concludes with a brief overview of the study.

# 1.2 Understanding social policy preferences: a short review

How can we account for variations in individuals' levels of support for social security? In the literature, we can basically distinguish two types of theory: institutional and cultural theories at the macro level, and individual explanations at the micro level.

# 1.2.1 Macro level theory

In an institutional approach, authors claim that individuals adapt to existing institutions in other words, social policy preferences are a product of institutional characteristics. As Arts and Gelissen (2001: 296) note, "people's notions of solidarity and their choices of justice principles need to be understood in the context of the frames of reference and the forces of circumstances created by their welfare state regimes". This type of reasoning is related to cultural factors (see, for example, Van Oorschot, 2007a). Generally speaking, the cultural tradition of a country (such as the religious and/or ideological background of a society – see Van Kersbergen, 1995; Roebroek, 1993) reflects itself in a specific welfare state regime and produces differences in support for governmental actions (cf. Andreß and Heien, 2001). In this way, researchers such as Linos and West (2003) argue that differences in social norms about the causes of poverty, and thus individual support for redistribution, are related to the characteristics of individual countries. In this way, in liberal welfare states such as the United States and Australia, citizens view their society as highly mobile, and this is reflected in lower support for wealth redistribution by the government (see also Alesina and Glaeser, 2004). This line of reasoning is also reflected in the study by Larsen (2008), who found that living in a liberal country increases the chances that an individual will perceive the poor and the unemployed as 'lazy', thus affecting individual support for social policy. Another empirical example of a macro level explanation is the study by Jaeger (2006a). By using two waves of the European Social Survey (ESS), Jaeger shows that individual support for wealth redistribution increases in line with total social spending, a finding which supports a regime-type theory. Although the empirical studies presented so far demonstrate the institutional and cultural influence on social policy preferences, Gelissen (2001; 2000) reports that the highest levels of support for the welfare state have been found in liberal regime-type countries (see also Bean and Papadakis, 1998). Taylor-Gooby (2001) finds no differences in support for the welfare state between Germany, Sweden and the United Kingdom, and Jaeger (2007) shows that support for the old and the sick is uniformly high across eight Western countries. Furthermore, Van Oorschot (2005) finds the same high levels of solidarity towards the elderly, the sick and disabled and less solidarity with the unemployed and immigrants, across 23 European countries. In short, while evidence has been found for regime-type explanations, most empirical studies provide only 'mixed' (Jaeger, 2006a), 'scarce' (Blekesaune, 2007) or 'limited' (Svallfors, 2003) support for this view. More generally speaking, "the connection between regime types and attitudes (...] could not be established firmly" (Pfeifer, 2009: 117). Sharp (1999) is also sceptical about the relationship between the institutional context and social policy preferences. She argues there is a 'sometime connection' at best, depending on the specific policy domain<sup>7</sup>.

Following the literature on the subject of social policy preferences, I conclude that most macro level studies have yielded mixed results. However, while comparative welfare state research shows no systematic 'institutional profiles' with regard to the level of individual support, this does not undermine the relevance of cross-national differences in welfare culture, which includes collective values and ideals among social actors in a given society. According to Van Oorschot (2007a), welfare culture is an important factor in understanding social policy and social policy preferences, although culture does not have a straightforward determining influence but, rather, a mutual one. This idea provides a more complex picture of how social policy preferences are formed, implying that welfare culture and social policy are interrelated<sup>8</sup> and that persons are not fully autonomous individuals, but dependent on and influenced by the society around them. This does not mean that individual opinions on social security are fully conditioned by

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<sup>&</sup>lt;sup>7</sup> See, for a further discussion, Raven et al. (2011).

<sup>&</sup>lt;sup>8</sup> Culture may influence social policy, but social policy may also affect shared perceptions and social images among citizens (Van Oorschot, 2007a; 2003), for example, with regard to work ethic (see for theoretical considerations Schuyt, 1995; Zijderveld, 1999; 1983).

cultural values but, rather, that these are partially rooted in the collective values and ideals (cf. Van Oorschot, 2003). In simple terms, the ideas of social actors are in part shaped by the collective values and ideas within a society, but at the same time social actors may themselves influence these cultural patterns (Scott, 2008). Referring to social policy and social policy preferences, Pfau-Effinger (2005: 7) claims that one of the current problems with regime-type explanations of individual support is the heterogeneity of welfare state policies in a country, which are legitimized by different, and sometimes inconsistent elements of welfare culture. For example, the social security system can be based on cultural assumptions about the degree of state intervention or about which social groups should be integrated into the social system. In other words, welfare states consist of different arrangements which are based on different cultural ideals, and these cannot easily be captured by specific 'welfare regime-types'. In the literature, there seems to be universal agreement that social policy and social policy preferences reflect different cultural assumptions which can vary substantially between and within countries (see Pfau-Effinger, 2005)<sup>9</sup>. Consequently, although I would not suggest any automatic causal link between welfare culture, social policy and social policy preferences, social policy and individual preferences are certainly linked to the collective ideas of societies and these must therefore be taken into account in (comparative) welfare state research. Accordingly, both changes in social policy and social policy preferences will always be 'path-dependent' to some extent, since elements of the cultural context are (partially) maintained (Pfau-Effinger, 2005).

#### 1.2.2 Micro level theory

While the institutional argument claims that institutions affect social policy preferences, micro level studies focus on individual explanations. Social policy preferences at the individual level are often viewed as the result of self-interest or ideology (Blekesaune, 2007; Hasenfeld and Rafferty, 1989). With respect to self-interest, recipients or potential recipients of social arrangements are expected to favour social spending. In the literature,

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<sup>&</sup>lt;sup>9</sup> For example, in the United States, people tend to believe that equity is best guaranteed by means of the free market, while in Germany state intervention is generally perceived to be the best way to achieving this. Differences may also exist within countries. For instance, Norway can be characterized as more conservative with regard to assumptions about the role of the family system and, at the same time, social democratic with regard to the social security system (Pfau-Effinger, 2005).

there appears to be much empirical support for this argument. As Svallfors (2003: 514) argues, for instance: "groups with a stronger market position show weaker support for state intervention". Many scholars have found similar results – see Cook and Barrett (1992) or Bean and Papadakis (1998)<sup>10</sup>, for example. While a common proxy variable for market position is 'class', only a few studies provide more detailed information on the link between specific labour market risks and social policy preferences. For example, research suggests that specific skill levels (Cusack et al., 2006; Iversen and Soskice, 2001; Rehm, 2005) or being employed in industries with higher unemployment rates (Cusack et al., 2006; Rehm, 2005; Kramer and Stephenson, 2001) increases individual support for government redistribution. These empirical studies confirm explanations of support that are based on self-interest<sup>11</sup>.

Other commentators focus on the role of ideological values, or justice beliefs, regarding social security. For example, by analysing American survey data, Hasenfeld and Rafferty (1989) conclude that individual beliefs regarding the responsibilities of the state or people's perceptions of the poor play an important role in understanding varying levels of individual support for the welfare state. Alesina and La Ferrera (2005) show that beliefs about whether society offers equal opportunities plays an important role in understanding social policy preferences. Another study conducted by Sears et al. (1980) also demonstrates that ideological values (such as having a liberal-conservative ideology, party identification and racial prejudice) strongly affect social policy preferences.

Traditionally, individual support for the welfare state is stronger among those on the political left than among others (see, for example, NieuwBeerta, 1995; Groskind, 1994).

Whether people acquire these beliefs in their social milieu, such as their family background, through their own experiences, or from their national culture (Andreß and Heien, 2001), ideological values seem to play an important role in understanding social policy preferences.

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<sup>&</sup>lt;sup>10</sup> Although the link between class and individual opinions on government intervention seems to be clear, the increased importance of cultural issues across countries makes the traditional relationship between (working) class and (left-wing) voting behaviour less straightforward (Achterberg, 2006).

<sup>&</sup>lt;sup>11</sup> In general, self-interest is a key feature of rational choice theories of individual action where people try to maximize their utility (see, for example, Friedman and Diem, 1990).

I can now conclude that self-interest and ideological values affect people's social policy preferences. However, in his historical analysis of the welfare state, De Swaan (1989) suggests that these two motivating factors are not distinct but interrelated. According to him, community sentiment among people towards the 'needy' in society can be explained by self-interest. While social security provides (financial) protection for the poor, this not only benefits the recipients of social security, but also the non-recipients. For example, sickness or unemployment affect the sick and unemployed themselves, but they may also have an indirect effect on others. These are known as 'external effects', such as the risk associated with a less healthy population, rising poverty or high crime rates. In this way, public health care systems and unemployment assistance not only safeguard the interests of those directly affected by problems, but also those who are not directly affected. From this perspective, I have to determine whether community sentiment is determined by self-interest to some extent, as De Swaan (1989) has argued.

# 1.2.3 Risk perception bias

While I have shown that self-interest can be an important reason for supporting social security arrangements, people do not always make such rational calculations. This can be found in the literature on prospect theory (Kahneman and Tversky, 1974; 1979). One of the central features of this theory is that people prefer the 'status quo' – the current situation or reference point – if they are satisfied with their situation. He/she is then in what is known as a 'gains domain', while dissatisfied individuals are in a 'losses domain' and have, consequently, a tendency to reject this 'status quo' and support reform. In general, people have a strong 'loss aversion', which is called a 'status quo bias' (Vis et al., 2008)<sup>12</sup>. Furthermore, the theory describes an 'endowment effect', "whereby present or past experiences are intuitively given higher value than future prospects" (Schmid, 2006: 5). What is relevant to the central issue in this study is that attitudes to (changes in) social security may be biased by these 'non-rational' perceptions of risk. Firstly, people may tend to favour the 'certainty' of the current social security system ('status quo bias'). Secondly, people may overestimate current risks, while underestimating risks in the future (the 'endowment effect') (Schmid, 2006: 7). As a result, understanding individual

<sup>12</sup> "Losses usually loom intuitively larger than the corresponding gains" (Schmid, 2006: 5).

opinions regarding social security may be different than what self-interested, rational choice models might suggest. In other words, the exposure to risk may lead to an interest in greater social security, but a bias in risk perception may reduce the empirical value of this self-interest argument.

#### 1.2.4 Towards an understanding of social policy preferences

Which framework is most suited to studying social policy preferences? As I have seen so far, when searching for differences in social policy preferences, one must be aware of the specific cultural factors at work in a country. Furthermore, the literature suggests that it is important to take account of individual characteristics, such as people's perceived self-interest and/or ideology. These motivational principles may be interrelated. I have to consider 'non-rational' risk perceptions among individuals which may affect the empirical results regarding the self-interest argument. For example, it is possible that people may find it difficult to evaluate risks that lie ahead in the future. This possible bias in risk perception could undermine the argument of rationally calculated self-interest. Since the main focus of my investigation is how working in a flexible labour market affects individual perceptions of risk and social policy preferences, micro level terms and concepts seem to be best suited for inclusion in this study. In the following part of this section, I will therefore present the theoretical framework and the central micro level concepts that are used.

According to the sociological literature, social policy preferences relate to the issue of 'welfare legitimacy' (Mau and Veghte, 2007). If people perceive that social arrangements are no longer 'just', people might no longer be motivated to pay for these programmes. This raises the question of what makes people supportive of social security. This question is closely connected to the notion of solidarity, which is a difficult concept to define. Usually, solidarity refers to 'positive' social relationships among individuals (De Beer and Koster, 2007), such as the willingness to help other members of a group (Beckert et al., 2004). Because the social security system provides economic security for all its citizens, this can be seen as an act of institutionalized solidarity (Gelissen, 2001). At the micro level, the concept of solidarity is used as a normative or affective principle

underlying support for the social security system (Trampusch, 2007). In relation to solidarity, sociological theories refer broadly to two basic factors that underlie individual support (see, for overviews, Van Oorschot, 2007b; 2002; Van Oorschot and Komter, 1998). Firstly, solidarity is related to the idea of 'self-interest'. This means that people support social security because they perceive that they may benefit from the social system, in both the long and short term (Hechter, 1987). This is the same type of motivation found earlier in the literature on the micro level determinants of support. Secondly, another factor that can explain social policy preferences is a feeling of community or moral sentiments. In the sociological literature, the community argument is based on the work of Mayhew (1971), who believes that people, by interacting, establish a sense of belonging to a broader community and, thus, become more willing to accept and work towards collective goals. The second type of motivation, moral sentiments, can be found in the work of the sociologist Durkheim (1964), which suggests that social policy preferences are formed by the feeling of a moral obligation to serve the collective interest rather than self-interest. In both ways, individuals demonstrate that they feel a sense of belonging to a broader community which goes hand in hand with increased support for collective solutions, such as social security.

On the basis of the general and sociological literature on social policy preferences, I can state that self-interest may be an important basis for support social security. Furthermore, one's perception of community must be included in any analysis. This concept is distinct from (political) ideology. While ideological values and beliefs are helpful in explaining social policy preferences (see, for example, Jaeger, 2006b), I would argue that sense of community is a more attractive concept for predicting social policy preferences. In contrast to the concept of (political) ideology, sense of community carries positive feelings for other members in a society and is, therefore, a stronger type of motivation through which to mobilize or support social security programmes. For example, someone can join a political party without being committed to the other party-members (Polletta and Jasper, 2001). It is the existence of the so-called 'we-feeling' among members of a community which produces the most robust forms of collective behaviour. It is also

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<sup>&</sup>lt;sup>13</sup> Cf. Foster (1997).

important to focus on sense of community because, as we will see, the formation of sense of community in a flexible labour market is an important subject of debate. Ideology is thus a control variable in explaining someone's feeling of community and social policy preferences (cf. Van Oorschot, 2002). In the remainder of this study, 'self-interest' and 'sense of community' are used as the two central concepts for determining social policy preferences.

In the following section, I will turn to the second dimension of this study: labour flexibility.

#### 1.3 Labour flexibility: concept and developments

Labour flexibility is an important trend in Western economies, but the concept of labour flexibility remains rather vague (Pollert, 1991). Reviewing the existing literature, labour flexibility refers to the extent and speed of adaption by actors in the labour market to a changing environment (cf. Standing, 1999; cf. Delsen, 1995).

In this study, I distinguish two types of labour flexibility: 'atypical' employment and functional flexibility. 'Atypical' employment refers to the external labour market, while functional flexibility refers to the existing workforce, or internal labour market. Some social researchers also distinguish between a 'quantitative' and a 'qualitative' type of labour flexibility. Quantitative flexibility relates to variations in the amount of work (and includes 'atypical' employment), while qualitative flexibility relates to the nature of the work (and includes functional flexibility) (see Goudswaard, 2003; Looise et al., 1998).

According to Delsen (1991: 123), we need to view 'atypical' employment relations as those that "deviate from full-time open-ended wage employment" (see also Hevenstone, 2010). This includes temporary employment contracts, agency work, self-employment and part-time employment. While 'atypical' employment is certainly not a new phenomenon (Kalleberg, 2000), it differs from the traditional, Fordist labour relationships, and it has become more common during recent decades. 'Atypical' employment is a growing part of the European economy. In 1992, 11.2% of all European employees were

in flexible employment, while the proportion of flexible employees in 2009 was 13.5% (source: Eurostat, 2010). About 14% of all jobs were part-time in 1992, and this share had risen to around 19% by 2010 (source: Eurostat, 2010). This increase is primarily the result of a higher participation rate among women. The proportion of self-employed workers remained fairly stable between 1995 and 2009, however, at around 15.5% (source: Eurostat, 2010).

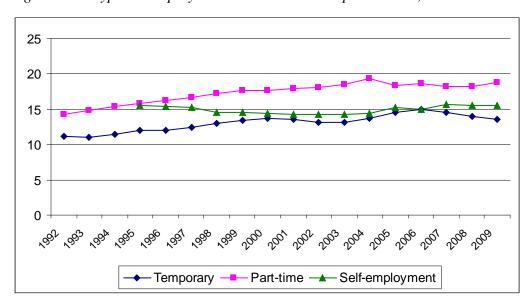


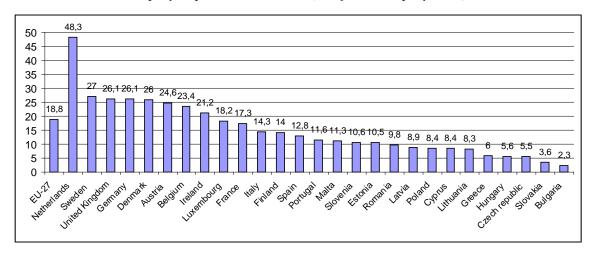
Figure 1.1 'Atypical' employment levels in the European Union, 1992-2009

Source: Eurostat 2010; see http://epp.eurostat.ec.europa.eu

Functional flexibility is more difficult to define. According to Cordery et al. (1993), functional flexibility relates to new flexible work arrangements, such as job rotation, task rotation and team working. Functional flexibility is increasingly being used in most European countries (OECD, 1999) and American firms (Osterman, 2000). In 2005, for example, 47% of all employees in the EU were engaged in task rotation with colleagues, while 60% did some, or all of their work in teams (European Foundation for the Improvement of Living and Working Conditions, 2007a). Tables 1.1 to 1.5 provide an overview of employees working flexibly in Europe.

Table 1.1 Employees with a contract of limited duration in 2009 (% of total employment)

Source: Eurostat 2010; see http://epp.eurostat.ec.europa.eu



*Table 1.2 Persons employed part-time in 2009 (% of total employment)* 

Source: Eurostat 2010; see http://epp.eurostat.ec.europa.eu

The statistics show that people working on contracts of limited duration are found particularly in Poland, Spain and Portugal. The Netherlands, Sweden and the United Kingdom show the highest percentages of part-time workers. The highest rates of self-employment are found in Greece, Romania and Bulgaria.

United Kingdom lande

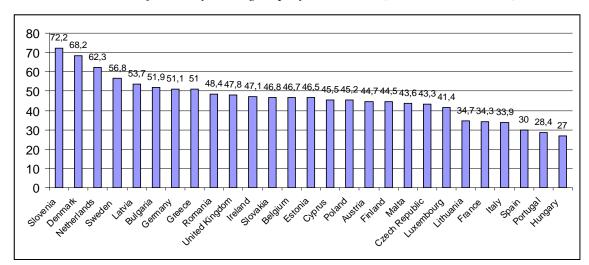
Table 1.3 Self-employment rate 2009 (% of total employment)

Source: Eurostat 2010; see http://epp.eurostat.ec.europa.eu

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*Table 1.4 Functional flexibility among employees in 2005 (Task rotation, in %)* 

Source: EWCS Survey Results 2005; see www.eurofound.europa.eu/ewco/surveys/

90 71,5 69,5 69,2 68,9 68,6 65,4 64,9 64,7 61,9 61,2 60,7 59,1 58,4 57,7 57,3 56 54,7 52,2 49,8 46,7 46,4 46,4 80 70 60 50 <del>40</del> 38,5 40 30 20 10 Schridt & Bandic Lithuania reland Bulgaria Finland a' Austria Poland Check Chire By

Table 1.5 Functional flexibility among employees in 2005 (Team work, in %)14

Source: EWCS Survey Results 2005; see www.eurofound.europa.eu/ewco/surveys/

Tables 1.4 and 1.5 illustrate that functional flexibility takes place in most countries, with the highest rates found in Slovenia and the Netherlands.

To summarize, this section has investigated the concept of labour flexibility and has shown that labour flexibility has become increasingly widespread across all European countries. It is assumed that various forms of flexible employment relationships meet the needs of organizations to adapt to market fluctuations and technological improvements while, on the other hand, it may well enable individual workers to combine their work and family lives. This can be observed in the growth in 'atypical' jobs. Related to functional flexibility is the idea that it also serves shared goals: workers may acquire new skills (Campion et al., 1994; Cordery, 1989), organizations may become more adaptable, while employers are learning more about employees and their abilities (Eriksson and Ortega, 2006; Ortega, 2001).

In the next paragraph, I will examine the potential impact of labour flexibility on social policy preferences.

<sup>&</sup>lt;sup>14</sup> The latest EWCS Survey (2010) shows that only a small number of team workers report high levels of team autonomy. At the EU27 level, 22% of all people working in a team report high levels of team autonomy (see www.eurofound.europa.eu/surveys/ewcs/2010/).

# 1.4 Labour flexibility and social policy preferences: research questions

The central research question in this study is whether labour flexibility has an effect on social policy preferences. In the literature on social policy preferences, little is known empirically. This section will explore the possible consequences of flexible labour for workers, particularly relating to social policy preferences. At the end of each section, I will point to the contribution of this study to the existing literature.

#### 1.4.1 Consequences of 'atypical' employment

'Atypical' employment may be associated with positive outcomes for companies as well as for employees. For companies, 'atypical' employment provides the flexibility to cope with changing market demands (Pfeffer, 1982), while it allows workers to combine work and family obligations or gain work experience. Nevertheless, most of the literature on the consequences of 'atypical' employment for individual workers focuses on its negative impact on wages, mobility, working conditions and training investments (see, for example, Scherer, 2009; Gash, 2008; Booth et al., 2002). The lack of continuous employment in particular seems to be a severe drawback of 'atypical' employment. Flexible workers experience greater job insecurity (or 'risk'), leading to higher levels of dissatisfaction with their employment situation (Scherer, 2009). 'Atypical' employment, it might be said, promotes labour instability and growing job insecurity (Sennett, 1998). My first expectation is, therefore, that workers with 'atypical' employment contracts experience less security at work<sup>15</sup>. Although some authors find no correlation (Böckerman, 2002), most of the literature suggests that this is indeed the case (see, for example, Clark and Postel-Vinay, 2005; De Witte and Näswall, 2003; Green, 2003). While most scholars focus on perceptions of company-specific job security, I will differentiate between two types of security: company-specific or 'job security', and external or 'employment security', which is the possibility of finding a job outside one's current company<sup>16</sup>. Many argue that workers are increasingly exposed to instability in the

<sup>&</sup>lt;sup>15</sup> While perceived insecurity at work may not reflect actual risks, 'subjective' insecurity is as least as severe as 'objective' job insecurity (Lazarus, 1991).

<sup>&</sup>lt;sup>16</sup> See for different types of security Tangian (2005), Groot and Maassen van den Brink (2000) or Wilthagen and Tros (2004), for example.

labour market, making the probability of finding employment outside the current organization more important (cf. Schmid and Gazier, 2002). I would expect 'atypical' employment to be associated with increased job and employment insecurity. Firstly, 'atypical' jobs carry a higher risk of unemployment in the near future, because of the predetermined duration of the contract. Secondly, employees in 'atypical' jobs do not experience feelings of security outside their organization, because working for relatively short periods does not allow them to develop their credentials there. Furthermore, employers usually offer fewer training facilities to employees with 'atypical' jobs, thus reducing their employment security still further (Eurostat, 2004). The originality of this part of the study is its link between 'atypical' employment and different forms of perceived insecurity in the labour market.

# 1.4.2 Consequences of functional flexibility

While 'atypical' forms of employment may cause employees to feel less secure at work, functional flexibility may be an important means of allowing employees to gain more skills, making them feel more secure. Although older workers may perceive new work interventions, such as rotation and the development of teamwork, as threats (Cordery et al., 1993), the development of functionally flexible jobs can offer employees the opportunity to acquire multiple skills. As such, workers will be able to exercise more control over their work than in the past. Greater emphasis will be placed on problem-solving and undertaking different tasks and roles within an organization, encouraging employees to develop different skills.

While some remain sceptical about functional flexibility and point to the possible exploitation of employees by employers (see, for instance, Hyman, 2004) or the 'time-greedy' nature of the high-performance workplace (Van Echtelt, 2007; Wood, 1988), functional flexibility may have the potential to offer employees more security in the labour market. This implies that functionally flexible workers will perceive greater job security than workers without functional flexibility<sup>17</sup>. Theoretically, functional flexibility can provide workers with multiple skills, which may be related to the perception of

<sup>&</sup>lt;sup>17</sup> One could consider the possibility of reverse causation here, by which job-secure workers may be more willing to participate in functionally flexible work practices. According to Smith (1999), however, there is no empirical evidence to support this assertion.

increased security at work. Although the empirical evidence is scarce, a recent study by Kashefi (2007) shows that in the United States, employees who are functionally flexible <sup>18</sup> experience higher levels of job security, while Kalmi and Kauhanen (2008) find that being included in self-managed teams is positively, but not significantly related to job security.

In general, the threat of dismissal seems to be the proxy for job security. Again, my research distinguishes between two types of job security: 'job security' and 'employment security'. I would expect functionally flexible work practices to be associated with increased feelings of security in both senses. Firstly, functionally flexible workers are more adaptable and therefore more valuable to the organization. As such, they would be unlikely to believe that they would be made redundant in the near future. Secondly, these workers are also likely to feel more secure in the external labour market, because enhancing their knowledge and skills is likely to cause them to feel more 'employable'. An important contribution of this section of the study is examining the effects of functional flexibility on different forms of security. Because hardly any research has been conducted on this question (see Kalmi and Kauhanen, 2008; Godard, 2001), this study contributes to the research in this field. In earlier studies on functional flexibility, or work innovation in general, researchers are more interested in the effects on organizational performance (see, for an overview, Wood, 1999), job satisfaction, organizational commitment (see, for example, Appelbaum et al., 2000) or on the chance of skill retention (Goudswaard, 2003).

#### 1.4.3 Labour flexibility and social policy preferences

At an individual level, people can have various motives for contributing to social security programmes (as mentioned in paragraph 1.2). People may be motivated by self-interest, or by feelings of moral or emotional commitment to others; in other words, by feelings of self-interest or by a sense of community (Van Oorschot, 2007b; 2002; Van Oorschot and Komter, 1998).

 $^{\rm 18}$  Functional flexibility is measured by task flexibility, autonomy and teamwork flexibility.

The exposure to labour market risks may have significant effects on social policy preferences. From a self-interested perspective (see, for example, Hechter, 1987), I would expect secure workers to be less likely to support social security protection. In other words, people who face fewer labour market risks, such as unemployment or the threat of it, would be less likely to support social insurance. I might expect this to be particularly true of spending on unemployment benefits, because this programme is the most closely related to the risk of becoming unemployed. Several researchers have already observed a link between the incidence of risk and social policy (preferences). Macro level research, for example, indicates that economic insecurity affects public spending (Katzenstein, 1985; Rodrik, 1997; Iversen and Cusack, 2000; Burgoon, 2001). At the individual level, meanwhile, some studies provide information on specific labour market risks and social policy preferences (Cusack et al., 2006; Rehm, 2005; Kramer and Stephenson, 2001; Iversen and Soskice, 2001). For example, working in occupations with a higher probability of job loss or having specific skills can account for support for social policy at the individual level. These results also demonstrate a self-interest mechanism. Nevertheless, apart from these few exceptions, the micro level picture remains largely unstudied (see Scheve and Slaughter, 2004) as does, in particular, the relationship between different individual insecurities in the labour market and social policy preferences<sup>19</sup>. In other words, the question of how perceptions of insecurity in a flexible labour market affect individual opinions on social security remains unclear.

Another factor that can explain social policy preferences is a sense of community, or moral sentiments. Although support for social security is affected most of all by perceived self-interest (Van Oorschot, 2002; 1997), the experience of community is also a relevant predictor. We have seen in paragraph 1.2 that this type of motivation is grounded in some classical approaches to sociology (Durkheim, 1964; Mayhew, 1971). Durkheim suggests that people feel an obligation to serve the collective interest. Similarly, Mayhew (1971) has stressed the emotional commitment to larger communities as the basis of support for institutionalized solidarity. Following Richard Sennett (1998)

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<sup>&</sup>lt;sup>19</sup> Although a number of researchers take 'class position' as a relevant factor in work on social policy preferences (see, for example, Svallfors, 2003; 1997; 1995).

and Zygmunt Bauman (2001), we may assume that 'atypical' employment forms have negative consequences for this sense of community. In their view, the erosion of long-term employment contracts undermines loyalty, trust and the sense of belonging to a wider collectivity. In the 'new', short-term, unstable labour market, there is simply no room for long-term social relations and mutual commitments: "no long term means keep moving, don't commit yourself, and don't sacrifice" (Sennett, 1998: 25)<sup>20</sup>. In the flexible economy, there is "no shared fate" (Sennett, 1998: 147) which makes an understanding of community difficult. According to Bauman (2001: 24-25), the flexible labour market "(...) feels like a camping site which one visits for but a few nights and which one may leave at any moment if the comforts on offer are not delivered or found wanting when delivered (...)". Because this kind of labour involves uncertainties and risks, it is expected to be a strong 'individualizing force'. "It divides instead of uniting, and since there is no telling who might wake up in what division, the idea of 'common interests' grows ever more nebulous and in the end becomes incomprehensible".

Unlike 'atypical' employment patterns, functional flexibility may increase the likelihood that people will feel a sense of community. Most of the theoretical literature states that functional flexibility requires workers to cooperate and communicate more to achieve mutual goals than was the case in 'traditional' Taylorist organizations (Vogl, 2009; European Foundation for the Improvement of Living and Working Conditions, 2007a; Hempell and Zwick, 2005)<sup>21</sup>. While 'Taylorism' includes no extensive joblearning opportunities and a high technical division of labour, functional flexibility emphasizes learning possibilities for employees and the achievement of common goals. In a functionally flexible work setting, individual interests are aligned with those of others. I therefore assume that working in a so-called 'holistic' organization<sup>22</sup> (Lindbeck and Snower, 2000) enhances an employee's sense of belonging to a wider collectivity; people may learn more about co-workers and their work and become involved with more

<sup>&</sup>lt;sup>20</sup> At an organizational level, however, Koster (2005) has shown that solidarity among co-workers has not been affected by labour flexibility (see also Sanders and Van Emmerik, 2004). The kind of social relationships that will be examined in this study, and which is more in line with the work by Sennett and Bauman, refers to feelings of belonging to a wider collectivity than the workplace.

<sup>&</sup>lt;sup>21</sup> See, for a critique, Amoore (2002), Ezzy (2001) and Sennett (1998). They argue that functional flexibility simply concerns short-term internal changes, leaving no room for long-term social relationships. <sup>22</sup> The 'holistic' organization is defined by a lower task specialization among workers, featuring job rotation, the integration of tasks and learning across tasks (Lindbeck and Snower, 2000).

collective tasks than other categories of workers. In other words, while workers with 'atypical' labour contracts may be less likely to develop a sense of sense of community, it can also be argued that working in a functionally flexible work environment creates a stronger sense of sense of community. At this time, little is yet known about the relationship between labour flexibility and sense of community. This suggests a need for empirical research.

Because previous research has shown that sense of community is positively related to individual support for social security arrangements (Van Oorschot, 2007b; 2002), I also assume that sense of community positively affects individual support for different social security programmes.

#### 1.4.4 Self-employment and social policy preferences

Thus far, I have discussed 'atypical' employment, functional flexibility and their possible impact on social policy preferences. In this section, I will discuss the social policy preferences of the self-employed. Self-employment is a specific type of 'atypical' employment. A common definition of the self-employed is "persons who work in their own business, professional practice or farm for the purpose of earning a profit, and who employ at least one other person" (European Foundation, 2010: 7)<sup>23</sup>. Looking at social policy preferences, the general proposition is that the self-employed are more likely to oppose social security spending. According to De Swaan (1989/2004: 175-176), the welfare state, historically, emerged in spite of protests by self-employed citizens who did not want to hand over their autonomy to the state. Social security is not in the self-interest of the self-employed because it involves paying additional taxes and therefore means less profit. Furthermore, in many cases the self-employed will not actually enjoy the benefit of insurance against social risks. This may also explain why the self-employed are expected to be more negative about social security. Turning to sense of community, another determinant of individual support, the basic assumption is that being selfemployed is associated along with an individualistic and autonomous ideology (for empirical evidence, see Beugelsdijk and Noorderhaven, 2005) and, thus, a lower degree of individual support for social security spending. However, from the welfare state

<sup>&</sup>lt;sup>23</sup> Persons who do not employ any other persons are known as self-employed without personnel.

literature, we know that people may support social security because their friends or family benefit from social security programmes (Van Oorschot, 2007b). The self-employed may then have a reason to support social security, even though they do not benefit from it directly. Furthermore, in some cases the self-employed also benefit from social security programmes, such as a basic pension scheme and health care insurance in the Netherlands. This raises the question of whether it is really true that the self-employed are *a priori* negative towards social security. Specific attention to the self-employed has been limited in previous studies on social policy preferences<sup>24</sup>. It is, therefore, my goal to focus on the self-employed and their social policy preferences.

1.4.5 Labour flexibility, risk and social policy preferences in different settings

Thus far, I have demonstrated how labour flexibility may impact on social policy

preferences. In the next paragraph, I will describe how macro level conditions and the
organizational context may shape worker's responses to labour flexibility.

#### 1.4.5.1 Macro level conditions

Existing institutions may impact on the relationship between labour flexibility and social policy preferences. This is most clearly visible in the case of 'atypical' employment. As stated earlier, these employment relationships may cause greater feelings of insecurity. However, the impact of labour flexibility on job insecurity may vary between different employment systems: the level of employment protection legislation (EPL) may influence the degree of job insecurity. In general, stronger employment protection legislation is associated with less job insecurity (Anderson and Pontusson, 2007). There is also a link between different types of insecurity and the wider labour market conditions; a higher unemployment rate or a recent increase in unemployment seem to be associated with higher levels of experienced job and employment insecurity, while feelings of employment security are enhanced by the level of active labour market policies (see, for an overview, Anderson and Pontusson, 2007; OECD, 2004). Green (2009) shows that the

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<sup>&</sup>lt;sup>24</sup> However, several authors who include self-employment as a control variable argue that self-employment has negative effects on individual support for social security spending (see, for example, Iversen, 2005; Iversen and Soskice, 2001; Svallfors, 1995), while other studies show no systematic relationship (Lee, 2007; Svallfors, 1997).

country's stage of overall economic development is another macro level factor which may impact on feelings of security<sup>25</sup>. In order to determine whether country-specific studies can be empirically generalized, social researchers must be aware of these macro level conditions.

With regard to functional flexibility, Godard (2001: 799-800) suggests that strong unions should improve the working conditions of functionally flexible employees: "Such conditions largely do not exist at present in liberal market economies such as that of Canada (or, for that matter, the United States and United Kingdom), but they do exist in a number of European countries (for example, Germany and Sweden)". More specifically, strong unions may provide greater protection for employees, for example, in the form of bargaining (extensive) training facilities and involvement in reforming work practices. Again, it is important to consider institutional characteristics in country-specific studies.

Furthermore, regarding social policy preferences, research shows that domestic employment and economic conditions (partially) determine social policy preferences (Blekesaune, 2007; Fraile and Ferrer, 2005; Shivo and Uusitalo, 1995; Durr, 1993)<sup>26</sup>. Finally, as was pointed out earlier in this study, the cultural context is related to social policy preferences. For example, in contrast to Anglo-Saxon countries like the United States, the Dutch recognize the importance of state intervention (see, for example, Weaver et al., 1995; Pot, 2000). Individual support for social security therefore differs between countries due to deeply rooted cultural values.

Overall, at the macro level, attention has to be drawn to the context in which workers are located. An objective of this study is thus to determine whether the empirical results hold across different macro level contexts.

<sup>&</sup>lt;sup>25</sup> Workers in transitional and developing countries perceive relatively high levels of insecurity.

<sup>&</sup>lt;sup>26</sup> In general, higher unemployment rates are related to more individual support for social security, while less favourable economic conditions are associated with lower support for social security.

The organizational context is another issue. This applies most clearly to functional flexibility. Work contexts that provide learning opportunities and related training facilities may actually 'empower' workers; they are able to gain multiple skills, making them more 'employable' in the labour market. Looking at functional flexibility, several writers argue that functionally flexible work may provide employees with more varied and greater (semi) autonomous work, while others point to 'low-road' flexible work solutions. In a broader theoretical context, this relates to the issue of 'empowerment' versus insights from the labour process theory (Braverman, 1974). While the term 'empowerment' encompasses employee involvement, autonomy and skill variety (cf. Wilkinson, 1998), thus rejecting 'traditional' scientific management<sup>27</sup> work models, the labour process thesis implies that employment innovation such as functional flexibility inevitably leads to deskilling. It also emphasizes that management remains totally responsible for planning and work decisions. Regarding teamwork, one can think of the so-called 'Toyotist' or 'lean' production systems versus 'socio-technical' systems (see, for example, Steijn, 2001; Procter & Mueller, 2000; Benders and Van Hootegem, 1999)<sup>28</sup>. While both systems stress the idea of greater involvement by workers, their level of autonomy is considerably restricted under lean production systems. In both cases, the multi-skilled worker can carry out a variety of tasks, but in lean production systems the tasks remain fairly simple and involve no managerial functions or broader training investment. Rather, a first-line supervisor bears responsibility for work performance (Niepce and Molleman, 1998) and people are only trained 'on-the-job'. Clearly, this restricts the opportunities for learning for individual workers. In other words, it can be argued that it is important to consider how functionally flexible work practices are implemented when explaining the impact of functional flexibility on worker outcomes.

Furthermore, the potential 'strength' of functional flexibility depends on supportive HRM policies within organizations; if functionally flexible work practices are implemented as a part of the broader HRM strategy, this is likely to result in more beneficial outcomes for employees. It has been suggested that complementary HRM

<sup>&</sup>lt;sup>27</sup> Scientific management, or 'Taylorism', is a management concept which involves a high division of labour, skills specialization and few opportunities for job-learning.

<sup>&</sup>lt;sup>28</sup> Naturally, these two types of teamwork are ideal types (Benders and Van Hootegem, 1999).

practices, such as training and related pay schemes, improve skills, autonomy, job satisfaction and organizational commitment among functionally flexible workers (see, for example, Appelbaum et al., 2000; Bacon and Blyton, 2003; Osterman, 1995; 1994). Research has, however, not focused primarily on functional flexibility, HRM practices and perceived insecurities of individual workers.

All in all, the section above implies that managers can *choose* how to implement new forms of work organization. At the company level, it is therefore important to assess the impact of the organizational context on labour flexibility and perceived risk. The assumption is that following a 'high-road' approach is beneficial for employees (e.g. lower risks), while following a 'low-road' is not.

The various considerations of this study are integrated in Figure 1.2. In the empirical chapters, I will discuss the different pathways for each type of labour flexibility in more detail.

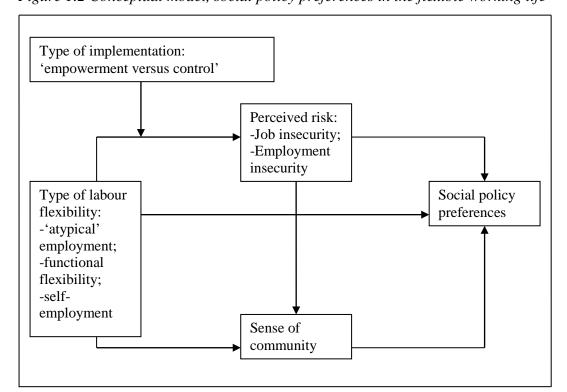


Figure 1.2 Conceptual model, social policy preferences in the flexible working life

### 1.4.6 Research questions

This study investigates the following research questions.

The first research question addresses the issue of flexible employment and the individual perceptions of security:

- Question 1a: What is the relationship between 'atypical' employment and perceived job insecurity?
- Question 1b: What is the relationship between 'atypical' employment and perceived employment insecurity?

The second research question investigates the issue of functional flexibility and individual perceptions of security:

- Question 2a: What is the relationship between functionally flexible employment and perceived job insecurity?
- Question 2b: What is the relationship between functionally flexible employment and perceived employment insecurity?

Third, I will investigate the relationship between different forms of labour flexibility and sense of community:

- Question 3a: What is the relationship between 'atypical' employment and sense of community?
- Question 3b: What is the relationship between functionally flexible employment and sense of community?

In understanding social policy preferences, the individual perceptions of security and sense of community are considered as important determinants. The relationship between the individual perceptions of security and social policy preferences is addressed in research question 4a, while research question 4b addresses the link between sense of community and social policy preferences:

- Question 4a: Do job and employment insecurity affect social policy preferences?
- Question 4b: Does sense of community affect social policy preferences?

Research question 5 concerns the impact of the organizational context on functional flexibility and perceived risk:

• Question 5: Does the organizational context impact on the relationship between functional flexibility and perceived risk (e.g. job and employment insecurity)?

The sixth research question asks whether the self-employed are really negatively disposed towards social security, as often is suggested:

• Question 6: Are the self-employed less likely to support social security?

The robustness of the findings will be investigated by research question 7:

• Question 7: Do the findings hold across different macro level settings?

Although not central to the main research question of the study, I will also explore the relationship between perceived risk and sense of community. As argued by De Swaan (1989), these two concepts may be connected. Further, I will explore the direct impact of labour flexibility on social policy preferences.

## 1.5 Research strategy and data

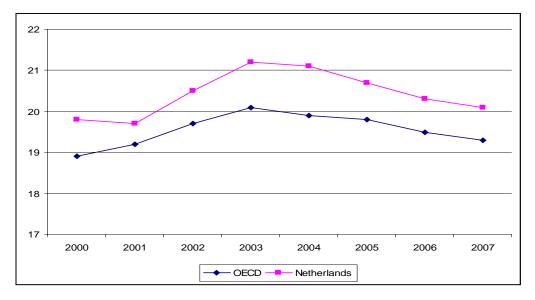
1.5.1 The Dutch context: social security, employment protection and industrial relations. In this study, the relationship between labour flexibility and social policy preferences will be examined in the Netherlands, on the grounds that the Dutch labour market is one of the most flexible in Europe. Concerning all types of labour flexibility, the Netherlands ranks as one of the top European countries (De Vries and Wolbers, 2005; Delsen, 1995) and this is, therefore, a strategic area of study. With regard to self-employment, the Netherlands is also an interesting case, because the country has witnessed a large increase in self-employment over the last years, particularly in self-employed persons who do not employ any personnel. In the 2004-2007 period, the number of self-employed persons

increased by 14.9% in the Netherlands<sup>29</sup> (European Foundation for the Improvement of Living and Working Conditions, 2010).

All these flexible workers carry out their work in a specific institutional context. To understand the (possible) impact of country-specific Dutch characteristics on the empirical results in the following chapters, I will briefly address the institutional framework that applies in the Netherlands.

According to Scruggs and Allan (2006), the Dutch social system is among the more 'decommodifying' in Europe. Figure 1.3 presents the level of public social expenditure in the Netherlands compared to the average OECD level. The data shows that the Netherlands, indeed, ranks (slightly) above the average OECD level.

Figure 1.3 Public social expenditure: The Netherlands and the average OECD level (in % of GDP), 2000-2007



Source: OECD (see: http://stats.oecd.org/).

Table 1.6 shows how countries differ in their active labour market expenditure (as a percentage of GDP). It appears that the Netherlands has a high rate of spending.

<sup>&</sup>lt;sup>29</sup> This shows the percentage change in the number of self-employed workers (European Foundation, 2010).

2 1,83 1,8 1.44 1.6 1,4 1,15 1,14 1,2 0,98 0,97 0,72 0,7 8,0 0.62 0,6 0,59 0,52 0.6 0,33 0,31 0.26 0,4 0,16 0,2

Table 1.6 Level of active labour market expenditure (in % of GDP), 2004-2005

Source: OECD (2006a).

Although there has been a shift towards a lower level of social protection and greater individual responsibility during recent decades (Van der Veen, 2009; De Beer and Koster, 2009; Van Oorschot, 2006), the Netherlands spends more on social security than many other countries. These relatively high levels of spending seem to reflect some of the basic Dutch cultural values, such as a preference for state intervention and a strong orientation to (income) equality (Pot, 2000). This view is consistent with the findings of Becker (2005: 78), who shows that 69% of the Dutch would favour a further reduction of income inequality.

In the next section, I will elaborate on working in flexible jobs in the Netherlands.

In the Netherlands, the call for labour flexibility began in the early 1980s. Against the background of high unemployment rates, employers and employees signed the 'Wassenaar Agreement' in 1982, which included the introduction of flexible working (the reduction of working hours and the promotion of agency work) and wage moderation. Since then, the Dutch labour market has been characterized by increasing labour flexibility. The 'Flexibility and Security Act' ('Wet Flexibiliteit en Zekerheid') was

introduced in 1999<sup>30</sup> to define the status of flexible work and combine greater labour flexibility with more security for 'atypical' workers. For example, temporary workers would automatically become permanent employees if the worker was employed temporarily for 36 months or if three consecutive temporary employment contracts had expired (this used to be after a second contract). Furthermore, the period between two consecutive flexible contracts was increased from 30 days to three months and a minimum pay entitlement for on-call workers was introduced. While the government has sought to combine more flexibility for employers and security for 'atypical' workers, 'regular' employees still enjoy relatively high levels of employment protection, while 'atypical' workers still experience a relatively low level of employment protection (Vis et al., 2008; OECD, 2006b; OECD, 2004)<sup>31</sup>. Table 1.7 shows the level of employment protection for 'regular' and 'atypical' employees.

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<sup>&</sup>lt;sup>30</sup> The first collective agreements for temporary workers, which included a right to continued employment and pension insurance after 24 months, were introduced in 1995 (Visser and Hemerijck, 1997: 44).

<sup>&</sup>lt;sup>31</sup> In a recent study on the Dutch 'flexicurity' regime, Houwing (2010) has also shown that at the level of collective bargaining "(...) flexibility is stressed rather than security" (Houwing, 2010: 251).

Table 1.7 Employment protection, 1980s-2003

	Regular	Regular	Flexible	Flexible
	employment,	employment,	employment,	employment,
	2003	1980s-2003	2003	1980s-2003
Australia	1.5	+0.5	0.9	0
Austria	2.4	-0.5	1.5	0
Belgium	1.7	0	2.6	-2.0
Canada	1.3	0	0.3	0
Denmark	1.5	0	1.4	-1.7
Finland	2.2	-0.6	1.9	0
France	2.5	+0.2	3.6	+0.5
Germany	2.7	+0.1	1.8	-2.0
Ireland	1.6	0	0.6	+0.3
Italy	1.8	0	2.1	-3.3
Netherlands	3.1	0	1.2	-1.2
Norway	2.3	0	2.9	-0.6
Sweden	2.9	0	1.6	-3.5
Switzerland	1.2	0	1.1	0
UK	1.1	+0.2	0.4	+0.1
US	0.2	0	0.3	0
Average	1.9	0	1.5	-0.8

Source: Vis et al. (2008: 342).

The index ranges from 0 to 6 with a higher score representing stronger employment protection.

In addition to the relatively low level of employment protection, a substantial proportion of 'atypical' workers do not qualify for unemployment benefits (Van Oorschot, 2004) and they lack a full occupational pension insurance due to interruptions in their career history. This shows that 'atypical' workers experience poor security, even after the implementation of the 'Flexibility and Security Act'.

Dutch self-employed workers are, to some degree, insured for risks such as old-age (basic pension system) and health care<sup>32</sup>, but not unemployment, the economic risks of sickness or occupational disability. In a comparative manner, the self-employed seem to enjoy (some) basic coverage in most European countries. While, naturally, differences in coverage still exist between countries, the Netherlands cannot be considered a true European 'outlier' concerning the level of social security coverage for the self-employed, especially after the trend towards more privatization in the social security system<sup>33</sup>. In 'inclusive' systems, such as Sweden and Finland, the self-employed have basically the same rights as employees, while in other countries the self-employed are entitled to lower levels of protection (European Foundation for the Improvement of Living and Working Conditions, 2010). The Netherlands lies somewhere in between, with a basic pension, insurance for medical treatment and paid maternity leave. However, the self-employed are not entitled to sickness benefits, unemployment and disability insurance. Table 1.8 shows a 'security index' with regard to European full-time, self-employed workers<sup>34</sup> in 16 European countries (Tangian, 2004).

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<sup>&</sup>lt;sup>32</sup> In 2008, the Dutch government also introduced maternity leave for self-employed workers.

<sup>&</sup>lt;sup>33</sup> For example, the Disability Insurance Act for self-employed persons ('WAZ') in 2004. In fact, it is countries such as Sweden and Finland that can be considered 'outliers'. In both countries, self-employed persons and regular employees basically have the same social security rights (European Foundation for the Improvement of Living and Working Conditions, 2009).

<sup>&</sup>lt;sup>34</sup> The self-employed in agriculture are not included. Tangian has analysed different aspects of security for the self-employed, such as entitlements to participation in public pension schemes, unemployment insurance and sick leave. The total security index is a weighted average of the six individual scores (100%=full security).

40 34,4 33,3 35 27,4 27,2 30 23,5 22,3 25 20,5 20,3 20,3 20 15,7 14.7 15 <del>11,3</del> 9.8 10 5 United Kingdom Clech Republic Welterlands Switzerland Poland

Table 1.8 Security for the self-employed, 2002 (weighted security in % security)

Source: Tangian (2004).

In which way could these macro level conditions affect risk and support for social security? In general, I work on the assumption that due to the relatively low employment protection for flexible workers compared to 'regular' workers, flexible employees may feel more job insecure in the Netherlands than in some other European countries. Then, as Anderson and Pontusson (2007) have shown, there is a link between the level of active labour market policy and the perception of employment insecurity. Considering the relatively high level of active labour market expenditure, Dutch workers may feel less employment insecure than employees working in other countries. Finally, with regard to self-employment, the Dutch case can be considered as a more or less average European example with respect to social security coverage.

As mentioned previously, organizations operate within an industrial relations context. The Dutch industrial relations system is characterized by an average (weighted) trade union density in the OECD area, while collective bargaining coverage is above the OECD average (OECD, 2004; European Foundation, 2007b)<sup>35</sup>. The latter is a result of state intervention by declaring collective labour agreements to be generally binding. Table 1.9 shows the average levels of coverage across European countries.

<sup>&</sup>lt;sup>35</sup> In the Netherlands, trade union density is 21% in 2008 (see www.cbs.nl), while coverage has been stable at approximately 85% (SER, 2007).

Table 1.9 Level of collective bargaining coverage (in %), 2003-2004

Country	Coverage Rates
Austria	91-100
Belgium	91-100
France	91-100
Slovenia	91-100
Sweden	91-100
Netherlands	81-90
Denmark	81-90
Finland	81-90
Italy	81-90
Spain	81-90
Luxembourg	71-80
Portugal	71-80
Cyprus	61-70
Germany	61-70
Greece	61-70
Ireland	51-60
Malta	51-60
Poland	41-50
Slovakia	41-50
Hungary	31-40
United Kingdom	31-40
Czech Republic	21-30
Estonia	21-30
Latvia	11-20
Lithuania	11-20

Source: Keune (2006: 13).

Usually, collective bargaining coverage has been regarded as an indicator of the 'real power' of trade unions (OECD, 2004). With the high degree of coverage and substantial cooperation between government and social partners in the Netherlands, some label the

'Dutch model' as a 'consensus economy' (a specific form of corporatism<sup>36</sup>; see SER, 2007). This institutional context may well contribute, then, to more positive working conditions for Dutch functionally flexible workers: under conditions with strong union coverage and mandatory works councils<sup>37</sup>, functionally flexible work practices are more likely to promote the development of skills and knowledge among employees, because employers and employees have to balance mutual goals (cf. Godard, 2001)<sup>38</sup>. In the literature, this type of reasoning has also been referred to as differences in 'production regimes' (Hall and Soskice, 2001)<sup>39</sup>, in which the Netherlands comes closest to a coordinated market economy with generally more powerful bodies for employees (Anderson and Hassel, 2008; Katzenstein, 1985).

In this study, I will focus on the Netherlands. The Dutch case is an interesting one because of its high level of labour flexibility. However, the nation-specific Dutch context may affect my findings. An important question, therefore, is whether my findings are valid across different settings. Section 1.5.2 focuses on how this will be done.

## 1.5.2 Research design

This section will briefly introduce the data sources for my research. In the empirical chapters, I will turn to the data and methods in greater detail. The study starts by focusing on the Netherlands and particularly on two different forms of labour flexibility: 'atypical' and functional flexibility. In a first step, the consequences of 'atypical' flexibility for social policy preferences will be considered, using three quantitative Dutch datasets: the 2008 and the 2006 'Labour and Welfare Opinions survey' which were collected by

<sup>&</sup>lt;sup>36</sup> Some researchers consider the Dutch welfare state as social democratic (see, for example, Vrooman, 2010).

<sup>&</sup>lt;sup>37</sup> In organizations of 50 or more employees.

<sup>&</sup>lt;sup>38</sup> 'Union strength' is beneficial for the functionally flexible employee in particular. In general, the primary objective of unions is to protect permanent (functionally flexible) employees. 'Atypical' workers are not often members of unions and, therefore, receive less attention (De Jong, 2008).

<sup>&</sup>lt;sup>39</sup> Basically, Hall and Soskice (2001) distinguish coordinated market economies (CMEs) and liberal market economies (LMEs), which focus on different production strategies, skill requirements and, hence, different modes of coordination between the government, employers and employees. In coordinated market economies, there is relatively more labour market regulation and cooperation between employers, unions and employees (Soskice, 1999).

<sup>&</sup>lt;sup>40</sup> See, for more information, Achterberg et al. (2010).

Erasmus University and a research centre at Tilburg University in the Netherlands<sup>41</sup>, and panel data collected by the Dutch Institute for Labour Studies (OSA) for the period 1998-2004<sup>42</sup>. This data will be used to examine research questions 1, 3a and 4.

Second, the hypotheses about functional flexibility will be tested, again using Dutch survey data (the 2008 'Labour and Welfare Opinions survey'). The main focus is on research questions 2, 3b and 4.

In a third step, self-employment is the main issue of analysis, using a subset of international data (the 2006 'International Social Survey Programme'). The findings will be discussed in relation to research question 6.

Fourthly, the chapters on functional flexibility and self-employment will be supplemented by an analysis of qualitative data in two sectors of the Dutch economy: the manufacturing and services sectors. These outcomes will be discussed in light of research questions 5 and 6. The general objective of this qualitative part of the study is to learn more about how different workers make sense of, and deal with, risk under different working conditions. The qualitative results contribute to the earlier findings from the survey strategy. Various organizations were selected for this purpose. Regarding functional flexibility, one company was selected in the ICT-sector (services) and one in manufacturing. After preliminary interviews with experts in the field, these firms were chosen because they are well known for their implementation of functionally flexible work practices. The sectors seemed theoretically relevant. First, the objectives of Dutch managers to introduce functionally flexible work practices seem to differ between sectors. In the industrial sector (manufacturing), the introduction of labour flexibility seems to be more 'reactive' and market-driven, while in business (services) labour flexibility is predominantly seen as a way of improving people's knowledge and skills (see the study conducted by TNO, 2006<sup>43</sup>). This reflects some of the differences between the theme of 'empowerment' and the labour process thesis; the latter draws less attention to 'humanistic' principles of work innovation. As mentioned earlier, the literature suggests that the organizational context may influence the micro level response of workers, so it is

<sup>&</sup>lt;sup>41</sup> See, for more information, www.centerdata.nl

<sup>&</sup>lt;sup>42</sup> See, for more information, www.scp.nl

<sup>&</sup>lt;sup>43</sup> This study included data from 1,240 employers of organizations with more than 100 employees in five different sectors of the Dutch economy: industry, transport & communication, finance, business and health care.

the question *how* these contextual conditions have an impact on the experiences of functionally flexible employees. Second, hardly any systematic empirical studies on the flexible work experiences of different occupational groups have been carried out (cf. Bacon and Blyton, 2003). Do different groups of workers handle their flexible work situations in similar ways? This is my second reason to *explore* the working experiences of functionally flexible workers in a variety of sectors in the Dutch economy.

Furthermore, working with two contract agencies, a trade union and a popular magazine for self-employed workers without employees in the Netherlands, I was able to access self-employed people without employees in ICT and construction. In this part of the study, I will focus on self-employed workers without employees, because most of the self-employed workers in the Netherlands have no employees and, particularly within ICT and construction, a substantial proportion of workers fall into this category (Schulze Buschoff and Schmidt, 2009). Furthermore, the focus is on self-employed workers within ICT (services), because they are seen as the ideal-type of 'free-agents' in the academic as well as the popular literature (cf. Barley and Kunda, 2006; cf. Pink, 2001). I will compare this category of worker with self-employed workers in the construction industry. These are considered more financially dependent on one or two contractors (Jorens and Van Buynder, 2009; Böheim and Muehlberger, 2006; Van der Heijden et al., 1999) compared to the self-employed within ICT (services). This 'vulnerability' may influence an individual's perception of self-employment, risk and social policy preferences. Again, the primary objective is to explore the different perceptions of social security in greater detail, among two theoretically contrasting groups in the labour market.

Finally, as mentioned, cross-country variations may influence my findings (for example, employment protection levels and specific economic and labour market factors). Therefore, in the final step, I will use the 2001 'Eurobarometer dataset' from 15 EU member states to see how 'atypical' employment affects social policy preferences in different national contexts. I will also use the 2006 'International Social Survey Programme dataset' and the 2002/2003 'European Social Survey set' to analyse social policy preferences among the self-employed across national heterogeneity. This section addresses research question 7. Unfortunately, no specific cross-national surveys have

been carried out regarding functional flexibility, risk and social policy preferences. Clearly, this limits the empirical power of this part of the study. However, the 2005 'EWCS dataset', which was conducted among employed persons and including all 27 EU member states, provides some opportunity to explore the relationship between functional flexibility and risk.

#### 1.6 Overview of the book

In this book, several chapters are, partially, based on separate articles. Chapter 2 starts by exploring and testing theories on 'atypical' employment and social policy preferences, and is a revised version of earlier articles (Dekker, 2008; Dekker and Achterberg, 2008). Chapter 3 discusses functionally flexible work and its individual outcomes. This chapter is based on a version which has been accepted for publication (Dekker, 2010a). Chapter 4 contains two case studies on functionally flexible work practices. One part of this chapter has been published (Dekker, 2009a). Chapter 5 reports the findings on self-employment and social policy preferences, and contains qualitative data on 40 respondents. Slightly different versions have been published (Dekker, 2009b; Dekker, 2010b; Dekker, 2010c). In chapter 6, cross-country results and implications are presented. One part of this chapter has been published (Burgoon and Dekker, 2010). A summary and the main conclusions are the focus of chapter 7.

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### 2 'ATYPICAL' EMPLOYMENT AND SOCIAL POLICY PREFERENCES<sup>44</sup>

#### 2.1 Introduction

In the first chapter of this study, I have seen how 'self-interest' and sense of community are two important determinants of individuals' support for social security. Furthermore, I have posed the central research question of whether labour flexibility influences social policy preferences. I have also discussed different forms of labour flexibility and its various consequences for social policy preferences. In this chapter, I will focus particularly on 'atypical' employment in the Netherlands. The chapter starts with a brief discussion on the subject. Then, the data and methods are presented. Finally, I will discuss the results.

# 2.2 'Atypical' employment and implications for workers

In recent decades, certain labour market developments have occurred in most industrialized western countries. Against a background of rapid technological change and ongoing economic interdependence, the flexibilization of the labour market has been perhaps one of the most fundamental changes to affect work and employment conditions in western economies (Kalleberg, 2003; 2001; 2000; Burchell et al., 1999). Reflecting on this new flexible economy, some expect greater labour flexibility to lead to a decline in workers' dedication levels (Sennett, 2006). Others, meanwhile, point to the joys and meaningfulness of contemporary work (De Botton, 2009). Labour flexibility is, however, a widely-used concept that can assume many different meanings. For example, the search for flexibility has resulted in more flexible or 'atypical' employment relationships. Nowadays, people's working lives are frequently characterized by temporary contracts, agency work and part-time employment (De Grip et al., 1997; Delsen, 1995). Although the consequences of flexible employment for the society as a whole are not clear-cut (Zijl,

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<sup>&</sup>lt;sup>44</sup> Different versions of this chapter have been published as: Dekker, F. (2008). Flexibele arbeid, werkonzekerheid en gemeenschapsgevoel. Steun voor collectieve sociale zekerheid in een flexibel arbeidsbestel, *Sociologie*, 4(1): 38-52; Dekker, F. and Achterberg, P. (2008). Flexibel werken tijdens laagconjunctuur. De arbeidsmarktpositie van flexwerkers, *Tijdschrift voor Arbeidsvraagstukken*, 24(2): 114-124.

2006)<sup>45</sup>, flexible work is of interest of employers and may also benefit individual employees, for example, helping them to combine work and caring responsibilities or improving their human capital. In this sense, labour flexibility has been embraced by (international) policy makers (Employment Taskforce, 2003). For the Netherlands, the percentage of flexible workers increased from 4,7 percent in 1970 (CBS, 1996) to 9 percent in 2008 (CBS Statline, 2009)<sup>46</sup>. According to De Vries and Wolbers (2005: 505), the Netherlands is an interesting context for analysing labour flexibility because it is one of the European countries with the highest increase in flexible employment during the 90s (whether this number is restricted to temporary employment or not). Storrie (2002) supports this statement by showing that the Netherlands has the highest share of temporary agency workers in the European Union.

While the growth of 'atypical' work arrangements among countries may be influenced by institutional characteristics, such as the level of labour market regulation on the hiring and firing of 'regular' workers (Olsen and Kalleberg, 2004)<sup>47</sup>, particularly younger people, women and immigrants are working more often in flexible jobs (see, for example, Goudswaard, 2003; OECD, 2002). The figures 2.1, 2.2 and 2.3 show that, compared to regular workers, flexible employees are younger than other workers, they have less education than regular workers and there are more women than men among the Dutch flexible workforce<sup>48</sup>.

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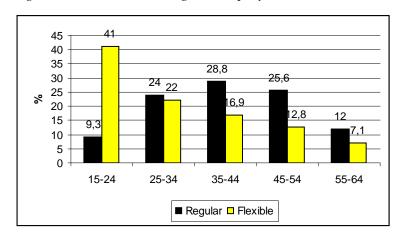
<sup>&</sup>lt;sup>45</sup> There are, for example, mixed results on the effects of flexible employment on employment levels.

<sup>&</sup>lt;sup>46</sup> This excludes part-time workers. Furthermore, this number of flexible workers is different from European statistics, due to differences in definition.

<sup>&</sup>lt;sup>47</sup> In this regard, the correlation between the incidence of temporary work and employment protection legislation for permanent contracts is 0.34 in 2002 (OECD, 2004).

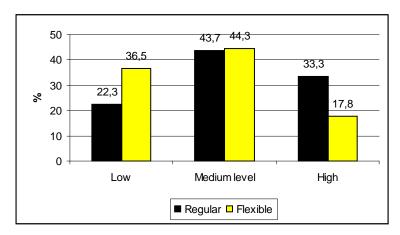
<sup>&</sup>lt;sup>48</sup> In these figures, the (small) category 'unknown' has been excluded.

Figure 2.1 Flexible and regular employees in the Netherlands, 2008 (age groups)



Source: Statistics Netherlands (CBS)

Figure 2.2 Flexible and regular employees in the Netherlands, 2008 (education level)



Source: Statistics Netherlands (CBS)

60 55,2 48,7 51,2 44,7 8 30 20 10 Men Women 

Regular □ Flexible

Figure 2.3 Flexible and regular employees in the Netherlands, 2008 (gender)

Source: Statistics Netherlands (CBS)

Generally, flexible workers are seen as 'precarious' or 'disposable' workers, trapped in the secondary segment of the labour market involving poor working conditions (Hudson, 2007; Kalleberg et al., 2000; Gallie et al., 1998). In this view, there is considerable agreement that flexible workers perceive their jobs as temporarily in getting the desired permanent, standard jobs (Silla et al., 2005). In other words, 'atypical' employment is for most workers 'a stepping-stone' towards 'regular' employment (Zijl, 2006; Moolenaar, 2002)<sup>49</sup>. Looking closer at the individual consequences of 'atypical' employment, empirical evidence suggests that working flexible increases the possibility of finding a permanent job (see, for a review, Dekker, 2007), but also means lower wages, less security and less (on-the-job) training and/or career opportunities compared to permanent employees (Dekker, 2007; Mertens and McGinnity, 2004; Forrier and Sels, 2003; Booth et al., 2002; Kalleberg, 2000). Furthermore, previous research suggests that particularly job insecurity (the perceived risk of losing a job) is of key concern for temporary workers (Scherer, 2009). While many studies have investigated the individual consequences of 'atypical' jobs, the implications for social policy preferences are mostly neglected. This is the central issue in the next paragraph.

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<sup>&</sup>lt;sup>49</sup> However, some have found evidence of higher skilled 'boundaryless' workers who prefer 'atypical' employment (see, for example, Marler et al., 2002).

# 2.3 'Atypical' employment and social policy preferences

Sociologists such as Beck (2000) and Castells (1996) consider the contemporary labour market as 'fragmented' and highly 'insecure'. In this 'brave new world of work', 'atypical' forms of employment result in insecure working lives (Beck, 2000) against the background of a more information-driven economy (Castells, 1996). Both authors seem to agree that the labour market has changed from a Fordistic one with standard employment forms, to a post-Fordistic labour market with an increased demand for flexibility. According to them, these developments threaten the job security of individual workers. Several studies, indeed, found a negative correlation between 'atypical' employment and perceptions of job security (see, for example, Clark and Postel-Vinay, 2005; De Witte and Näswall, 2003; Green, 2003). But what are the consequences of 'atypical employment for social policy preferences?

In general, the social security system provides 'shelter' for people in need. Following the line of reasoning based on self-interest, prior research demonstrates that particularly insecure people will demand social protection. Therefore, a number of commentators have posited that economic insecurity is one of the main explanations why social systems exist (see, for example, Iversen and Cusack, 2000; Rodrik, 1997; Katzenstein, 1985). They argue that economic insecurity leads to a political demand for social protection. While research has emphasized a link between de-industrialization and welfare state expansion (Iversen and Cusack, 2000) or between economic openness and welfare state spending (Rodrik, 1997), the effects of labour flexibility for the individual demands for social security are not clear yet. This is puzzling, because flexibilization is an important feature of the 'modern' labour market and might well be expected to have off-setting implications for support for social security.

The connection between labour flexibility and social policy preferences may work through the factors 'self interest' and community feeling, as two important determinants of support for social security. The first determinant relates to individual economic motives, while the second one relates to affective and moral grounds for support (Van

Oorschot and Komter, 1998). Looking at 'atypical' employment, it has become common ground that 'atypical' workers are less job-secure than other workers<sup>50</sup>, because of the predetermined duration of the contract. Relating to social security, this lack of job security can be countered by a social arrangement associated with the risk of job loss. While it is a well-established fact that class is related to welfare state opinions (Svallfors, 1997), job insecurity is an innovative variable in understanding people's attitudes. Another aspect of insecurity at work is employment security. While job insecurity relates to insecurity in the present job, employment insecurity relates to insecurity about finding another job in case of job loss. Based on the results of previous research, I expect that 'atypical' workers experience less job security. Second, I suppose that 'atypical' workers also experience less employment security, because they receive less training possibilities by employers (Eurostat, 2004). Furthermore, having to work for relatively short periods does not allow them to develop their skills and credentials. This relation between 'atypical' work and employment security has not been explored in previous analyses.

Furthermore, I will look for significant differences in perceived insecurity among 'atypical' workers in times of rising unemployment. It is possible that perceived risks associated with flexible work only become fully apparent under such conditions (Remery et al., 2002). During economic downturn and rising unemployment, 'atypical' workers are probably more vulnerable, for example, due to shorter dismissal procedures compared to 'regular' employees. In the context of the Netherlands, the years 2002-2004 can be described as a pronounced period of economic decline and rising unemployment<sup>51</sup>. After economic growth fell below the EU-average from 2000, the effect on the job market was delayed, with unemployment reaching a peak in the period 2002-2004. While it is true that unemployment in the Netherlands continually remained below the EU-average, the increase in unemployment in this period was many times greater (see figure 2.4). Much is unclear regarding the position of flexible workers on the job market in times of declining economic growth and rising unemployment (Remery et al., 2002). I expect that flexible workers perceive more job insecurity during periods of high unemployment, because

<sup>&</sup>lt;sup>50</sup> Although some authors find no correlation (Böckerman, 2004).

<sup>&</sup>lt;sup>51</sup> More recently, from the beginning of 2009, the Dutch economy has again witnessed a strong economic decline and rising unemployment level due to the international financial crisis.

companies usually vary their use of flexible labour due to economic fluctuations and changes in market demands (cf. Reilly, 1998).

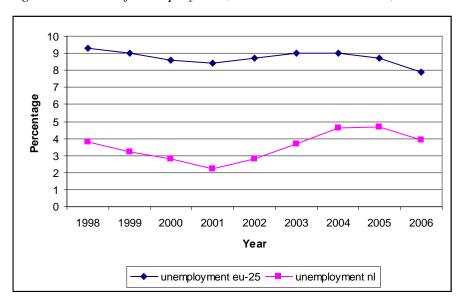


Figure 2.4 Level of unemployment, EU and the Netherlands, 1998-2006

Source: Eurostat; see http://epp.eurostat.ec.europa.eu

Turning to the issue of social policy preferences, one can expect that people with higher levels of job or employment insecurity are, based on self-interest, more inclined to support social policies. To date, the implications of job and employment insecurity for policy preferences are an unstudied area of research. Furthermore, it can be expected that the (possible) links between insecurities at work and social policy preferences are most obvious with regard to unemployment related regulations. Therefore, my first two hypotheses are:

Hypothesis 1a: Workers with flexible employment contracts experience lower levels of job and employment security than other workers.

Hypothesis 1b: Workers with flexible employment contracts experience more insecurity in periods of rising unemployment.

Hypothesis 2a: Experiencing job or employment security is negatively related to an individual's support for unemployment benefits.

Hypothesis 2b: Experiencing job or employment security is not related to other social security programmes (pensions and healthcare).

Other theorists rather stress the impact of labour flexibility on the sense of community feeling. In the first chapter of this study, we have seen that there has been an increase in workers in flexible employment situations. In his work, Bauman (2001) has underlined the precarious character of these flexible work arrangements. He argues that 'disconnected' people are living in a world of constant and overwhelming insecurity. The present-day labour market leaves no room for long-term relations and gives rise to an 'uncommitted character'. Richard Sennett (1998) also points to this 'new' flexible character. In the 'new economy', mutual commitment, loyalty and long-term goals can no longer be pursued; flexible capitalism simply 'corroses' some one's character. In other words, the erosion of long-term employment contracts undermines loyalty, trust and the sense of belonging to a wider collectivity. In the flexible economy, there is no 'shared fate' (Sennett, 1998: 147) which makes and understanding of community difficult. According to Bauman (2001: 24-25), the flexible labour market '(...) feels like a camping site which one visits for but a few nights and which one may leave at any moment if the comforts on offer are not delivered or found wanting when delivered (...)'. Furthermore, this kind of labour holds uncertainties and risks and is expected to be a strong 'individualizing force': 'It divides instead of uniting, and since there is no telling who might wake up in what division, the idea of 'common interests' grows ever more nebulous and in the end becomes incomprehensible'. While the work of Bauman and Sennett is well known, it has not been subject to systematic empirical research. For the purpose of this study, the discussion above suggests that 'atypical' workers will develop less community feeling than other categories of employees. This relation has not been examined by others<sup>52</sup>. Drawing on earlier studies, I also formulate that community feeling is an important variable in understanding social policy preferences (Van Oorschot, 2002). Hence, my third and fourth hypotheses are:

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<sup>&</sup>lt;sup>52</sup> In this study, I refer to the experienced shared connection among citizens of a country. On an organizational level, Koster (2005) has shown that 'atypical' and permanent workers do not differ in their solidarity towards co-workers.

Hypothesis 3: Workers with flexible employment contracts report lower levels of community feeling than other workers.

Hypothesis 4: Community feeling is positively related to social security programmes (unemployment, pensions and healthcare).

## 2.4 Data and methods

My analyses are largely based on data from the 'Labour and Welfare Opinions' surveys, which were collected by the Erasmus University and a research centre at Tilburg University in the Netherlands in 2008 and 2006. These surveys contain information on the respondent's labour market statuses and social policy opinions in the Netherlands. The 2008 dataset comprises 1.801 valid cases (a response rate of 77%), and the 2006 dataset 1.972 cases (a response rate of 73.5%). For the analyses presented here, I have restricted the two datasets to the employed people of working age (16-64 years). After the deletion of the unemployed, retired, students and self-employed, a sample size of 875 respondents in 2008 and 1.171 respondents in 2006 remained. The data has been weighted for gender (only the 2006 survey), age, education and income levels (both surveys). Ordinary Least Squares (OLS) is used to test the hypotheses.

In addressing the hypotheses 1a, 2a, 2b, 3 and 4, the following central variables will be analysed: flexible employment, job security, employment security, community feeling and policy preferences. First, flexible employment includes employees with fixed-term contracts, agency workers and on-call workers (1); all other jobs are non-flexible, including fixed-term jobs that offer the prospect of permanence (0). While I am fully aware that flexible workers are not a homogenous group (Giesecke, 2009; Silla et al., 2005; Connelly and Gallagher, 2004; Gallie et al., 1998), it was statistically not possible to distinguish different types of flexible employees. Furthermore, part-time work is not classified as flexible employment because this type of employment can no longer be considered as 'atypical' in the Netherlands (Schulze Buschoff and Protsch, 2008).

According to Visser (2002: 33), 'most part-time employees are covered by collective

agreements and most part-time jobs (...) are standard jobs of indeterminate length, subject to full dismissal protection' in the Netherlands. Job security was measured as the individual's perception of the likelihood of remaining employed over the next 12 months: 'What is the probability you will lose your job in the next 12 months?' (1=very high chance, 2=high chance, 3=neither high nor low chance, 4= low chance, 5=very low chance). I have used one central indicator of employment security. The respondents were asked the following question: 'To what degree do you agree or disagree with the following statement: I have enough skills and experience to find another job without any problem' (1=strongly disagree, 2=disagree, 3=neither agree nor disagree, 4=agree, 5=strongly agree)<sup>53</sup>. Community feeling was defined using the statement: 'For me, paying social insurance premiums is something that I also do because I personally sympathize with the beneficiaries and their situations' (1=totally disagree, 2=disagree, 3=agree nor disagree, 4=agree, 5=totally agree). This seems to be a common indicator for community feeling (Van Oorschot, 2002). Policy preferences are established by asking the respondents 'Would you like to see more, the same, or less government spending in the case of unemployment/pensions/healthcare? Remember that if you say more, this will require an increase in taxation<sup>54</sup>, (1=spend much less, 2=spend less, 3=spend the same as now, 4=spend more, 5=spend much more). Several statistical control variables are included. Job and employment security may be influenced by age, gender, education, household income level, ethnicity, sector and locus of control (see Sverke et al., 2006; Clark et al., 2005; Ashford et al., 1987). Age is measured using a continuous variable. For education I have created two dummy variables: one for secondary general and secondary vocational education, and one for higher vocational and university education. Workers with lower general and vocational education levels formed the reference category. Household income level is measured by using an open survey question, whereby people were asked to fill in their net household income. I have created dummy variables for ethnicity and sector (1=born outside the Netherlands; 1= working in the private sector). The external locus of control was measured by a scale of three items (alpha reliability= .77 in 2006, and alpha reliability= .75 in 2008), which focused on a

<sup>&</sup>lt;sup>53</sup> This measure was only available in the 2008 questionnaire.

<sup>&</sup>lt;sup>54</sup> In this way, people take the consequences in terms of their own income into account.

person's perception that they have no control over their own personal life (1=totally disagree, 2=disagree, 3=agree nor disagree, 4=agree, 5=totally agree). In addition, political preference is included as a control factor. In general, it can be expected that people on the political left adhere more to the collective than individuals on the right (Van Oorschot, 2002) (left/right self-scaling, in which 1=political left, 11=political right).

In order to obtain an accurate impression of the perceptions of security of flexible workers during intensified unemployment levels (hypothesis 1b), I make use of the employee panel data collected by the Dutch Institute for Labour Studies (OSA Arbeidsaanbodpanel) for the years 1998, 2000, 2002 and 2004. This panel study, held once every two years, contains a reasonably representative random sample of those members of the Dutch population from the age of 16 up to and including 64 who are not in day-time education. The research population is restricted by the focus on workers in paid employment. This means that people who are not in search of a job (the 'voluntary' unemployed), the self-employed and spouses working in family businesses are not included. The survey of 2004 also includes school pupils and students in full day-time education, as well as people aged 65 and 66. Filtering these groups out of the data set makes the 2004 measurement exactly comparable with that of previous years. This resulted in the following sample sizes: 3.266 (1998), 2.964 (2000), 3.416 (2002) and 3.104 (2004).

The panel data file includes a survey question about the job security perceptions of employees with a flexible contract and those with a permanent contract. Flexible work is central to the analyses. In the OSA-data set, this variable is operationalized through employees with a temporary employment contract (with no prospect of permanent employment), people working through employment agencies and casual staff. The group of permanent employees consists of people with a permanent employment contract and those with a temporary contract combined with the prospect of a permanent contract. Job insecurity is measured by asking the respondents about the extent to which they expect to lose their job in the coming 12 months. The analysis also examines the effects of a number of relevant independent variables. As far as possible, I have included identical

control variables in the different empirical tests. However, in estimating job insecurity during rising unemployment levels (hypothesis 1b), three other control variables are also included. Besides the focus on the economic period, the unemployment history of the respondents and functional flexibility (at the individual level) were used as control factors. It is generally argued that people with a history of unemployment are more job insecure (Campbell et al., 2007) and I will explore if functionally flexible workers are more job-secure compared to other employees. The expectation is that functionally flexible workers can be redeployed more quickly and are therefore more valuable for organizations.

A dummy variable is used to check for the situation in the labour market. The period before 2002 functions as a reference in this regard. I will incorporate an interaction term in the analyses with the economic period and the type of employment contract. The unemployment history of the employees is determined by an item which asks whether the respondent was unemployed two years ago. The employees who answer no to this question form the reference group. The degree of functional flexibility is measured by the question of whether the respondent considers himself/herself to be suitable for work within the company which actually belongs to another job profile or department. The measurement of the age variable is self-explanatory, while ethnicity and sex are used as dummy variables. Respondents born in the Netherlands and male respondents function as reference groups. Lastly, the level of education is measured as the highest level achieved up to a maximum of VBO/MAVO (lower secondary; reference category), and the categories MBO/HAVO/VWO (middle/senior secondary) and HBO/WO (higher). To shed light on hypothesis 1b, logistic regression analysis was conducted on the pooled data sets 1998-2004.

#### 2.5 Results

Table 2.1, table 2.2 and table 2.3 display the statistical results.

Table 2.1 Support for spending on social security programmes (2008)

	Job	Employment	Community	Unemployment	Pensions	Health
	security	security	feeling			care
Type of	28***	.01	00	02	00	02
contract						
(1=flexible)						
Age (actual	09**	12**	.14***	.07*	.07	.09*
age)						
Education						
(ref=lower						
general and						
vocational						
education)						
Secondary	12**	.04	07	09*	01	00
general and						
secondary						
vocational						
Higher	05	.10*	06	16**	21***	12*
vocational						
and						
university						
education						
Gender	06	07	02	.00	.05	.04
(1=female)						
Sector	08*	.02	02	09*	02	10**
(1=private)						
Ethnicity	08*	02	05	.01	.04	.05
(1=born						
outside						
Netherlands)						
Net	.01	06	02	12**	03	04
household						
income						
External	13***	17***	.03	04	.10**	02
locus of						
control						
Political			26***	14***	.01	09*

preference							
(1=political							
left,							
11=right)							
Job security			10**	08*	02	04	
Employment			.02	.03	.05	.04	
security							
Community				.25***	.08*	.06	
feeling							
N	782	772	747	707	712	712	
Adjusted R <sup>2</sup>	.11	.05	.10	.15	.06	.04	

Significant coefficients (standardized effects):

<sup>\*\*\*</sup> P < .001

<sup>\*\*</sup> P <.01

<sup>\*</sup> P <.05

Table 2.2 Support for spending on social security programmes (2006)

	Job	Community	Unemployment	Pensions	Health	
	security	feeling			care	
Type of	34***	.02	.03	.07	.03	
contract						
(1=flexible)						
Age (actual	01	.20***	.12***	.05	.06	
age)						
Education						
(ref=lower						
general and						
vocational						
education)						
Secondary	.03	01	05	05	09*	
general and						
secondary						
vocational						
Higher	.07	.02	05	15**	09	
vocational						
and						
university						
education						
Gender	05	04	.02	.02	.04	
(1=female)						
Sector	05	02	06	02	01	
(1=private)						
Ethnicity	02	.00	01	01	02	
(1=born						
outside						
Netherlands)						
Net	.04	.04	.01	04	00	
household						
income						
External	16***	.01	.05	.10**	.12**	
locus of						
control						
Political		27***	16***	01	00	

preference

(1=political

left,

11=right)

Job security	01	15***	.02	01
Community		.22***	.06	.12**
feeling				

N	942	844	811	819	816
Adjusted R <sup>2</sup>	.14	.13	.17	.02	.03

Significant coefficients (standardized effects):

<sup>\*\*\*</sup> P < .001

<sup>\*\*</sup> P <.01

<sup>\*</sup> P <.05

Table 2.3 Estimated parameters (odds ratios) for the probability of perceived job insecurity, 1998-2004

Independent variables	
Constant	0.02**
Age	ns
Sex (1=female)	ns
Education (ref.cat=lo, VBO/MAVO)	
[lower]	
-MBO [middle/senior]	0.73**
-HBO/WO [higher]	0.62**
Unemployed two years earlier	ns
Functionally flexible	ns
Type of contract (1=flexible)	9.65**
Sector (1=public)	0.67*
Period (1= after 2002)	1.62**
Period X type of contract	ns
-2Log Likelihood	3718.04
Nagelkerke pseudo R <sup>2</sup>	0.08
N	12.459
** P<.01	
* P <.05	
, : :c: ,	

ns not significant

The tables show that 'atypical' workers experience significant lower levels of job security compared to other workers. This is an expected result and confirms the first part of hypothesis one. In table 2.1, I see that 'atypical' workers do not experience lower levels of employment security which does not confirm the second part of my expectation. In other words, 'atypical' employment is related to perceptions of job security but is no issue in understanding employment security. From a theoretical point of view, short-term labour relationships seem to be connected with short-term risks. An interpretation is that

the risk of job loss may appear within the near future, while the risk of not getting another job is something that lies further ahead and is for 'atypical' workers a thing not yet to worry about. Furthermore, the tables also show that an external locus of control is consistently associated with lower perceived job security. Hypothesis 2a is also partly confirmed. As expected, job security is negatively related to support for unemployment related spending. However, employment security is not significant in explaining preferences towards unemployment spending. This may (again) be due to the fact that people give higher value to immediate risks instead of risks that take place in the future (see the discussion of the 'endowment effect' in paragraph 1.2.3). Hypothesis 2b seems to be validated: insecurities at work are not associated with opinions on other areas of social security, such as pensions and health care. Generally, younger people, higher educated, people at the political right and workers with an internal locus of control have lower demands for social spending.

Accordingly, the type of contract proves to be no important factor in explaining community feeling. This implies that, contrary to the assumptions of Bauman and Sennett, the level of community feeling is not eroding among 'atypical' workers. Age (older people) and political preference (people at the left) are important factors in shaping (more) community feeling. Overall, the third hypothesis must be rejected. An interesting finding is the negative correlation between perceptions of job security and community feeling in one of the two surveys. This means that community feeling may also be shaped by rational motives; job-secure individuals develop less community feeling. To be more precise, community feeling is thus not simply a matter of total altruism.

Finally, community feeling is, as predicted, closely related to support for social spending. This supports the fourth hypothesis.

Table 2.3 also shows that people in flexible employment clearly have a higher probability of experiencing job insecurity in their own individual perception. Significant effects were also found for level of education (more highly educated respondents experience less job insecurity), sector (employees in the private sector experience greater job insecurity), and period (job insecurity increases in the period after 2002). No significant effects were found for the variables age, sex, experience of unemployment two years previously, and

degree of functional flexibility. The interaction term was found to be not significant. This means that the probability of job insecurity for flexible workers does not increase during times of economic decline and rising unemployment, a finding that does not support hypothesis 1b. This result may demonstrate that employees with flexible labour contracts are more likely to experience job insecurity and unemployment in the *beginning* of economic downturn but, at the same time, they have the highest changes to become employed again when the economy starts recovering. In the end, the economic situation plays no significant role for perceptions of insecurity among this category of workers.

### 2.6 Conclusions and discussion

Drawing on different surveys in the Netherlands, this chapter has examined how people experience risks at work in a flexible economy. The central question is what the effects of flexible labour arrangements are for policy preferences. While labour market flexibility is an important feature of advanced capitalist societies, the implications for social policy preferences have yet to be studied. This research contributes to this lacuna. In the empirical part, I have found that 'atypical' workers are more likely to experience job insecurity than other workers. This perception of job insecurity is systematically related to more support for unemployment-related insurance. Turning to community feeling, another determinant of policy-support, 'atypical' workers do not develop less attachment to others. The analysis did reveal that perceptions of job insecurity may partly contribute to higher levels of community feeling. In this view, community feeling is partly a function of self-interest. Furthermore, the analysis, ranging from 1998 to 2004, shows that flexible workers have a higher probability of experiencing job insecurity, but this effect is independent of the social-economic context.

In short, in a flexible labour market there will be a stronger preference for unemployment-related spending. This preference is linked to higher perceptions of job insecurity and, more indirectly, through a stronger sense of community feeling. If we consider that public opinion is an important component in policy-making (Brooks and Manza, 2006), we may expect the introduction of (new) ways of finding a balance

between flexibility and security across flexible economies. The current quest for 'flexicurity' (Wilthagen, 2008) corroborates this argument<sup>55</sup>.

## 2.6.1 Limitations of the study

While these analyses give insight into how 'atypical' employment affects social policy preferences, more studies over time are needed to validate the statements. Another interesting point for future research is investigating different types of 'atypical' workers in more detail. For example, it can be argued that temporary workers are less insecure compared to on-call workers because they hold contracts of longer duration. Furthermore, this study has been conducted in the specific Dutch context. In the Netherlands, flexible workers are less protected in comparison to 'regular' employees (Vis et al., 2008). In countries with more generous protection systems for flexible workers, such as in several Nordic countries, it is likely that flexible workers experience smaller levels of insecurity at work. At the same time, in some Southern-European countries like Spain, flexible workers seem to be locked in an insecure employment situation (Polavieja, 2005: 252). Therefore, these workers may experience more insecurity at work compared to Dutch flexible workers. Clearly, more research is required to explore the outcomes across different institutional contexts.

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<sup>55</sup> Naturally, policy-making is driven by numerous factors. I rather argue that opinion is one factor in understanding social policy.

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## 3 FUNCTIONAL FLEXIBILITY AND SOCIAL POLICY PREFERENCES<sup>56</sup>

## 3.1 Introduction

In this chapter, the impact of functionally flexible work on social policy preferences is assessed. While functional flexibility has become more important in most European countries, this type of flexibility is assumed to affect risk, community feeling and, as a consequence, social policy preferences in contradictory ways.

In studies of workplace change, there is consistent evidence that labour flexibility is an important feature of the contemporary labour market (Kalleberg, 2009). For 'atypical' workers, many commentators have addressed the issue of rising employment instability and growing job insecurity in modern labour markets (Heery and Salmon, 2000; Gorz, 1999; Sennett, 1998; Castells, 1996). However, working in the modern labour market also brings certain risks with regard to competences. In Ulrich Beck's view, we are now living in a 'risk society', in which skills and knowledge are increasingly becoming obsolete (Beck, 2000:3). In this flexible economy, having multiple skills has become an important asset when it comes to staying in employment (Schmid, 2006; Collins, 2006). A key concern for employees is being able to continuously improve their (flexible) skills in order to remain employed. 'Functional flexibility' is one type of labour flexibility that could help employees to manage labour market risks. Functional flexibility involves new work practices, such as job rotation, task rotation, job enlargement, job enrichment and (semi-autonomous) team working, and emphasizes the development of multiple skills among employees. Clearly, this type of flexibility has the potential to lessen labour market risks.

Even though many studies have examined the consequences of labour flexibility for how employees experience risk at work, most have looked at 'atypical' employment and 'internal' job security (see, for example, De Cuyper and De Witte, 2006; De Witte and Näswall, 2003). Studies that examine the relationship between functional flexibility

<sup>&</sup>lt;sup>56</sup> A different version of this chapter has been published as: Dekker, F. (2010). Labour flexibility, risks and the welfare state, *Economic & Industrial Democracy*, 31(4): 593-611.

and different aspects of job security are, however, largely missing from the literature. The first aim of this chapter is therefore to examine the consequences of functional flexibility on employees' experiences of security in the internal and external labour markets.

Many political economists assume that job insecurity plays an important role in understanding social policy preferences (Anderson and Pontusson, 2007). Social security programmes generally compensate for certain risks, thereby protecting individuals in a society. At an individual level, one might expect work-insecure people to have strong incentives for supporting broad social programmes. However, there is little empirical evidence with regard to the relationship between job security and individual perceptions of social security. The second aim of this chapter is therefore to focus on the specific link between security at work and the societal legitimacy of various policy arrangements. Although it is generally assumed that economic insecurity affects the need for social protection (Katzenstein, 1985; Rodrik, 1997; Iversen and Cusack, 2000; Burgoon, 2001), at an individual level, this remains an open empirical question.

Another key issue, when considering the relationship between functional flexibility and social policy preferences, is the idea of community feeling. I will examine whether functionally flexible work patterns affect individuals' sense of community, which is an important reason for supporting social security arrangements (Van Oorschot, 2002a). Although the literature does provide us with several arguments concerning the possible effects of functionally flexible work on community feeling, to date, little empirical research has been undertaken.

Overall, this chapter demonstrates how functionally flexible employees perceive different forms of security, and how their sense of community feeling has either increased or decreased in the contemporary labour market. Furthermore, this study helps to explain support for various forms of social protection in the new flexible working economy. Before introducing the data and results, I start by providing an overview of relevant theories on functionally flexible work and social policy preferences.

# 3.2 Functional flexibility and social policy preferences

It is generally agreed that the experience of working in the post-industrial economy is considerably different from past experiences of work. For a start, there has been a shift in the employment structure from manufacturing towards a service economy (see, for example, ILO, 2006; Esping-Andersen, 1993), and employment relations have become more flexible (see, for example, Dekker, 2007; Auer and Cazes, 2003). Nowadays, people's working lives are often characterized by 'atypical' forms of employment such as temporary contracts, agency work and part-time employment<sup>57</sup>. Another feature of working in the contemporary labour market is the growing need to offer multiple skills. Functionally flexible work practices can be extremely important when it comes to dealing with changing conditions in a more global economy. New flexible work arrangements, such as job rotation, task rotation and team working, are therefore increasingly being used in most European countries (OECD, 1999)<sup>58</sup>. In 2005, for example, 47% of all employees in the EU engaged in task rotation with colleagues, while 60% did part or all of their work in teams. Task rotation requires people to perform some tasks that lie outside the scope of their main jobs, while team working implies that more discretion is left to team members. Job rotation is another form of functional flexibility, and involves an employee moving from one position to another within an organization.

I focus on the Netherlands on the grounds that the Dutch are some of the most flexible workers in Europe. As in many European countries, particularly due to the growing internationalization of labour and capital since the beginning of the 1970s, flexible labour has become a central feature of the Dutch labour market (De Jong, 2008). Regarding functional flexibility, approximately 62% of all Dutch workers engage in task rotation with colleagues, and approximately 75% participate in teams. Functional flexibility seems to be characteristic for different groups of people, although Dutch

<sup>57</sup> Taking the EU as a whole, 14.5% of the total workforce had limited duration contracts, while approximately 18% of the employees considered themselves to be employed on a part-time basis in 2007. <sup>58</sup> Job enrichment and job enlargement are other characteristics of functional flexibility. However, the

comparative surveys available contain no specific questions that relate to these two types of functional flexibility.

statistics show that men and persons aged above 25 years have a higher chance of working functionally flexible (see the figures 3.1, 3.2 and 3.3).

64 63 63 62 62 61 60 **%** 59 58 57 57 56 55 54 16-24 25-49 >50 ■ Functionally flexible

*Figure 3.1 Working functionally flexible in the Netherlands, 2006 (age groups)* 

Source: Dutch Institute for Labour Studies (OSA, 2008).

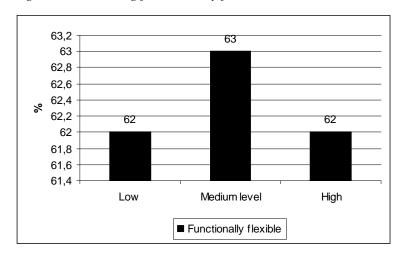


Figure 3.2 Working functionally flexible in the Netherlands, 2006 (education level)

Source: Dutch Institute for Labour Studies (OSA, 2008).

80 68 56 50 30 20 10 0 Men Women

Figure 3.3 Working functionally flexible in the Netherlands, 2006 (gender)

Source: Dutch Institute for Labour Studies (OSA, 2008).

# 3.2.1 Functional flexibility, risk and social policy preferences

It is widely agreed that social security policies embody some kind of solidarity between (future) recipients of benefits and people who are less dependent on social programmes. At an individual level, people can have different motives for contributing to such programmes. People may be motivated by self-interest, or by feelings of moral or emotional commitment to others (Van Oorschot, 2002a; 2002b; Van Oorschot and Komter, 1998). As previously noted, research that examines the implications of functional flexibility for social policy preferences is largely missing from the literature.

I expect that functionally flexible workers experience more security at work than other workers. While most scholars focus on perceptions of internal job security among 'atypical' workers, I will focus on functionally flexible workers and differentiate between two types of security: company-specific or 'job security', and 'employment security', which is the possibility of finding a job across a company. As suggested in the introduction, functionally flexible work practices may counter the risk of skill obsolescence. Authors such as Forrier and Sels (2003) and Kanter (1993; 1991) stress the importance of so-called 'employability-security' as a new form of security in 'modern' labour markets. According to these authors, the idea of 'lifetime employment' is being replaced with the notion of 'flexible employment'. Nowadays, so-called post-Fordist regimes are characterized by flexible career structures and people can no longer expect to

have a stable, predictable career within the same organization. In this view, workers are operating in a more unpredictable labour market and employability may provide them with a new form of job security (Forrier and Sels, 2003). In other words, people can no longer rely on organizations to provide them with traditional job security: 'jobs for life' are said to have disappeared and skills are becoming obsolete. Workers are increasingly reliant upon being able to offer multiple skills; that is, their employability (Kanter, 1993). One way to ensure 'employability-security' in the modern labour market is by creating challenging jobs and allowing employees to engage in assignment rotation (Kanter, 1991). The development of functionally flexible jobs could offer employees opportunities for acquiring multiple skills. As such, workers would be able to exercise more control over their work than in the past. Greater emphasis would be placed on problem-solving and undertaking different tasks and roles within an organization, encouraging employees to develop different skills.

While some remain sceptical about functional flexibility and point to the possible exploitation of employees by employers (Hyman, 2004) or the 'time-greedy' nature of the high-performance workplace (Van Echtelt, 2007), functional flexibility does have the potential to offer employees new 'employability-security' in the labour market. This would mean that functionally flexible workers would experience more job security than workers without flexible job features<sup>59</sup>. Theoretically, functional flexibility can provide workers with multiple skills, which is related to perceptions of increased job security. Although the empirical evidence is scarce, a recent study by Kashefi (2007) shows that, in the United States, employees who are functionally flexible experience higher levels of job security in general. Again, my research distinguishes between two types of job security: 'job security' and 'employment security'. I would expect functionally flexible work practices to be associated with increased feelings of security at work in both senses. First, functionally flexible workers are more adaptable in their response to demands and are therefore more valuable to organizations. Such workers would be unlikely to believe that they would be made redundant in the near future. Second, these workers are also

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<sup>&</sup>lt;sup>59</sup> One might consider the possibility of reverse causation here, by which job-secure workers might be more willing to participate in functionally flexible work practices. According to Smith (1999), however, there is no empirical evidence to support this assertion.

likely to feel more secure in the external labour market, because enhancing their knowledge and skills is likely to cause them to feel more "marketable". This, in turn, leads to my first hypothesis:

Hypothesis 1: Functionally flexible workers experience higher levels of job and employment security than other workers.

Several authors argue that social arrangements must be legitimized by the public to remain sustainable (see, for example, Burstein, 1998). An important motivational foundation of support for social security is self-interest (see, for example, Hechter, 1987). The basic idea is that there is a direct relationship between someone's position in the stratification structure and support for social policy. Following this self-interested perspective, I would not expect secure workers to be likely beneficiaries of social security protection. In other words, people who are not facing labour market risks, such as unemployment, are unlikely to protect themselves by preferring social insurance. Building on this logic, I hypothesize that this is especially true with regard to unemployment benefits spending. Particularly this social policy scheme reduces the risk of unemployment, while insecurity at work is less significantly related to welfare programmes which are not aimed to the importance of income protection during working life, such as pensions or healthcare. The macro level research indeed indicates that economic insecurity affects public spending (Katzenstein, 1985; Rodrik, 1997; Iversen and Cusack, 2000; Burgoon, 2001). At the individual level, meanwhile, some studies provide information on specific labour market-risks and policy preferences. Cusack et al. (2006), Kramer and Stephenson (2001) and Iversen and Soskice (2001) point out that working in occupations with higher unemployment rates and the level of skill specificity spurs support for government redistribution<sup>60</sup>. Nevertheless, with these few exceptions, the micro level picture remains largely unstudied (see, for example, Scheve and Slaughter,

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 $<sup>^{60}</sup>$  See, for a critique on Iversen and Soskice, Emmenegger (2009).

2004), as does, in particular, the relationship between individuals' insecurities about their jobs and policy preferences<sup>61</sup>. This, in turn, leads to two further hypotheses:

Hypothesis 2: Experiencing job or employment security is negatively related to an individual's support for unemployment benefits.

Hypothesis 3: Experiencing job or employment security is not related to an individual's support for other social security programmes (pensions and healthcare).

3.2.2 Functional flexibility, sense of community and social policy preferences

Another factor that can explain support for social security is having a sense of community, or moral sentiments. Although individual support is most strongly affected by perceived self-interest (Van Oorschot, 2002a; 2002b), the experience of community is also a relevant predictor (Van Oorschot, 2002a; 2002b; Van Oorschot and Komter, 1998). This type of motivation is grounded in Durkheim's classical approach to sociology (Durkheim, 1964), which suggests that people feel an obligation to serve the collective interest. Particularly a perceived connection with others spurs solidaristic behaviour (Polletta and Jasper, 2001).

Functional flexibility may improve the likelihood of people feeling a sense of community. In contrast to 'atypical' employment, functional flexibility concerns internal flexibility within organizations. Both Amoore (2002) and Ezzy (2001) argue that functional flexibility has brought more individual responsibility and an increasing shift towards self-management and individual performance (Amoore, 2002), making people less committed to others. However, most of the literature states that functional flexibility requires workers to cooperate and communicate more to achieve mutual goals than was the case in 'traditional' Taylorist organizations (Vogl., 2009; European Foundation for the Improvement of Living and Working Conditions, 2007a; Hempell and Zwick, 2005). While 'Taylorism' includes no extensive job-learning opportunities and a high technical division of labour, functional flexibility has its emphasis rather on the learning

<sup>&</sup>lt;sup>61</sup> However, several other studies take 'class position' as factor in work on policy preferences (see, for example, Svallfors, 2003; 1997; 1995).

possibilities for employees and common goals. I therefore assume that working in a so-called 'holistic' organization<sup>62</sup> (Lindbeck and Snower, 2000) enhances an employee's sense of belonging to a wider collectivity; people may learn more about co-workers and their work and experience more collective tasks and needs than other categories of workers. In other words, it can be expected that working in a functionally flexible work environment creates a sense of community feeling. I will call this the 'integration scenario':

Hypothesis 4: Functionally flexible workers report higher levels of community feeling than other workers.

Because previous research has shown that community feeling is positively related to support for social security arrangements, I also assume that community feeling positively affects individual support for different social security programmes:

Hypothesis 5: Community feeling is positively related to an individual's support for social security programmes (unemployment, pensions and healthcare).

## 3.3 Data and methods

The data in this study were drawn from the 'Labour and Welfare Opinions' survey, which were collected by the Erasmus University and a research centre at Tilburg University in the Netherlands in May and June 2008. This data set concerns a random sample of the Dutch population aged 16 and over. The sample comprises 1.801 valid cases, which corresponds to a response rate of 77%. After inactive people (the unemployed, students and retired workers) and the self-employed have been excluded from the sample <sup>63</sup>, the survey contains data on 875 respondents. The data have been weighted against figures from Statistics Netherlands (Centraal Bureau voor de Statistiek, or CBS). After weighting

<sup>&</sup>lt;sup>62</sup> The 'holistic' organization is defined by a lower task specialization among workers, featuring job rotation, integration of tasks and learning across tasks (Lindbeck and Snower, 2000).

<sup>&</sup>lt;sup>63</sup> In explaining self-perceived job security, these groups are not included because they are not employed by organizations.

for age, education and income levels, the dataset can be considered representative for the Netherlands.

The first step of the analysis was to test the hypotheses concerning functional flexibility and perceived security at work. Functional flexibility was measured using two single items, task rotation and job rotation, which cover important forms of functional flexibility<sup>64</sup>. Unfortunately, no items were dedicated to teamwork, job enlargement and job enrichment in the questionnaire. I measured task rotation by asking employees how often they had been shifted towards tasks that lay outside their own job descriptions during the last 12 months (1=never, 2=seldom, 3=sometimes, 4=often, 5=very often). Job rotation was measured by asking how often they had been shifted between jobs during the last 12 months (1=never, 2=seldom, 3=sometimes, 4=often, 5=very often). Job and employment security are defined as an individual assessment of an employment situation. While perceived insecurity may not reflect actual risks, 'subjective insecurity' is at least as severe as 'objective insecurity' (Lazarus, 1991). Job security was measured as the individual's perception of the likelihood of remaining employed over the next 12 months: 'What is the probability you will lose your job in the next 12 months?' (1=very high chance, 2=high chance, 3=neither high nor low chance, 4= low chance, 5=very low chance). I used one central indicator of employment security. The respondents were asked the following question: 'To what degree do you agree or disagree with the following statement: I have enough skills and experience to find another job without any problem' (1=strongly disagree, 2=disagree, 3=neither agree nor disagree, 4=agree, 5=strongly agree).

With regard to perceived job and employment security, several control variables were included in the analysis. I included flexible employment, because 'atypical' workers feel less secure than other workers (De Witte and Näswall, 2003). Furthermore, 'atypical' workers have a lower chance of working functionally flexible (OSA, 2006). The measure consists of employees with fixed-term contracts, agency workers and on-call workers (1); all other jobs are non-flexible, including fixed-term jobs that offer the prospect of

<sup>&</sup>lt;sup>64</sup> These two items were factor-analyzed, which resulted in one factor accounting for 67% of the variance. However, the low number of items is not sufficient for producing a reliable scale (alpha: 0.50).

permanence (0). I included age as a control variable because levels of perceived job security might differ among age groups. Previous research has shown that older employees experience higher levels of job insecurity (Hartley, Jacobsen, Klandermans and Van Vuuren, 1991). Age was measured using a continuous variable. I anticipated that a person's level of education might also be associated with perceptions of job security (Sverke, Hellgren and Näswall, 2006). I thus created two dummy variables: one for secondary general and secondary vocational education, and one for higher vocational and university education. Workers with lower general and vocational education levels formed the reference category. Gender is another factor that may influence perceptions of security at work, but this remains a point of debate (Sverke, Hellgren and Näswall, 2006). A dummy variable was used to measure gender (1=female). An individual's sector was included, because working in the private sector decreases the likelihood of job security (Clark and Postel-Vinay, 2005) (1=working in the private sector). I have created a dummy variable for ethnicity to determine whether immigrant workers feel more insecure (1=born outside the Netherlands). Furthermore, I was interested in the influence of household income levels on job security. One might expect people living in households with higher income levels to feel less insecure (Sverke, Hellgren and Näswall, 2006). The variable was measured using an open survey question, whereby people were asked to fill in their net household income. As for benefit dependency, I assumed that people who had received no social security transfers in the past were more work-secure than workers with a history of receiving benefits (1=received no benefit(s) in the past). Finally, one would expect people who feel that they have no control over their lives to be more insecure (Ashford, Lee and Bobko, 1987). This external locus of control was measured by a scale of three items (alpha reliability= .75), which focused on a person's perception that they have no control over their own personal life (1=totally disagree, 2=disagree, 3=agree nor disagree, 4=agree, 5=totally agree).

In the next step of the analysis, I tested the hypotheses on community feeling.

Community feeling was defined using the statement: 'For me, paying social insurance premiums is something that I also do because I personally sympathize with the beneficiaries and their situations' (1=totally disagree, 2=disagree, 3=agree nor disagree,

4=agree, 5=totally agree). Although the notion of 'community feeling' can be defined in various ways (McMillan and Chavis George, 1986), the measure seems to be common in research on attitudes to social security (see, for example, Van Oorschot, 2002a; 2002b). In addition to the other control variables, I have included political preference as a control factor. In general, it can be expected that people on the political left adhere more to the collective than individuals on the right (Van Oorschot, 2002a) (left/right self-scaling, in which 1=political left, 11=political right).

To capture support for different social security programmes, the survey contained questions on support for unemployment benefits spending, pensions and healthcare. The following question was asked: 'Would you like to see more, the same, or less government spending in the case of unemployment/pensions/healthcare? Remember that if you say more, this will require an increase in taxation' (1=spend much less, 2=spend less, 3=spend the same as now, 4=spend more, 5=spend much more). All effects were calculated using multiple regression models<sup>65</sup>.

### 3.4 Results

In table 3.1, the results of multivariate regression analyses are presented.

<sup>&</sup>lt;sup>65</sup> Another way of investigating causal relationships is via 'linear structural relations systems' (LISREL). However, as long as all assumptions are met, path analysis is assumed to be accurate for recursive models (*cf.* Tacq, 1997). The data shows that all statistical assumptions are met. Only one outcome variable (job security) is skewed to the left. This seems to be a common problem when using self-reporting questions to measure security at work (De Witte, 2005; Steijn, 2000).

Table 3.1: Support for spending on social security programmes (2008)

Dependent variable	Job security	Employment	Commu-	Unemploy-	Pensions	Health-
		security	nity	ment		care
			feeling			
Explanatory variables						
Task rotation	-0.025	0.183***	-0.056	0.020	0.025	0.010
Job rotation	-0.018	0.075*	0.013	-0.015	0.046	0.023
Type of contract	-0.288***	0.006	0.019	-0.023	-0.011	-0.025
(1=flexible)						
Age (actual age)	-0.079*	-0.102**	0.154***	0.075*	0.075	0.099*
Education (ref=lower						
general and vocational						
education)						
Secondary general and	-0.107*	0.021	-0.036	-0.101*	-0.013	-0.006
secondary vocational						
Higher vocational and	-0.045	0.104*	-0.038	-0.165***	-0.211***	-0.123*
university education						
Gender (1=female)	-0.068	-0.052	-0.024	0.009	0.061	0.043
Sector (1=private)	-0.069	0.025	-0.015	-0.095*	-0.016	-0.103*
Ethnicity (1=born	-0.082*	-0.021	-0.043	0.015	0.043	0.051
outside Netherlands)						
Net household income	0.021	-0.065	-0.031	-0.119***	-0.037	-0.045
Benefit dependency	0.132***	0.066	0.018	-0.013	0.034	0.046
(1=no dependency)						
External locus of	-0.126***	-0.169***	0.026	-0.044	0.102**	-0.020
control						
Political preference			-0.253***	-0.141***	0.013	-0.098*
(1=political left,						
11=right)						
Job security				-0.084*	-0.022	-0.051
Employment security				0.031	0.039	0.041
Community feeling				0.260***	0.089*	0.067
N	782	772	775	707	712	712
Adjusted R-squared	.12	.10	.09	.15	.06	.04

Significant coefficients (standardized effects):

<sup>\*\*\*</sup> P <0.001; \*\* P <0.01; \* P <0.05

In line with the first hypothesis, functionally flexible workers find themselves more 'employable' in the external labour market, but there is no effect on their future career expectations in the internal labour market. A possible explanation is that these workers experience that functionally flexible work practices are primarily designed to make them more capable of switching between jobs, but has little to do with security in the internal labour market. Thus, this hypothesis is partly confirmed. Other significant predictors are type of contract (people with 'atypical' employment contracts feel less secure in their current jobs), age (older people feel less secure in the internal and external labour markets) and education (individuals who have completed secondary general and secondary vocational education feel less secure in their jobs than people with lower educational levels, a result that is somewhat unexpected). One possible explanation for this latter finding is that less well-educated workers have already accepted that they are more vulnerable in the internal labour market, as a way of coping with the situation. In addition, we found the following: individuals with higher vocational and university qualifications feel more secure in the external labour market; individuals who were born outside the Netherlands experience more job insecurity; not being dependent on benefits has a positive impact on an individual's perception of their job security; and individuals with an external locus of control feel more insecure in both labour markets. In general, the findings on 'job security' are consistent with earlier observations. The most interesting finding is that functional flexibility is associated with a specific form of perceived security at work.

With regard to the second and third hypotheses, I see that feelings of security at work are not related to individual support for welfare spending in the case of pensions or healthcare. These results thus support the third hypothesis. I also find that job security has a significant and expected effect on support for unemployment spending, in line with my second hypothesis. However, employment security does not affect support for unemployment spending. This result implies that different types of job security must be included in studies that explain people's opinions on welfare spending. In previous research into economic insecurity and policy preferences, different forms of job security were not linked to support for different aspects of social security.

I now turn to the effects of functional flexibility on community feeling. The results show that the level of community feeling does not increase when individuals are functionally flexible; hypothesis four is thus rejected. In other words, there is no empirical evidence to support the notion that working in 'holistic' or integrative work settings is associated with a heightened sense of community feeling<sup>66</sup>. Older people show higher levels of community feeling, while individuals on the right of the political spectrum show lower levels of identification with others. Van Oorschot (2002a; 2002b) found similar results.

The results also show that community feeling is a significant source of motivation for supporting social security arrangements, although support for healthcare spending is significant at the 10%-level (not shown). This means that my last hypothesis is confirmed, in line with the existing literature. The data also reveal the effects of age (older people are more inclined to support social security spending in most policy areas); education (more highly-educated individuals show lower levels of support for unemployment, pensions and healthcare); sector (private sector workers show less support for spending in the areas of unemployment and healthcare); household income (higher net household income levels negatively affect support for spending on unemployment benefits); locus of control (individuals with an external locus of control are more in favour of spending in the case of pensions); and political preference (people on the political right are less inclined to support spending on unemployment and healthcare). These results are in accordance with the findings of earlier studies on attitudes towards welfare state policies (see, for example, Yang and Barrett, 2006; Blekesaune and Quadagno, 2003; Shivo and Uusitalo, 1995; Pettersen, 1995).

### 3.5 Conclusions and discussion

The aim of this chapter was to examine the impact of functional flexibility on job and employment security, levels of community feeling and social policy preferences.

Although these links have been widely discussed in the literature, very little empirical

<sup>&</sup>lt;sup>66</sup> Using another measure ('I regard it as a moral duty towards the less well-off in society') produces similar results.

research exists to support such discussions. Based on the analyses in this part of the study as well as the findings in chapter two, the results now show that job security is related to the type of employment contract, while employment security is related to functional flexibility. At a theoretical level, these findings suggest that labour flexibility creates different categories of workers: 'atypical' (internal) insecure employees and a multiskilled workforce that perceives (external) security at work. This finding corresponds to the different strategies employed by 'the flexible firm' (Atkinson, 1984); that is the notion that flexible organizations feature a functionally flexible core and an 'atypical' peripheral workforce. Differences also exist with regard to types of job security and support for social security spending. I found job security to have a significant effect on support for spending on unemployment benefits. This negative link between job security and preferences for unemployment benefits spending can be seen as a rational decision made by job-secure people. However, a comparison of employment-secure and -insecure individuals revealed no significant differences in support levels. One possible explanation for this that draws on cognitive decision theories is that people give more attention to the (consequences of) risks in the near future (the chance of becoming unemployed in the next 12 months) than to long-term risk situations (the possibility of finding a new job) (for the literature on evaluating risks, see Kahneman and Tversky, 1974). I also presented evidence that shows that functional flexibility is not related to community feeling. Taking into account the findings of chapter two, this suggests that community feeling is neither being eroded ('atypical' employment) nor increasing (functional flexibility) in a more flexible economy.

In sum, I can now suggest that labour flexibility brings both opportunities and risks for employees. As far as the welfare state is concerned, meanwhile, labour market flexibility spurs support for unemployment spending, due to higher levels of job insecurity. While public opinion seems to matter when it comes to the expansion of the welfare state (Brooks and Manza, 2007; 2006; Burstein, 1998; Page and Shapiro, 1983)<sup>67</sup>, it can be

<sup>&</sup>lt;sup>67</sup> According to democratic theory, opinion on policy can have a direct influence (for example, through voting), or a more indirect influence (for example, through demonstrations).

expected that in times of increased labour flexibility, individuals are likely to demand higher levels of spending on unemployment benefits.

## 3.5.1 Limitations of the study

It is likely that economic developments and labour market conditions, such as the level of unemployment, influence people's perceptions of their security at work (Berntson, Sverke and Marklund, 2006)<sup>68</sup>. Future research should thus incorporate a longitudinal design in order to investigate these factors. Future studies should also include other countries, on the grounds that domestic institutions, such as the type of welfare state (Esping-Andersen, 1990; 1999), production regime (Hall and Soskice, 2001) or unemployment welfare regime (Gallie and Paugam, 2000) might play an important role in people's experiences of job security, and thus social policy preferences. For example, coordinated market economies, such of that of the Nordic countries and the Netherlands, emphasize cooperation between government, employers and employees (Hall and Soskice, 2001), which may result in higher levels of security among functionally flexible workers in contrast to workers in liberal market economies, like Great Britain or the United States. In the latter, I expect that the interests of workers are less extensively incorporated in functionally flexible work practices (Godard, 2001: 799). A previous study by the European Foundation (2007b: 53) has shown that 'advanced' forms of functional flexibility are, indeed, mostly found in northern European countries. All in all, it is important to include institutional differences in future studies. The research would be further improved by repeating the analyses while including more indicators on functional flexibility. Another relevant avenue for future research would be to focus on how labour flexibility can provide workers with opportunities to use a variety of skills. For example, it can be hypothesized that flexible workers in the 'new' service-economy develop more generic skills (for example, communicative and analytical skills)<sup>69</sup>, thereby enhancing feelings of job and employment security<sup>70</sup>, while functionally flexible employees working in 'traditional' sectors of the economy develop more industry-specific skills (for

<sup>&</sup>lt;sup>68</sup> I do, however, not expect the global economic crisis to have influenced my findings. The research was carried out in the first half of 2008. In the Netherlands during this period, the crisis had not yet affected the real economy (DNB, 2008) and the unemployment rate remained low (CBS, 2008).

<sup>&</sup>lt;sup>69</sup> Cf. Marks and Scholarios (2008).

<sup>&</sup>lt;sup>70</sup> Cf. Iversen and Soskice (2001).

example, operational skills that are specific to certain industries). These specific skills are valuable within a firm, but probably less "marketable" in other organizations or sectors. Future analyses should also take this issue into account.

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# 4 WORKING FUNCTIONALLY FLEXIBLE: A COMPARISON BETWEEN TWO ORGANIZATIONS<sup>71</sup>

#### 4.1 Introduction

In the previous chapter, I found statistical evidence of an insider/outsider division between core, secure workers and peripheral, insecure workers (cf. Atkinson, 1984). In this chapter, I will focus more closely on the organizational context which may shape the perception of risk and social policy preferences. While human resources activities are generally referred to in understanding employee work experiences and well-being, little attention has so far been devoted to the way of implementing new forms of organizing work such as functional flexibility, and the consequences of this for perceived security at work and individual support for social security. The purpose of this chapter is, thus, twofold. First, I will examine perceptions of security among functionally flexible employees within two different work contexts. Second, I will discuss the implications for social policy preferences.

Several authors argue that labour flexibility is important for both employers and employees in dealing with volatile market demands, technological change and needs within and outside the workplace (see, for example, Chung, 2007). Regarding labour flexibility, one can distinguish different types of flexibility: numerical, functional, working time and pay flexibility (cf. Standing, 1999). Particularly the use of numerical and functional flexibility appears to be well established across countries. Numerical flexibility refers to employment relations that 'deviate from full-time open-ended wage employment' (Delsen, 1991:123), while functional flexibility is aimed at increasing the skills of workers over occupational boundaries, tasks and activities, involving practices such as job enlargement, job enrichment, job rotation, task rotation and (semiautonomous) teamworking (European Foundation, 2008; Cordery, 1989). While job enlargement implies an increase in the number of tasks, job enrichment may provide

<sup>&</sup>lt;sup>71</sup> A part of this chapter has been published as: Dekker, F. (2009). De calculerende kenniswerker? Tijdschrift voor Arbeidsvraagstukken, 25(4): 456-471.

employees more work autonomy. Rotation implies switching a person from one job/task to another job/task, while (semi-autonomous) teamwork refers to the setting up of (temporary) groupings of employees. These teams can be responsible for scheduling and the setting of targets. In theory, functional flexibility can have a range of organizational and employee benefits. Looking at the incidence of functional flexibility, survey evidence in Europe and the U.S. reports widespread workplace change (EWCS Survey Results 2005; Appelbaum and Batt, 1994).

At an individual level, numerical flexibility has been extensively studied with respect to perceived job insecurity. This is an important object of study, because it is expected that workers no longer enjoy high levels of job security in today's flexible labour market (cf. Schmid, 2006), while job insecurity clearly matters for one's well-being (see, for example, Wichert, 2002). Far less attention has been paid to the individual consequences of functional flexibility for reported insecurity at work. This is surprising, given that a lot of commentators suggest positive outcomes of functionally flexible work practices for employees (cf. Kanter, 1993; 1991). In theory, functionally flexible work can provide workers with multiple skills, which contributes to higher levels of perceived job security. Because multi-skilled workers can operate in different work settings, they experience a lower risk of unemployment. There are some studies which show, indeed, positive outcomes of workplace innovation for perceived job security among workers (Kalmi and Kauhanen, 2008; Ramsay et al., 2000). On the other hand, several studies show less positive results with regard to diverse worker outcomes such as increased stress and work intensification (Harley, 2005; Smith, 1997; O'Reilly, 1994). These differences in worker outcomes are usually attributed to the specific industrial relations system (Kalmi and Kauhanen, 2008; Godard, 2004; 2001) or production regime (Hall and Soskice, 2001) at the macro level. However, the organizational context may also shape worker experiences.

Looking at the organizational context, it is logical to assume that employers generally invest more in training and informal learning opportunities for their core workers (see, for empirical evidence, Maximiano and Oosterbeek, 2007). For example, because temporary workers are expected to leave the organization firms have less time to benefit from their

investments. This also implies that full-time workers are generally more frequent functionally flexible compared to other workers (see, for empirical evidence, OSA, 2006). By offering core employees more challenging jobs and opportunities for skills development, employers are able to secure their talented workers and at the same time respond to short- or long-term market needs. At the employee level, functionally flexible workers face lower risks of losing their current jobs. Through obtaining multiple skills, functionally flexible workers enhance their 'marketability' within and outside the organization. In principle, this relates to the literature on dual labour market theory (Doeringer and Piore, 1971) which argues there is a primary and a secondary segment within the labour market. In other words, there are high-quality jobs with high wages, good working conditions and learning possibilities, and low-quality jobs with less of those characteristics (cf. Tilly, 1996)<sup>72</sup>. Workers in the primary segment can be portrayed as functionally flexible core workers experiencing good security, while those in the secondary segment are peripheral workers experiencing lower working conditions, such as lower wages, less training and low security (Marchington and Wilkinson, 2005; cf. Mangum and Mangum, 1986)<sup>73</sup>.

On the basis of this line of reasoning, functionally flexible workers are said to experience high levels of job security. However, as I have pointed out earlier, this claim lacks much empirical validity. Furthermore, employers can *choose* whether they implement functional flexibility following a 'high-road' or a 'low-road' approach. It can be argued that the introduction of functional flexibility in a work environment which offers no real employee autonomy and corresponding training programmes but, instead, is more directed to improving organizational efficiency, will provide no room for increased perceived security among employees. In other words, functional flexibility that entails low working conditions, such as no autonomy and/or opportunities to obtain higher qualifications and skills, is not expected to increase perceived security at the workplace. This kind of labour flexibility is often described as an example of the so-called 'low-road-strategy' (Michie and Sheehan, 2003; Milkman, 1998). Following this view, employees are more likely to see functional flexibility as a new way of labour

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<sup>&</sup>lt;sup>72</sup> Hudson (2007), however, shows that many jobs combine primary and secondary labour market characteristics.

<sup>&</sup>lt;sup>73</sup> See, for a review on the 'core-periphery' and dual labour market models, Kalleberg (2003).

control by employers. Simultaneously, an environment which emphasises employee goals, such as workers' autonomy and learning opportunities, is more likely to promote a greater sense of security among workers; they will recognize the opportunities for skill development. In other words, I would expect that working in a 'low-road work context' is less in the interest of employees.

In this study, I assess perceptions of security in different work settings. I will examine whether functionally flexible workers actually feel secure, like the dual labor market theory would predict. Furthermore, by focusing on different ways of implementing functional flexibility, I am able to find out the impact of differences in implementation at the company-level.

Second, while experienced job security is an important characteristic of a person's employment status, I will also consider another component of perceived security at work: employment security (or employability), which is the possibility of finding a job outside the current company (European Foundation, 2008; Schmid, 2008; see also Finn, 2000). This kind of security becomes more important in modern flexible economies (cf. Schmid, 2006), but experienced employment security in a flexible work context is not well documented in the literature.

In a next step, I will discuss the implications for supporting social security. As we have seen in the previous empirical chapters, self-interest is clearly an important factor in understanding social policy preferences: job-secure people are less willing to support unemployment spending. This self-interest perspective can also be found in the so-called 'Asset Theory' by Iversen and Soskice (2001; see also Iversen, 2005). According to these authors, the socio-economic views of individuals are determined by the degree of specificity of their skills. In the literature, commentators suggest that functional flexibility leads to multi-skilled employees with more generic skills such as management and problem-solving skills (Delarue et al., 2006). Because these generic skills entail less danger of unemployment, on the basis of self-interest, flexible workers will have less interest in collective social security arrangements. In other words, 'Asset Theorists' assume that self-interest will contribute to flexible categories of employees being

unfavourably disposed towards collective social security. Therefore, I will examine whether this self-interest argument has indeed empirical value in understanding social policy preferences among functionally flexible employees.

To gain more detailed insight into the impact of the work setting on perceptions of security and support for social security, I have selected two specific cases in the Netherlands that represent different ways of implementing functional flexibility. The study attempts to make three contributions to the literature. First, it contributes by focusing on perceived security in different work contexts which is, in view of the existing literature, an underdeveloped area of study. Second, it contributes by analysing two different aspects of perceived security among functionally flexible workers: the perceived security within (job security) and outside the organization (employment security). Generally, the relation between (functional) flexibility and job security is of central concern. Third, while Iversen and Soskice (2001) have shown a negative relation between having generic skills and a preference for collective solutions for social risks, the theoretical claim of 'asset specificity' has not been examined in detail. Put differently, is it true that self-interest exclusively explains why people support government intervention as the 'Asset Theory' predicts? The majority of studies on social policy preferences have shown that individual support for social security is associated with self-interest as well as moral and affective principles (De Beer and Koster, 2007; Van Oorschot, 2007). By using another, qualitative, research method I am able to learn more about people's meanings to risk and the process by which they form their policy preferences.

In this study, the Netherlands has been chosen as research area because this country is among the most functionally flexible ones in Europe (European Foundation, 2007)<sup>74</sup> and therefore particularly interesting. In the next part of this chapter, I will briefly discuss the

<sup>&</sup>lt;sup>74</sup> Approximately 62% of all Dutch workers engage in task rotation with colleagues, and approximately 75% participate in teams (EWCS Survey Results 2005; see www.eurofound.europa.eu/ewco/surveys/). At the EU27 level, 48% of the employees rotate tasks, while 60% work in teams (European Foundation, 2007). Furthermore, according to the Dutch Institute for Labour Studies (OSA), 80% of all Dutch workers perceive that they are capable of performing multiple tasks or working on different departments in 2006 (OSA, 2008).

literature regarding (organizing) functional flexibility, security and social policy preferences.

### 4.2 Functional flexibility, risk and social policy preferences

Functional flexibility includes work arrangements such as job rotation, task rotation, teamwork, job enlargement and job enrichment. In all these ways, a multi-skilled workforce can move between different parts within the organization and/or perform a broader or enriched range of activities, hereby improving their skills, while employers benefit from the increased internal flexibility as well, for example with regard to organizational productivity and reduced labour costs (Friedrich et al., 1998). In the literature, functionally flexible work practices are sometimes covered by the term 'highperformance workplace'. It appears, however, that most of the literature in this field is not aimed at the consequences for individual workers (see Kalmi and Kauhanen, 2008; Bacon and Blyton, 2001). Researchers are rather interested in organizational outcomes (see, for an overview, Wood, 1999). Nevertheless, several studies concentrate on the issue of innovative workplace practices and different worker outcomes. For example, Mohr and Zoghi (2008) show higher levels of job satisfaction among workers in 'participatory jobs'<sup>75</sup> in Canada, Kalleberg et al. (2009) discuss the impacts of autonomy, consultation in decisions and teamwork on job stress among Norwegian workers, Gallie et al. (2004) suggest a link between different forms of employee involvement<sup>76</sup> and higher levels of task discretion and Appelbaum et al. (2000) point to job satisfaction, organizational commitment and intrinsic rewards in the U.S. manufacturing industry.

Research on perceived job security among functionally flexible workers has played a less crucial role in the literature. This is puzzling because, for employees, job security is probably one of the most important qualities of work. As we have seen, the dual labor market theory gives reason to believe that functionally flexible (core) workers feel more job-secure than other employees. Particularly core workers who are capable of doing

<sup>&</sup>lt;sup>75</sup> They include job rotation, quality circles, teamwork, training practices and suggestion and information sharing programmes.

<sup>&</sup>lt;sup>76</sup> They selected teamwork, quality circles and consultative involvement as indicators.

multiple tasks are 'valuable' for organizations to secure. Studies by Kalmi and Kauhanen (2008) indeed found positive effects of workplace innovations, such as information sharing and training on job security among Finnish workers, while Ramsay et al. (2000) show that high performance workplace practices<sup>77</sup> are related to perceived job security among workers in the UK. Bacon and Blyton (2001) question these positive findings by showing that job insecurity may still exist across high performance work systems in the international steel industry, although their study is based on the reported job insecurity among union representatives instead of the experiences of functionally flexible employees themselves. While there are a few studies on perceived security among functionally flexible employees, the impact of functionally flexible work on security is still subject to speculation. While some more critical commentators state that employers will always look for ways of reducing costs and maximizing labour input instead of improving security (Thompson, 2003), most seem to agree that *functional flexibility provides an opportunity for skills development and, hence, more job security for employees* (European Foundation, 2009). This will be my first expectation.

It is often said that the company-strategy with regard to work innovation may influence employee outcomes (see, for example, Peccei, 2004). In this matter, one can distinguish two opposite ideal-typical<sup>78</sup> approaches related to the introduction of functional flexibility. The so-called 'high-road approach' states that employees will benefit from functionally flexible work arrangements that involve high levels of task discretion, varied tasks and opportunities for career development. These work practices are usually accompanied by high levels of formal training and will therefore increase workers' skills and security (Michie and Sheehan, 2003). An alternative view is the so-called 'low-road approach', which includes none of these 'humanistic' features and opportunities for increased security at work. This perspective is largely related to the arguments from labour process theory (Braverman, 1974), which emphasizes 'new' ways of managerial control and monitoring (Harley, 1999; Sewell, 1998). In this debate, it seems that the extent to which companies meet a 'high-road approach', and in turn improve levels of

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<sup>&</sup>lt;sup>77</sup> This includes a series of variables, such as problem-solving groups, employee consultation, profit-sharing schemes and different forms of communication.

<sup>&</sup>lt;sup>78</sup> Cf. Benders and Van Hootegem (1999).

security, is an important variable when studying employee outcomes. However, in much research, limited attention has been given to this assumption. There are only a few systematic studies that examine the work context and employee outcomes. According to Bacon and Blyton (2000), teamwork via a 'high road-strategy', such as a variety of tasks and power for employees to make decisions, leads to a higher motivation of workers and more satisfying jobs. Another empirical study by Kelliher and Riley (2002) reveals that functionally flexible employees in the hospitality industry fare better due to thorough training facilities. Overall, these findings indicate that a 'high-road approach' indeed improves worker outcomes. Based on these considerations, my second expectation is that functionally flexible workers will experience more job security in a 'high-road work context', compared to working in a 'low-road context'.

Furthermore, while some research focuses on the relationship between (different forms of) functional flexibility and perceived job security, these studies are not interested in perceptions of employment security, which is the possibility of finding a job outside the organization. In a period where lifetime employment within one organization comes more under pressure, it is necessary to investigate factors, such as functional flexibility, that may influence employment expectations among workers (cf. Forrier and Sels, 2003). Therefore, I would argue it is important to understand the experienced employment security among functionally flexible workers as well.

By changing between ('richer') jobs and tasks and/or getting more control to complete work tasks, functional flexibility may enable employees to accumulate new skills, and their labour market 'value'. It is very reasonable to expect that for employees who possess multiple skills it is easier to find another job outside the company. They are more attractive for the labour market. Therefore, my third expectation is that *functionally flexible employees experience employment security*. Following the earlier logic on the implementation process, I also expect that *functionally flexible workers will perceive more employment security in a 'high-road work context'*, *compared to working in a 'low-road context'*.

In the introduction of this chapter, I have pointed to the idea that people with generic skills are less inclined to support social security. Iversen and Soskice (2001) base this assertion on the human capital approach (Becker, 1964), whereby a distinction can be made between generic skills and trade-specific skills. In contrast with trade-specific skills, generic skills are transferable between occupations and/or sectors. For example, generic skills include socio-communicative, problem solving, learning or self-management skills. One can easily imagine that skills like these could be useful in several occupations and/or sectors. This is less the case with technical skills that are, for example, used for specific software programmes. Iversen and Soskice describe how those with mainly generic skills are less supportive of government spending on collective goods and services. The idea behind this is that citizens with skills that are relatively more 'marketable' are in essence more mobile in the labour market, and so they experience greater job security. On the basis of a survey taken in 1996 and 1997 in eleven countries, Iversen and Soskice (2001) conclude that the relative degree of specificity of skills, controlled by variables such as age, sex, income, type of working relationship, trade union membership and political ideology, is indeed a central factor in explaining individual support for social security arrangements: "(...) workers with specific skills are more inclined to support a high level of protection than are those with general skills" (Iversen and Soskice, 2001: 889) This approach to support for social security arrangements emphasizes that socio-economic views can largely be explained by individuals striving exclusively for short-term selfinterests. Therefore, my last expectation is that functionally flexible employees with generic skills are less supportive of social security, which can be understood by the logic of self-interest.

In the next section, I will discuss the data and methods for the analysis.

# 4.3 Methodology: two case studies

I have chosen for a qualitative research design. The reason is twofold. First, by using indepth (semi-structured) interviews with functionally flexible workers, one cannot only ask *if* workers feel (in)secure at work, but also *why*? In this way, I am bringing the voice

of workers back into the field of industrial sociology (Simpson, 1989). Second, from the answers in surveys it is more difficult to deduce the quality<sup>79</sup> of functionally flexible arrangements used within specific workplaces. To examine the consequences of functional flexibility for workers, I have chosen two organizations: one organization within the ICT sector and one within the printing industry. The empirical part of the study is located among these two sectors because, in these branches functional flexibility plays an important role (see figure 4.1) and, more importantly, they represent different rationales for introducing functional flexibility. According to a study by the Dutch knowledge institute TNO, functional flexibility is predominantly seen to improve people's knowledge and skills within ICT, while flexibility seems to be introduced in a more 'reactive', market-driven way in order to handle change within industry (TNO, 2006)<sup>80</sup>. This is most likely a good start for selecting different work settings. Further, I selected two companies on the basis of a number of exploratory talks with seniorresearchers within these two specific sectors. The reason is that they have considerable knowledge and understanding of the different branches. According to my informants, particularly within the selected organizations I can find the information that I need. Therefore, I selected a company within the ICT-sector which can be characterized as a functionally flexible organization representing the 'high-road approach'; forthwith described as the 'Soft Service' organization. Of the 'Soft Service' employees I spoke to, all of them were better educated. Furthermore, I selected one organization within the printing industry, representing the 'low-road approach'; described as the 'Printing Industry' case. In contrast to 'Soft Service, this sample consists of medium and lower skilled employees. In total, 48 people were interviewed (see Appendix).

One could argue that the selection of the two cases brings in differences in the implementation process but also contextual variation, such as different employee and sector characteristics, which limits the possibility of defining the specific effects of the work context. However, it is demonstrated over and over that employees working in a 'high-road work context' are generally higher skilled, they are working in professional occupations and receive more training possibilities than blue-collar employees working in

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<sup>&</sup>lt;sup>79</sup> Think, for example, of different types of teamwork and associated skill requirements.

<sup>&</sup>lt;sup>80</sup> This study included data from 1.240 employers of organizations with more than 100 employees in five different sectors of the Dutch economy.

a 'low-road work context' (cf. Guest, 2000; Osterman, 1995). In other words, the two specific cases are chosen because they represent the polar types of implementing functional flexibility.

Business services
Industry

Total

56 58 60 62 64 66 68 70 72 74

Figure 4.1 Functional flexibility: job and task rotation in the Netherlands, 2006 (in % of employees)

Source: OSA (2008: 122)

## Soft Service

The 'Soft Service' organization is an international company with 4.600 workers employed in the Netherlands, of which 79% male and 21% female. The average age of the staff is 38. During recruitment and selection, Soft Service only screens people with higher education qualification (a degree from a university or a university of applied sciences). The company mainly offers its clients services that are characteristic of the commercial ICT-sector: consultancy (including management consultancy), education and training programmes, maintenance and outsourcing. According to national employee satisfaction surveys, 'Soft Service' is a leader in terms of staff career development, via both education and training programmes, and functionally flexible work practices. The company has a high staff turnover, which is normal for this sector. In 2006, turnover was more than 15% (Soft Service annual social report, 2007). According to ICT-Office (a Dutch trade association), companies within ICT are increasingly facing a demand for

qualified professionals (ICT-Office, 2008: 71). This is particularly due to a decreasing number of new students. Therefore, according to the HRM-director of 'Soft Service', the training facilities and functionally flexible work arrangements are not only necessary to get the job done, but also to attract and commit talented people. I approached people working in this company for my research. To ensure heterogeneity in age, sex and type of work (these factors could conceivably influence views on security), extra attention was paid to these factors during the random selection. This means that all of the 'Soft Service' business units were included in the selection, and within each unit a stratified selection was made on the basis of age and sex. The selected employees were then informed of the research via an internal memo. A total of 27 employees were eventually interviewed. At this point, no new theoretical information was found. This means there is most likely 'theoretical saturation' (Glaser and Strauss, 1976). Of the 27 respondents, 19 were men and 8 were women and all had attended higher education. A characteristic of these respondents was that most of them did not have a sector-specific educational background in ICT. The branch of study followed is apparently of minor importance at 'Soft Service'. Although there were respondents with specific ICT backgrounds, the predominant picture was one of diversity, as is illustrated by studies such as: social pedagogics, natural sciences, international fashion management, teacher training colleges (Pabo), sociology, quantum physics, business economics, and management, economy and law. The age of the respondents varied from 25 to 59 and most of them had permanent full-time contracts. Almost all the interviews were taken at the workplace. The interviews took place in 2007.

### **Printing Industry**

'Printing Industry', which started as a family company, has grown to the largest printing company in the Netherlands, with 2.200 workers employed in 2008. In the Netherlands, it provides printing services on five different locations. In the company, 86% is male and 14% female. This research considers one of the locations of 'Printing Industry', which includes around 400 employees. Most of them are between the age of 45 and 65. In the graphic industry, employment levels have particularly fallen between 2000 and 2004 (GOC, 2007). First, this was due to the economic downturn in these years and, second, increasingly international competitive pressures placed an emphasis on cost control. The

nature of work has also shifted during the last years. The Dutch knowledge Institute for the Graphic Industry (GOC) reports that a lot of older workers are expected to leave the firms in a couple of years, because they reach pension. That's why companies became increasingly focused on functionally flexible work practices in order to remain competitive in the future (GOC, 2007). In this sense, fewer employees can perform more tasks in different work situations. So, the adoption of functionally flexible arrangements can be largely viewed to secure efficient labour deployment. A total of 21 interviews were (randomly) conducted among functionally flexible workers who are involved in printing magazines and brochures, bindery work, packaging and customer service activities. The age varied from 27 to 59, 18 were men and 3 were women. Most of them completed lower and medium levels of vocational education related to the graphic industry. All interviewees within 'Printing Industry' are working on permanent employment contracts. The data were collected in 2008, after the employees were informed via an internal memo. During the interviews I have focused on issues of working in a functionally flexible work environment and perceptions of (in)security. The interviews were taped and transcribed for further analyses<sup>81</sup>.

#### 4.4 Results

# 4.4.1 Functional flexibility and risk

Working functionally flexible

Increasingly, 'Soft Service' and 'Printing Industry' have both introduced functionally flexible work practices, such as expanded job designs, rotation and teamwork. However, the organizational embedding of functional flexibility may provide an important context for studying worker outcomes. In the next section, I will present two different work contexts.

<sup>&</sup>lt;sup>81</sup> To minimize potential bias during the translation of the quotes into English, I have worked with a translator.

'The high-road'

With regard to flexibility within 'Soft Service', it is salient that almost all job descriptions are subject to continuous change. Many employees are confronted with changing competency and flexibility requirements, partly influenced by outsourcing processes and market developments. The workers appeared to be very willing to change between roles within the organization (in this sector, 'job positions' are known as 'roles') to develop new competencies. In short, they emphasized the need to fulfil more requirements:

"Specialized knowledge is becoming less important, today it's all about management, the processes that use this knowledge (...) these are 'soft' skills, which we use alongside the basic technical expertise that of course we all have. You learn that if you want to keep up, if you want to keep the jobs coming in, you need to move with the market, between roles, reaching for a higher level" (male, 39 years, service manager)

While workers are expected to be more flexible due to market pressures, they are also willing to be functionally flexible because this helps in developing their knowledge and skills:

"At the moment I'm alternating between seven different roles, from team leader to staff member. Several roles I have created myself (...). In this way, I can improve my position in the labour market and my job remains challenging" (female, 45 years, application management consultant)

Employee flexibility is thus mainly expressed in the development of generic skills, such as socio-communicative skills, the ability to plan and organize and the ability to take on several roles simultaneously. Particularly, the flexibility of employees is increased when they rotate between departments. Employees should be able to take on roles that do not directly fall under their core competencies or individual requirements, such as switching between ICT and marketing roles:

"You have to be like a chameleon in this industry, which is great. You need to adapt to changing circumstances (...) if you need expertise in another field, you can take training and the next day you will be the guru!" (female, 25 years, core banking consultant)

Stories of task-based teamwork were also found among my respondents within 'Soft Service'. Mostly for several months, the most suitable employees at the time are working in project teams in order to fulfill particular customer needs. The team-members are together responsible for planning and customer contact. According to my respondents, they receive adequate support through diverse HRM practices, like training programmes and periodic meetings with their supervisor and other members within their department. Another example is the set up of an in-house learning centre where employees obtain training in skills. Many respondents felt this makes it easier to increase their skills by the introduction of functional flexibility, like this consultant reports:

"At 'Soft Service', there is a good training and development climate, which I am very pleased with. These facilities expand the possibility of learning and doing your job in a better way"

(male 57 years, ict-consultant)

### 'The low-road'

I now turn to 'Printing Industry'. The flexibility within 'Printing Industry' is mainly facilitated through task rotation and teamwork. Noteworthy is that functional flexibility seems to be introduced to meet fluctuations in production, for example, due to sickness or variation in market demands. The different forms of functional flexibility usually imply small levels of autonomy and/or short-cycle, routine tasks. One respondent says:

"Today, workers from the after-press department are working on the press department. This means they are helping the printing operators with smaller tasks,

like the piling up and transportation of magazines to other departments (...) those tasks are normally carried out by workers from our press department" (male, 44 years, project analysis department)

Another respondent provides an example of task rotation on the so-called after-press department, where the folding and stitching of magazines and brochures takes place:

"Especially when someone is off sick, we step in and learn how to operate different after-press machines (...), which for the most of us really implies doing different things than usual"

(male, 59 years, after-press worker)

The respondents within 'Printing Industry' report no real opportunities for 'empowerment'. Forms of functional flexibility entail tasks at the same skill level and reflect no increase in responsibilities, such as a delegation in decision-making. On the printing department, an operator expresses the use of teamwork:

"We work in teams around six printing machines. Each team consists of five or six persons. We all operate in various tasks around a machine. I hang in the right paper in the feeders, but I am also monitoring the printing throughout the run and make corrections if necessary. Furthermore, I sometimes look after the piling up of finished pages (...). These tasks used to be done in a more standardized way, where each task was divided (...). This means you have to learn different techniques (...). However, the responsibility for scheduling is always done by one of the supervisors"

(male, 54 years, press worker)

Furthermore, and contrary to 'Soft Service', the interviewees are referring to almost no opportunities for career planning and training. As one respondent puts it:

"Within 'Printing Industry' you mainly learn on-the-job. There are no training facilities"

(male, 32 years, customer services)

These first results provide insights into some different forms of functional flexibility in two contrasting companies. An expected finding is that more 'advanced' forms of flexibility (more varying jobs with higher levels of autonomy) are found in 'Soft Service'. I also found, as expected, that workers within 'Soft Service' experienced far more organizational support, such as formal training. So, in accordance with my expectations, these two organizations seem to represent different models of functionally flexible work. In the next part, I will focus on the impact of functional flexibility on perceived security.

Job security: doing the job 'right'

The functionally flexible respondents within 'Soft Service' and 'Printing Industry' were asked whether they felt more secure in the internal (*job security*) and external (*employment security*) labour market. Interestingly, most interviewees faced no increased job security. Although all respondents perceived themselves as job-secure, employees did not feel more secure under circumstances of being functionally flexible. This finding is not (totally) in line with the insights from the dual labour market theory, which supposes there is a functionally flexible core workforce (or 'insiders') that perceives increased levels of job security.

Most of the respondents experience that their job security is linked to their central job description. Doing the job 'right' where they are initially hired for contributes to increased security at work. Being functionally flexible does not go hand in hand with increased job security. It appears, the employees experience that the risk of losing a job is still related to their core job description:

"Although you may switch between departments, eventually you are mostly tied to your own department (...) I think your performance within that department offers real security"

(male, 39 years, ict-consultant)

Or, as an after-press worker says:

"I have experienced it during my annual job interview. You are financially rewarded for the productivity within your own department, not for the extras you have done (...) you need to be more flexible, but it is clear your job is not more secure by dealing with problems outside your own expertise" (male, 35 years, after-press worker)

A matter of economic performance at the company-level

Several employees within 'Printing Industry' I spoke to also mention the issue of economic performance of the company. In their opinion, not functional flexibility but the economic situation of the company is of crucial importance in understanding the experience of job security. As a worker commented:

"In my perception it is not my position in this organization (...) whether or not I can change between departments, but rather the fact how the organization is performing as a whole. This determines the risk of losing a job. If the company is performing poorly, jobs are at stake, including mine" (male, 40 years, press worker)

The fact that the perception of job security has to do with the overall performance of the company is in line with the argumentation of Van Vuuren (1990) that the objective situation of the company is a relevant predictor. Although the workers within 'Printing Industry' experience no risk of losing their jobs, the fact that these workers point to the objective situation of the company may still reflect some uncertainty about working in manufacturing. Particularly this sector has witnessed declining employment levels during the last decades (Cusack et al., 2006).

Job security for younger workers

For some, mainly younger workers, functional flexibility *does* lead to more perceived job security. I found that younger workers, in 'Soft Service' as well as within 'Printing Industry', have higher mobility expectations and embrace functional flexibility as an opportunity to improve their skills in getting desirable job positions. This result may be understood by the importance of finding a suitable job in the early working life (Topel and Ward, 1992).

A key finding is that no differences in job security are observed between workers in 'Soft Service' (the 'high-road') and 'Printing Industry' (the 'low-road'). Contrary to 'Printing Industry, the 'advanced' approach within 'Soft Service' should enhance the possibility for extensive skill development and job security. However, I have found no distinct results. In a later section, I will explore the possible explanations for this finding. First, I will focus on another type of security.

# Employment security

The findings on employment security show another pattern. From an employee's perspective, functional flexibility gives most of them a stronger feeling of employment security. Through involvement in functionally flexible work, they remain competitive in the external labour market. In other words, they are completely confident about their employment security. Several respondents exemplary explained:

"Working in different departments or teams makes it possible for workers to stay in work, across occupations. (...) Now, my skills are transferable to other sectors. (...) I might be a marketer, but I don't have an M stamped on my forehead!" (male, 25 years, consultant marketing strategy)

"By enhancing my skills, technical and more general, I can find work not only within the ICT-sector"

(male, 39 years, service manager)

Workers within 'Printing Industry' also seem to benefit from functional flexibility, although the more low-skilled character limits the employment expectations to the specific graphic industry. As an employee describes:

"Rotating between press machines improves your work prospects. I think there is a widespread demand for press workers who can operate a number of machines (...) but still within the area of printing" (male, 48 years, press worker)

# Do the old get ahead?

I found no evidence of differences by personal characteristics. Only age (particularly aged 50 and older) seems to function as a relevant determinant with respect to perceived employment security. Older workers within 'Printing Industry' feel less employment-secure compared to other groups:

"If my current job ends, it doesn't matter whether or not I can perform more tasks. You disappear from the labour market (...) the position of older workers is simply lower than average"

(male, 52 years, press worker)

This finding is consistent with earlier studies on security at work (see, for example, Sverke et al., 2002). However, I found no differences in the perception of employment security between older and younger workers within 'Soft Service'. That older workers within 'Soft Service' are optimistic about their employment security may reflect their higher education levels, which favours career changes.

In summary, the results show that only perceived employment security is related to functional flexibility. Functionally flexible people did not express more job security. To my knowledge, different types of experienced security have not been linked to functional flexibility in earlier empirical studies.

Again, the organizational context seems to play no distinguishing role which does not fit my expectations. An important result is that individuals in a 'low-road company' do *not* assess their employment situation as less positive compared to workers in a 'high-road company'. While their perception of employment security is more restricted to the sector in which they are working, they perceive functional flexibility still as quite useful in acquiring different skills and improving security. How can we understand this finding? According to commonly held views, these workers should report less opportunities for improving security.

# The role of expectations

The dominant view among workers within 'Printing Industry' is that functional flexibility is necessary today, to maintain employment. This seems to echo the Dutch attention which has been given to the popular concept 'employability' since the 1990s. According to workers within 'Printing Industry', functionally flexible work should entail routine and non-managerial practices. In this, they substantially differ from workers within 'Soft Service'. These employees only wanted to participate in more 'meaningful' work. As one worker within 'Soft Service' typifies:

"I want responsibilities in my job, no narrow range of tasks and hereby making my own decisions"

(female, 29 years, ict-consultant)

For workers within 'Printing Industry', functional flexibility should not mean a decentralization of responsibilities to the work floor. For these employees, more mentally demanding tasks are not part of their desired job description. They seem to be satisfied with rotating and working in teams, as long as it is related to their (low-skilled) production work. When asked about the need for more 'advanced' forms of flexibility they commented:

"It is normal that people have to respond to changing circumstances. That's good. However, we have an, I would argue, 'manufacturing-mindset'. Many of us have participated in traditional, lower, education and wish to work manually, without the need to follow training. To achieve more demanding forms of flexibility, I feel, you need another type of worker"

(male, 35 years, after-press worker)

"I have been working here for five years now. In these years, they have asked me once if I was looking for more managerial tasks. I said no, this is my favourite place"

(male, 34 years, press worker)

The data has further indicated that there are no differences in the abovementioned considerations between younger and older workers within 'Printing Industry'. One could now easily criticize that these lower-skilled workers simply have no choice than to reflect to their employment situation and management rhetoric, so employers can increase direct control and make employees work even harder. An alternative, I would argue more realistic, view is that in order to understand employee perceptions of functionally flexible work arrangements, one must consider the different expectations workers have. The functionally flexible workers within 'Soft Service' are oriented towards personal development, they seek for greater autonomy and wish extensive training facilities. In this way, they can enhance their skills and security at work. However, workers within 'Printing Industry' are not seeking for more autonomy through functional flexibility and do not desire more training. Their expectations of functional flexibility are also directed towards improving their skills and security, but in a 'low-road' way.

# 4.4.2 Risk and social policy preferences

In this last empirical section, I will turn to the consequences for people's social policy preferences. We have seen that rapid changes in technology and/or market place great demands on flexibility. From a worker's point of view, functionally flexible work can, indeed, improve their perceptions of employment security. But how is employment security related to social policy preferences? I have pointed out that the 'Asset Theory'

relies on the assumption that workers with generic skills rationally evaluate social risks. Therefore, these workers would not advocate social spending, but favour individual savings accounts for themselves instead. According to the empirical results in this chapter, the role of self-interest in understanding policy preferences should be particularly important in the case of 'Soft Service'. These workers seem to have a considerable level of generic skills which are 'marketable' across sectors (think of the so-called 'soft skills' or planning and learning skills). In 'Printing Industry', workers face pressures to be functionally flexible as well but the obtained skills are limited to one industrial sector (think of the technology skills to operate different printing machines). In sum, it can therefore be expected that particularly in the case of 'Soft Service', self-interest should be found as a strong predictor of policy preferences, as the 'Asset theory' would predict. This category, in other words, acts as a critical case (Flyvbjerg, 2006). I will hereby focus on the risk of unemployment, because this risk is most obviously linked to risks in the labour market. The respondents were asked to react to different semi-structured questions on social security and the perceived need for more individual responsibility and freedom of choice in the social security system to accommodate differences in individual preferences<sup>82</sup>. In the following part of this section, I will discuss the outcomes regarding the social policy preferences of respondents in 'Soft Service'.

# Solidarity in social networks

Although the respondents in 'Soft Service' clearly feel that they run little or no risk of becoming unemployed in the future, they do seem prepared to pay premiums for collective and uniform unemployment insurance. Generally speaking, the vast majority believe in the importance of a social system with the aim of providing assistance to citizens who are not able to provide for themselves. This view is widely held and transcends political and ideological boundaries, as well as age groups. The first notable detail is that a number of respondents, when giving their views on unemployment, refer to people in their own social network, such as an acquaintance or family member, who is or has been faced with involuntary unemployment. This experience seems to be related to a resistance to more individualized arrangements and is not consistent with the picture

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<sup>&</sup>lt;sup>82</sup> See for a discussion in the Netherlands, for instance, Hosseini (2006).

painted of a cost-benefit balancing individual. One of the respondents made the following remark:

"More individual responsibility and freedom of choice? Many sectors are faced with staff shortages, and still there are people unemployed. Why would this be? My brother is unemployed at the moment and can't find a job. I'm sure it's not because of any unwillingness on his part. What I mean is: you can't always explain these things."

(male, 26 years, public & health consultant)

### Moral conviction

The majority of the respondents allude to cultural factors as potentially playing an important role in explaining different socio-economic views. The interviews reveal that the respondents have an ideal of a social care system for groups that need it. The idea behind this is that some people simply cannot help becoming unemployed. Despite the fact that their individual labour market position does not give them any cause for concern about the future, many respondents do not react in the actively individualistic manner that would be expected of them. The reason for these respondents reacting as they do is not the pursuit of self-interest, but a moral conviction; there are many reasons why a person could become unemployed, and thus they deserve the support of society. I will provide two examples that illustrate how these moral convictions, that form the basis of this view on social security, are formed.

The first case concerns a male consultant of 51 years. He is academically trained, married, and has one child who lives at home. He joined 'Soft Service' in the 80s and since that time has developed an impressive career, from programmer to all-round ICT consultant. During his career he has carried out a considerable number of assignments in various sectors, not only in the Netherlands but in Germany, England and Sweden too. His knowledge has been his best asset:

"I grabbed every opportunity I could, that's the kind of person I am (...) my strength lies in my ability to see the big picture; the larger patterns and structures. I am the type of person who keeps an overview. My talent is finding solutions at the strategic level (...) and so my career unfolds."

He has never been faced with unemployment and he is convinced that this will never happen, but if it should:

"(..) I won't be applying for a benefit, because I'll soon have a new job [laughs]."

Nevertheless, he strongly rejects proposals to create more leeway for own risk and freedom of choice in social security, as embodied by an 'unemployment savings scheme':

"Of course there's little risk of me becoming unemployed, but there are others who *do* need this security. It is good that we have such systems in the Netherlands to safeguard normal living standards for those that need help (...) it's no more than common decency."

In the second example, too, I find a collective sense of responsibility for others:

The subject of the second case is a 26 year old female consultant. She has an academic education, lives together with her partner and has no children living at home. After her graduation she decided to place her CV on the internet, hoping to find a company with the right development opportunities. She has been with 'Soft Service' for two years now. She is responsible for process management in the implementation of change in information systems. She has a positive view of her position in the labour market:

"Alongside my technical background I have good social skills. You need good social skills if you are continuously in touch with both your client and your colleagues (...) these skills give you a stronger position in the labour market."

She has never been unemployed and she too is sure that she need not be concerned about becoming unemployed:

"I am not tied to 'Soft Service'. Should things go wrong, and Soft Service were to lose all its clients, I would happily look for new work with other companies and in other sectors. Nothing to worry about; I have built up diversified skills during my education and career."

Again, I could find no relation between a strong position in the labour market and a preference - based on the pursuit of self-interest - for a less solidary society. When asked about her views on greater individual responsibility via the introduction of savings elements for unemployment insurance, she remarked:

"People become individually responsible for the costs of becoming unemployed...? That sounds oversimplified to me. Although I believe that people should always take an active stance in the labour market, unemployment is something that can happen to anyone, certainly if you haven't got a degree. Then it's good to know that you live in the Netherlands."

When I place stories like these alongside each other, I see that a strong labour market position (a high level of education coupled with an experience of autonomy, flexibility, generic skills and subsequent employment security) is incongruous with the idea of the calculating actor who strives for less government intervention and a growing desire for freedom of choice where it concerns the unemployment risk. Although the group of interviewed employees does not seem likely to profit from public intervention in case of unemployment, the idea of a more individualized unemployment benefit system does not fit in with the world view of these employees.

#### Choice stress

The 'choice stress' phenomenon, too, is a reason behind respondents not taking the expected calculating stance. The idea is that the current labour market has not only become more changeable – in terms of employment relationships and requirements with regard to the type and quality of the work – but that people are also in a better position to influence the development of their careers. Beck and Beck-Gernsheim (1996:29) coined the idea of the *homo optionis* in this context. However, this increased freedom to make choices can also lead to stress (Schwartz, 2004; 2000). According to a number of respondents, the interest in individual security arrangements is overestimated. For some respondents, policies aimed at freedom of choice actually sooner lead to frustration than satisfaction:

"Way too much is expected of people. They don't want a choice. I used to be a manager with a pension fund, where I saw it happening with the 'cafeteria' system of individualized employment conditions: people get dead tired of it! OK, some people like it, but they are absolutely in the minority. People can't, or don't want to have to make choices about so many things. The professionals involved with the concept fail to appreciate this. People have got other things on their minds. A uniform package, please!"

(male, 59 years, business risk manager)

### Conflicting views

However, two persons in 'Soft Service' showed clearly different views with regard to the unemployment risk. In these cases, the respondents *did* specify a preference for individualized arrangements against risks such as unemployment and less public influence. The question is why would this be? It is striking that both respondents strongly believe that all people, whether highly or poorly qualified, are responsible for their own position in the labour market. They maintain that employees are themselves responsible for keeping their knowledge and skills up to date to actively develop their individual careers. This is what they do themselves, after all. More in general, they assert that people who, apparently, have not given this enough attention should also carry at least some of the financial consequences. This view is expressed in the following remark:

"I believe that an individual has a great individual responsibility. You have the obligation to continue developing, as long as you can (...) Unemployed people must be helped; this is a great public good. However, there is nothing wrong with the combination of basic coverage and a financial stimulant. You are responsible for your own career, and if you don't take that responsibility... well that's too bad."

(male, 38 years, ICT consultant)

While existing research does not show a significant increase in support for more individual responsibility in the Netherlands (Hoff and Vrooman, 2002) and sociodemographic variables do not appear to be important factors underlying these abovementioned conflicting opinions, it is more likely these attitudes refer to individual expressions of 'justice'.

As a more general conclusion, views on social security are far less founded on calculating processes than is thought in the 'Asset Theory'. This does not support my last expectation. Moral and affective mechanisms clearly affect policy preferences as well. This finding may partially explain why feelings of employment security are not related to declining levels of support for unemployment benefits, as we have seen in chapter 3. Referring to

this issue, I have found evidence of an additional factor that may be related to the acceptance of social security among employment-secure employees. This factor is predominant visible in the 'Printing Industry' case, which will be discussed in the remainder of this subsection.

### Sectoral uncertainty

In 'Printing Industry', all interviewees expected to be still in employment over 12 months; within or outside 'Printing Industry' but within one single sector. For most employment-secure respondents in 'Printing Industry', they *do* perceive uncertainty. A lot of the employees worry about working in the industrial sector, like this print operator:

"We are working in an era of cost-cutting and global competition. In my experience industrial, lower skilled workers are always less well off (...) right, I can carry out some different tasks, but that is still within the graphic industry (...). Chances of getting a job outside the graphic industry are not very high, I am a graphic worker (...), we will see."

(male, 29 years, press worker)

### Another person told me:

"Working in this sector means being work insecure as a way of life, you never no what will happen."

(male, 40 years, press worker)

So, while these workers perceive opportunities to obtain work across companies and, in this way, expect to be in employment in the short-term future, this is still in the relatively insecure industrial sector. The continued expansion of employment in the services sector and loss of employment in the traditional industrial sector (see, for example, European Commission, 2005) has led to uncertainty among blue-collar workers. Because most of the workers have industry-specific skills, they do not think there is a possibility of making it outside the industrial sector. This uncertainty fuels a demand for collective risk

sharing, even though they feel, at the moment, secure in the external labour market:

"If something goes wrong, the idea of social security is reassuring (...) you simply can not say: it is your own fault that you do not have a job" (male, 48 years, press worker)

These observations indicate that, although these workers feel they can change from employer, they also perceive uncertainty about the long-term future that awaits them. Many respondents argue this sectoral uncertainty can always result in (short) periods of unemployment. This suggests that risks in the future are simply more difficult to predict. On the whole, long-term uncertainty may also explain why employment-secure people still support social security.

#### 4.5 Conclusions and discussion

A key aspect of the dual labour market theory is a segmentation of the workforce in 'insiders' and 'outsiders'. In short, 'insiders' are core workers who experience stable careers within organizations, while peripheral workers enjoy less security. Today, a substantial part of the core workforce is functionally flexible. Because functional flexibility allows workers to improve their skills and competencies, I stated that these workers in particular are considered to be job *and* employment-secure. Furthermore, I expected that functionally flexible workers in a 'high-road' company enjoy the highest levels of job and employment security.

Surprisingly, functional flexibility does not seem to have an effect on perceived job security. While research shows that temporary workers (numerical flexibility) feel more job-insecure compared to other workers (De Witte, 2005), functional flexibility is not linked to perceptions of job security. This is not in line with the expectations derived from dual labour market theory. However, my research reveals that functional flexibility increases the perception of employment security. Being mobile within the organization and/or learning from others though teamwork enhances skills and security in the external

labour market. Therefore, it is likely that functional flexibility will eventually result in a higher level of labour market segmentation between numerical flexible 'outsiders' who experience low job security and functionally flexible 'insiders' who experience high employment security.

One of the central questions of this chapter is whether the organizational context has an effect on the level of experienced security among employees. I have seen that functional flexibility is advantageous for feelings of employment security in two different cases. In other words, functional flexibility seems to 'empower' employees in distinctive work environments. This result can most likely be explained by the expectations among workers towards functional flexibility. It can be expected that a 'low-road approach' is disappointing for workers who expect increased opportunities for task discretion and intensive skill development. In other cases, such as 'Printing Industry', a 'low-road approach' towards functional flexibility is in line with worker's capabilities and expectations. This is consistent with the findings by Vidal (2007), who shows that individual orientations towards work are important in understanding worker satisfaction. My findings add to this literature by focusing on other work-related outcomes, such as employment security. Furthermore, it questions assumptions concerning 'good' and 'bad' work practices. Concerning the implementation of functional flexibility, there is no 'onsize-fits-all' solution. To understand the impact of functional flexibility for workers, one has to give more priority to the subjective expectations of different groups of workers.

From a HRM-perspective, functional flexibility can take different pathways. A 'high-road approach' is beneficial for workers who expect autonomy and want to participate in education, training and decision making. On the other hand, in settings with personnel who do not expect 'high-road changes' regarding functional flexibility, HRM professionals can better rethink their approach in order to enhance performance.

Further, this study examined social policy preferences of functionally flexible employees. Iversen and Soskice's reasoning implied that functionally flexible workers with generic skills do not support government intervention in the economy. To test this assumption, I focused on the flexible workers within 'Soft Service' in particular.

Having generic skills does not necessarily contribute to an understanding of social policy preferences. Based on reasons of rational self-interest (or: pure economic instrumentalism)<sup>83</sup>, I would expect a low acceptability of public intervention. Instead, these workers like to point to an affective or moral tradition of helping the needy in society. The major argument among the highly (and generic) skilled respondents to support collective social security arrangements is that society should always support unemployed people. This finding calls for including more factors than the risk factor in explaining social policy preferences. Finally, I would also claim that, while people report that they feel employment-secure, feelings of long-term uncertainty may explain why people still support social security. Particularly in high-risk sectors, such as the graphic industry, perceptions of uncertainty have implications for social policy preferences. Therefore, the perceived sectoral unemployment risk should be included in future welfare state research in order to explain social policy preferences even more accurate.

# 4.5.1 Limitations of the study

This part of the study is a first attempt to explore the link between functional flexibility, different types of security in specific work contexts and social policy preferences. Clearly, more detailed (and longitudinal) research is needed to further explore my statements and to improve the external validity of the study. First, I have looked at very small groups of populations. Therefore, the two case studies need to be followed by (statistical) research in order to be more representative for larger populations. Second, I have focused at two polar types of implementing functional flexibility. Future research should try to give more attention to the 'middle-path'. For example, employers may achieve functional flexibility by introducing the 'high'- and 'low-road' approach at the same time, targeted at different groups of workers. Identifying different types of functional flexibility and organizational mechanisms in various contexts would be an important next step.

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<sup>83</sup> See for other concepts of rationality, Zafirovski (2008).

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**Appendix** Information on Respondents

Number	Gender	Age	Education (lower=vbo/mavo)	Political preference
			,	(1=left;10=right)
1	Female	45	Higher	6
2	Female	30	Higher	4
3	Male	38	Higher	8
4	Male	57	Higher	6
5	Female	42	Higher	7
6	Male	51	Higher	3
7	Male	39	Higher	4
8	Male	52	Higher	7
9	Male	25	Higher	8
10	Male	37	Higher	8
11	Male	39	Higher	7
12	Male	36	Higher	7
13	Male	50	Higher	8
14	Male	59	Higher	6
15	Female	41	Higher	4
16	Female	25	Higher	8
17	Male	44	Higher	7
18	Male	39	Higher	5
19	Male	26	Higher	7
20	Male	26	Higher	7
21	Female	29	Higher	4
22	Male	26	Higher	7
23	Male	25	Higher	8
24	Male	25	Higher	7
25	Female	26	Higher	7
26	Female	25	Higher	8
27	Male	25	Higher	8
28	Female	46	Middle	4
29	Male	56	Middle	4
30	Female	53	Lower	7
31	Female	51	Lower	3
32	Male	34	Middle	4
33	Male	32	Middle	4
34	Male	55	Middle	4
35	Male	37	Middle	6
36	Male	59	Lower	8
37	Male	35	Lower	8
38	Male	43	Middle	7
39	Male	35	Middle	5
40	Male	52	Lower	4
41	Male	40	Lower	8
42	Male	55	Lower	4
43	Male	48	Middle	8
44	Male	30	Middle	4
45	Male	46	Middle	4
46	Male	27	Lower	3
47	Male	29	Lower	8
48	Male	54	Lower	4

# 5 SELF-EMPLOYMENT AND SOCIAL POLICY PREFERENCES<sup>84</sup>

#### 5.1 Introduction

The job market in the Netherlands is home to an increasing number of self-employed workers. The biggest increase is to be found in the category self-employed without personnel, referred to in Dutch as 'zzp'ers'. A number of authors describe this trend as the ultimate expression of the ongoing socio-cultural process of individualization. According to this view, modern-day citizens value having as much individual freedom as possible to determine the course of their own careers. In the Netherlands, the number of self-employed was 12.9 percent of the working population in 2009 (Statistics Netherlands, consulted on 1 March 2010; this group includes people who work for their own company (or possibly that of their partner or parents) and other self-employed workers, including freelancers. While this proportion does not put the Netherlands in the international 'vanguard' in this respect, it does put the Netherlands among the European countries with the largest relative increases in self-employment in recent years (European Foundation, 2009). Policy makers are wondering whether these developments on the job market pose a threat to the future sustainability of the social security system. It is pertinent to ask how the functions served by our system of social security – which developed historically on the basis of a breadwinner family and 'traditional' work relations – can be guaranteed in a more flexible work society. In other words, is it advisable to adapt the social security system to the changes in the structure of the job market? This question is central to a policy advisory report soon to be published by the Social and Economic Council of the Netherlands (SER).

In the social-scientific literature to date, surprisingly few attempts have been made to specifically examine the relationship between self-employment and support for social security. This is odd given that the literature on the development of social policy shows

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<sup>&</sup>lt;sup>84</sup> Different versions of this chapter have been published as: Dekker, F. (2009). Opvattingen van zelfstandigen over sociale zekerheid, *Economisch Statistische Berichten*, 94(4558): 246-248; Dekker, F. (2010). Opvattingen van zelfstandig ondernemers over sociale zekerheid, *Tijdschrift voor Arbeidsvraagstukken*, 26(2): 146-161; Dekker, F. (2010). Self-employed Without Employees: Managing Risks in Modern Capitalism, *Politics & Policy*, 38(4): 765-788.

that public opinion is a significant factor (see, for example, Brooks and Manza, 2007; Burstein, 1998). In studies that focus on social-economic preferences to the welfare state, researchers generally assume that the self-employed are – by definition – not welldisposed towards social security: "The self-employed are expected to favour free markets and a low level of social protection because they depend on flexible labour markets and often on relatively low-paid workers" (Iversen and Soskice, 2001: 883). This assumption has been empirically confirmed in a number of studies (see, for example, Iversen, 2005; Iversen and Soskice, 2001; Svallfors, 1995), while a number of other studies find no difference (Lee, 2007; Svallfors, 1997). For instance, Iversen, Iversen and Soskice and Svallfors show a negative correlation between self-employment and support for social security. However, Lee shows that the self-employed in the United States are not unfavourable towards collective spending in the field of health care, while in another study Svallfors makes it clear that in Germany and Norway there is no relationship between self-employment and redistribution. One problem with these studies is that selfemployment is often included as a control variable in the research model, which means that the limited attention devoted to the effects discovered do not provide sufficient basis for a sound interpretation. In this chapter, I therefore use a combination of quantitative and qualitative research methods to find an answer to the central research question of whether a self-employed job status does indeed lead to a more limited support base for social security, and if so, why?

The Netherlands occupies a central position as a case study due to the fact that it is increasingly being confronted with the phenomenon of self-employment. In the first instance, I will use data from the International Social Survey Programme 2006 (ISSP – see Ganzeboom and Opdam, 2008). In this questionnaire, the respondents were asked, among other things, to answer questions on the characteristics of their job market status and their opinions on government spending. I will then examine 40 in-depth interviews with *zzp'ers* in the ICT and industry sector and analyse the various motives they might have to support or not to support social security. In this second phase of the study, I am interested in the motivation of this specific category of the self-employed, since the majority of the self-employed in the Netherlands do not employ personnel. Furthermore,

the rationale to include these two sectors is for two reasons. First, within these two sectors one can witness a substantial part of *zzp'ers*. Second, these sectors most likely represent different types of self-employed persons without personnel. Within ICT, the self-employed are expected to be highly-skilled and they would enjoy high levels of autonomy. Within 'traditional' sectors (such as industry) the self-employed are expected to possess less labour market skills and they would be more economically dependent from one or two firms (Böheim and Muehlberger, 2006; cf. Van der Heijden, 1999).

I will begin by looking at the development of self-employment in the Netherlands and the various ways in which the literature interprets this phenomenon.

# 5.2 Self-employment: developments and the social security system

Looking at how self-employment has been developing, I can see from Table 5.1 that the percentage of self-employment increased from 11.7 percent in 1996 to 12.9 percent in 2009. It is particularly noticeable that the proportion of the self-employed without personnel rose in relative terms to 66.1 percent in 2009. In research based on two lifecourse studies, Blumberg and De Graaf (2004) mapped out the various determinants of the transition towards self-employment in the Netherlands. One striking finding is that men more frequently opt for self-employment than women. In cases where women do opt for self-employment, one of the motivating factors would appear to be the desire to achieve a more effective combination of work inside and outside the home (Carr, 1996). Furthermore, the majority of the self-employed first tend to build up several years of work experience before going it alone. There is also a correlation between a person's decision to opt for self-employment and both their level of education and their parents' socio-economic class. People who are more highly educated and who have a father in a higher professional position have a greater chance of becoming self-employed. These typical characteristics can also be found in the Statistics Netherlands figures for 2009: 68% of the self-employed (including familial co-workers) were male, only 19% of the self-employed were under the age of 35, and approximately 80% had completed vocational or higher education (Statistics Netherlands, consulted on 1 March 2010). These findings correspond with the results of international research into the determinants

for self-employment, although the correlation with level of education is less clearly defined in the international context (see, for example, Sikora, 2006; Le, 1999).

*Table 5.1 Self-employed in the Dutch labour market, 1996-2009 (in % of the total working population)* 

Year	Self-employment	Without personnel
1996	11,7	54,5
1997	11,8	54,8
1998	11,1	55,2
1999	10,7	55,0
2000	11,5	55,5
2001	12,1	55,1
2002	12,1	60,0
2003	12,5	60,8
2004	13,0	60,8
2005	13,2	61,0
2006	13,3	62,0
2007	13,3	63,1
2008	13,2	65,2
2009	12,9	66,1

Source: Statistics Netherlands (CBS)

According to Ulrich Beck (2000), the development from 'traditional' work relations to what might be termed 'atypical' work relations – such as flexible work and self-employment – reflects a modern post-industrial working society. Under the influence of rapidly expanding information and communication resources and increased international competition, companies are feeling an ever greater need to structure their production flexibly. Traditional full-time jobs with a high degree of job security are losing ground to less secure relations on the job market. Other authors place the rise in the proportion of the self-employed in a more post-modern framework. The concept of post-modernism refers to the process of ongoing change – for example of identity, lifestyle and socio-

cultural context – and the increased scope for making individual choices (cf. De Jong, 1997). According to Ester and Vinken (2000:16), self-employment perfectly symbolizes a number of core values in this post-modern school of thought: "personal autonomy, freedom, personal development, sovereignty and directorship over the conditions of one's own existence". From the perspective of thinkers such as Zygmunt Bauman, 'atypical' work relations can also be associated with post-modernity, although he – in contrast to Ester and Vinken – places greater emphasis on the higher degree of uncertainty on the job market. A durable career with an employer is a thing of the past. Bauman characterizes the current job market as "a camping site" (Bauman, 2001: 25) in which people are no longer strongly attached to a specific employment contract. In other words, people nowadays no longer adopt a 'standard' work relationship by definition but also view 'atypical' relations such as self-employment as an increasingly available option. The work of the authors cited gives rise to a variety of images regarding self-employment. For example, Beck and Bauman argue that 'atypical' employment relations primarily symbolize a farewell to solid values such as regularity and security within the Fordistic era of employment, while Ester and Vinken emphasize the freedoms of flexible working.

Previous empirical research in the Netherlands provides particular confirmation of the freedom of self-employment. A small proportion of the self-employed were shown to have taken the step on the basis of 'negative' motives, such as unemployment or the bankruptcy of their employer (EIM, 2003). People who make the transition to self-employment under such negative circumstances are characterized by lower levels of income and less satisfaction with their situation than other categories of the self-employed (Kautonen et al., 2010). However, the majority seem to make the move for primarily 'positive' reasons such as seeking greater autonomy in their work (Van Gelderen and Jansen, 2006). In this framework, Van den Born (2009) calculates that 'only' 15 percent of the self-employed in his study provide so-called 'push' factors as reasons to start their own business (for an overview, see also RWI, 2009). Thus far, I have seen that analyses of self-employment are taking place against the background of an employment system that is gradually becoming post-modern. But in concrete terms: what does this mean for society's support base for our collective social security schemes?

Previous general studies of the legitimacy of social security distinguish between various motives for supporting the system (see, for example, De Beer and Koster, 2007; Van Oorschot, 2006; 2002). First, people can see the social system in terms of self-interest. Since they are exposed to comparable risks, people are in favour of social expenditure or they regard such spending as a useful way of combating all kinds of social problems such as disease, begging and crime (De Swaan, 1989). A second motive relates to the community-argument. Support for the system occurs because people have a sense of belonging to the same society. What can we assume with regard to present-day selfemployed people? First, it might generally be expected that the self-employed will attach less importance to social security compared to regular employees. For the self-employed with personnel, collective social security arrangements result in higher employment costs due to the payment of social premiums (Iversen and Soskice, 2001), while the predominantly higher educated self-employed without personnel are exposed to lower risks on the employment market and so they too have no direct self-interest in collective social security arrangements. In both cases there is little reason to support social security out of self-interest. This undermines the legitimacy of the social security system. Second, De Swaan (1989) points out in his study of the development of the modern welfare state that the self-employed are traditionally distrustful of collective arrangements. In his view, they experience this kind of collectivity as a limit to individual sovereignty. De Swaan (1989: 176) therefore says of self-employed people: (...) "they formed the 'brake' on social reform: social security had to be established in the face of their resistance". From this perspective, it does not seem plausible that such a "free-agent" (Pink, 2001) will experience a sense of collective solidarity with others as a major motive for supporting the social security system. This notion also corresponds with previous research into the personality traits of the self-employed. Beugelsdijk and Noorderhaven (2005:159) conclude on the basis of large-scale international survey-based research that "Entrepreneurs are more individually oriented than the rest of the population. Individual responsibility and effort are distinguishing characteristics". The image that emerges from the literature is one of a self-employed individual who desires the greatest possible measure of individual freedom and who is not predisposed to experiencing any selfinterest or collective realization with regard to social security. In summary, he or she will endeavour to avoid collective regulations as much as possible.

The findings above lead to the central proposition that the self-employed do not favour social expenditure. However, it also makes sense to suppose that the strength of this negative correlation between self-employment and opinions on social security will vary according to the personal scope of the social security regulations. In addition to publicly funded employee insurance schemes in the Netherlands such as the Unemployment Insurance Act ('Werkloosheidswet, WW') or the Work and Income/Capacity for Work Act ('Wet werk en inkomen naar arbeidsvermogen, WIA') which are not open to the self-employed, there are also social insurance schemes which do include the self-employed, such as the Healthcare Insurance Act ('Zorgverzekeringswet, ZVW') or the General Old Age Pensions Act ('Ouderdomswet, AOW'). Given that the legislation in these cases is also geared towards covering the risks of the self-employed, they will be less negative to oppose this type of social expenditure. All of this results in the following hypothesis:

The self-employed take a more negative view of social security than employees (1a). However, the self-employed are less negative towards social security if they are covered by a social security arrangement (1b).

# 5.3. Data and procedure quantitative research

First of all, I will test the hypothesis on the basis of the International Social Survey Programme 2006. This is an annual international survey which polls the opinions of citizens on certain themes. In 2006, the theme of the survey was 'the role of the government'. For my research, I will make use of the statistics for the Netherlands. A total of 993 people took part in the survey, (a response rate of 41%). The data were then weighted on the basis of post-stratification for variables including gender, age, level of education, marital status and main activity, and the groups that were not active on the job market (students, pensioners, housewives/house husbands and those on disability benefit) were removed from the dataset. This resulted in a data file of 615 respondents. In terms

of the proportion of self-employed people, this data set would appear to provide a reasonable reflection of the research population. The share of self-employed in the sample is 10%, compared to 13.3% in the population as a whole in 2006.

The concept of self-employment was operationalized by asking a question about the job status of the respondent. People who worked for their own account (their own company) made up the group of the self-employed. People who worked for government organizations, semi-government organizations or private companies formed the reference group. Unfortunately, it was not possible to make a finer distinction between those selfemployed with personnel and those without. While the survey does ask a question about the number of personnel, the limited size of the sample (and the notion of heterogeneity) makes it more or less pointless to seek to establish statistical links. In order to establish what the respondents thought about collective regulations, I made use of the question on the desired level of collective expenditure in three different policy areas (health care, old age and unemployment). For each theme, the respondent was required to indicate on a sliding scale from 1 to 5 whether the government should spend much less (1) or much more (5). The survey question suggests that higher government expenditure may be accompanied by a tax increase. If the self-employed are indeed conservative with regard to collective schemes, it follows that they are less likely to support higher collective expenditure. In order to test the effects of self-employment on policy opinion, a number of control variables were added which may correspond to socio-economic opinions and a self-employed job status (cf. Sikora, 2006; Blumberg and De Graaf, 2004; Blanchflower, 2000; Le, 1999). In general, the likelihood of a self-employed job status is greater for men and people who are more advanced in years. Level of education is another relevant predictor. All of these factors also have a bearing on opinions about social security (Becker, 2005). I also expect the self-employed to be more likely to advocate a liberal ideology (Houtman, 2000) and that a higher household income is more likely to facilitate the transition to self-employment (i.e. the higher household income functions as a financial buffer against the risks of self-employment). In other words, if both partners participate in the job market, future risks can be more effectively absorbed. People oriented towards the political right and with a higher household income will subsequently be less supportive of greater social expenditure. Gender was measured using a dummy variable in which men form the reference group. Age was determined using an open survey question, while the level of education was determined using a quasi-interval variable with eight categories, ranging from primary education (1) to university (8). Political self-assessment was operationalized using a Likert item (1= very left-wing, 5= very right-wing). Lastly, the net monthly household income in euros was estimated on the basis of the incomes of the respondent, partner and other members of the household. Multiple regression analyses were carried out to gain an understanding of the relationships between self-employment and individual support for social security.

# **5.3.1** Results

Table 5.2 presents the results of the multiple regression analyses.

Table 5.2: Determinants of support for government spending in three policy areas (standardized regression coefficients)

Determinants	Health care	Old age	Unemployment
Self-employment	04	05	11**
(1=self-employed)			
Gender (1=female)	.16***	.07	.09*
Age	04	.06	.25***
Education level	16***	25***	01
(1=primary			
education,			
8=university)			
Political ideology	03	04	23***
(1=left, 5=right)			
Net monthly	11*	07	02
household income			
R <sup>2</sup>	.09	.10	.15
N	497	496	498

\*\*\*: p<.001; \*\*: p<.01; \*: p<.05

First of all, it appears that self-employment correlates negatively with opinions on expenditure aimed at the unemployed: in comparison with salaried personnel, the self-employed are in favour of lower collective expenditure. People with a right-wing political preference are also in favour of lower expenditure on the unemployed. Women and older respondents favour higher expenditure with regard to unemployment. The results also indicate that a self-employed job status does not influence the desired level of collective expenditure in the areas of health care and old age. The variables gender, level of education and net monthly household income do have an influence on the policy area of health care: women are in favour of higher expenditure while the more highly educated and respondents who report a higher than average net household income show less support for higher social expenditure. Turning to the theme of old age, it emerges that the more highly educated are once again less in favour of higher expenditure.

In relation to the central hypothesis, differences are indeed apparent in the opinions of the self-employed towards various types of social security regulation. The results show that there are no significant differences between the policy preferences of the self-employed and regular employees with regard to the policy areas of health care and old age. In other words, a self-employed job status does not necessarily lead to lower support for social security. However, this is not the case with regard to the risk of unemployment, where the self-employed are geared towards lower collective expenditure. How should these findings be interpreted? Why do the self-employed apparently make a distinction between various regulations? The most obvious explanation lies in the above-mentioned motive of enlightened self-interest: in the Netherlands certain social risks such as illness and old age are covered or partially covered by publicly financed schemes which also include the self-employed. Given that the self-employed fall within the scope of these regulations, it is to be expected that they will not favour lower expenditure in these specific areas. In order to find out whether this interpretation is indeed correct, I interviewed a range of self-employed without personnel. This part of the study will be presented below.

### 5.4 Data and procedure qualitative research

In addition to the analysis of the statistical results, I made use of in-depth interviews among the self-employed without personnel. The reason for deploying this research method is that it allows me to distinguish between the underlying motives which play a part in supporting or not supporting social security. Such motives are not brought to light by the statistical analysis. A qualitative research design seems to be particularly helpful because I want to understand the risk strategies of individuals (see Appendix A for the basic empirical interests of the study). The choice of self-employed without personnel is an obvious one given the fact that they form the largest group within the category of self-employed people and that by all accounts their number is continuing to grow. The respondents came from the ICT and the construction industry. In these sectors one can find high levels of self-employed persons without personnel (see figure 5.1).

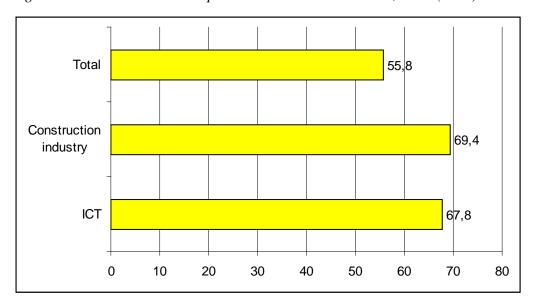


Figure 5.1 Businesses without personnel in the Netherlands, 2009 (in %)

Source: Statistics Netherlands (CBS)

Three different strategies were used for data collection: an e-mailing was carried out by two contract agencies specialized in self-employed workers in ICT and construction, a Dutch trade union for self-employed workers in construction placed information about the research on its website and, finally, a magazine for self-employed workers in construction included a small call for participation. By combining different sampling strategies, I am able to define possible differences in risk strategy between heterogeneous categories of self-employed persons. Because of client confidentiality, the two contract agencies selected random samples from their database and distributed the invitations for participation themselves. In making this selection, the greatest possible attention was paid to representing a number of background characteristics in the population: the Statistics Netherlands figures for 2009 show that 65% of the zzp'ers were male, 79% were over 35 years of age and almost 80% had completed vocational or higher education (Statistics Netherlands, consulted on 1 March 2010). This process ultimately resulted in 40 interviews; 25 in ICT and 15 in construction. Once this threshold was reached, no new respondents were approached, given that sufficient theoretical explanations were supplied for the quantitative results found previously (cf. Charmaz, 2006). Of the 40 interviews,

30 were located through the two contract agencies, 5 through the trade union and 5 through the use of the magazine (see Appendix B for some information on the respondents). While the aim is, of course, not statistically generalizing to all selfemployed workers in these sectors, this diverse research strategy resulted in a variety of people and individual stories and perspectives. In the ICT-sector, the respondents are aged between 32 and 63 years. Among this group are 19 men and 6 women, most of them with higher tertiary education levels. The construction-industry includes interviewees aged between 36 and 58 years. In this sample, most of the interviewed people are men with lower secondary vocational education levels. In both sectors, the number of people with and without children is roughly even. Although there is a considerable degree of similarity in background characteristics between my data sample and the larger group of self-employed in the Netherlands (it includes more men than women, the majority holds higher educational degrees and the mean age is around 44 years), the sample, unfortunately, includes no self-employed immigrants. This makes it impossible to study the experiences of this specific group. Nevertheless, the case study provides an interesting opportunity to learn more about the meanings and risk strategies of selfemployed workers.

The interviews with the self-employed in ICT were conducted in 2008, while the interviews with the self-employed in construction were carried out a year later. It is important to mention that the Dutch economy was hit by the economic crisis in 2009<sup>85</sup>. So, in order to avoid possible systematic differences in risk behaviour between the self-employed in ICT and construction due to economic conditions (cf. Blekesaune, 2007), 18 of the 25 self-employed workers within ICT were re-questioned by e-mail in 2009<sup>86</sup>. In this way, one can detect possible variation in answers due to the economic context. Most interviews lasted 1 to 1.5 hours and took place at home, work or in a coffee house<sup>87</sup>. The interviews were tape-recorded, transcribed and analyzed. Regarding the coding of risk management, the transcripts were coded by general themes such as 'risk management'.

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<sup>&</sup>lt;sup>85</sup> While the unemployment rate is relative low at 3.9 percent in 2008, unemployment has risen to approximately 5% of the Dutch labour force in July 2009 (CBS/Statistics Netherlands, 2009).

<sup>&</sup>lt;sup>86</sup> 'Lack of time' and 'everything has already been said' were the most frequent reasons for non-response.

<sup>&</sup>lt;sup>87</sup> Four people were interviewed by telephone or by e-mail.

Second, text segments were further differentiated to specific risk strategies, such as 'disability management'. Finally, these risk strategies were specified to different categories of self-employed persons and circumstances. In this study, the provision of collective welfare arrangements (social security schemes) and/or risk strategies by smaller collective associations (trade unions or small scale networks) are defined as collective risk strategies, while private insurance schemes and/or other strategies by individual workers and their households encompasses individual strategies (cf. Schmid, 2006)<sup>88</sup>.

#### **5.4.1 Results**

Being self-employed and making an assessment of the risks

Most participants of the study have been self-employed for a number of years. With a few exceptions in construction, the respondents stated that they made a deliberate choice <sup>89</sup> in becoming self-employed so that they could be their own boss. Van den Born (2009) has also shown that for most self-employed workers in the Netherlands, 'pull-factors' seem to dominate. The vast majority of the self-employed have previously been in 'regular' paid employment. This observation is also in accordance with earlier findings in the Netherlands (RWI, 2009). Many said that they had not felt as though they had been properly appreciated, that their work no longer offered them any satisfaction, or simply that the terms and conditions of employment were not attractive. They also made mention of 'always being able to enjoy yourself', being able to arrange their own working hours and the large degree of autonomy in deciding how to carry out their work. Also of note is that the distinction between the security of a 'regular' employment contract and being self-employed would appear to be less and less clearly defined, according to a number of those taking part in the study. This arguably makes it easier for people to decide to become self-employed:

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<sup>&</sup>lt;sup>88</sup> One could argue that an individual decision to join a collectivity is an example of individual risk management. However, collective risk strategies are dictated by the idea of collective interests of all the individuals involved (such as trade union membership or the social security system), in contrast to individual risk schemes.

<sup>&</sup>lt;sup>89</sup> The choice was labeled as 'deliberate' if the respondent has not changed career as a consequence of (possible) unemployment, and if he or she expressed the importance of self-determined work.

"Even if you have a regular paid job you can still find yourself on the street (...) social security for employees is no longer the great safety net that it once was – nothing is certain, even for employees, so it really doesn't make any difference." (male, 54 years, ICT-consultant)

The respondents obtain their business orders mostly through personal networks. They form part of a household in which the partner is often either employed in a 'regular' job or also self-employed. The fact that some partners have 'regular' jobs does not appear to be the result of a deliberate risk strategy operated by households, but simply that that is where their preferences lie, according to the answers given by the respondents. However, there are signs that where both partners in a household are self-employed, they are prepared to share the burden of risk ("If things go wrong for one party, the other can always get a regular job, if necessary").

The actual nature of the work of the interviewees in ICT ranged from IT consultancy and project management, testing, application management and website maintenance to software implementation. In construction, the work included renovation and repair work, demolition work and painting jobs. Furthermore, it also appears that, apart from two respondents, nobody was directly exposed to the risk of unemployment. Almost every interviewee had one long-term or more short-term assignments to work on at the time of the interviews or stated that they had sufficient human capital to be able to 'sell' themselves in the long-term. However, most ICT-interviewees who responded to the 'follow up' round in 2009, report that the consequences of the economic crisis are more noticeable than a year before:

"I am worried, because you notice that the self-employed are the first victims when companies start cutting their spending."

(male, 54 years, ICT-consultant)

In construction, the respondents also seemed to worry about the economic crisis, although a clear distinction has to be made between workers in the small scale construction market (residential painting and renovation jobs) and workers in the large scale construction market (construction of new buildings or large scale renovation work). The latter group is often hired for longer periods. The first group of workers is not worried at all, particularly during the economic crisis, there is a constant demand for small scale renovation work and painting jobs:

"Particularly at this moment, people do not move but, instead, start renovating their houses. Consequently, self-employed workers on the small scale construction market benefit, they are highly attractive now. I have no problems in finding work, I am booked till next year!"

(male, 58 years, construction worker)

For the respondents in the large scale construction market, however, several work projects are ending. A 57-year old construction worker echoed this:

"My working is ending in two weeks. After that, I will see. Right now, it is difficult to find new projects. I do hope my contract agency is able to ensure work (...) but I am worried."

(male, 57 years, construction worker)

Furthermore, it appeared that the respondents in the large scale construction market were more dependent upon one principal and/or one contract agency, and seemed to have less freedom than other respondents in the construction industry. For example, one of the interviewees told that he was forced to work on hours set by the project manager and was doing more work than was actually agreed on. Also, for most respondents in this subsector a lack of prosperity 'pushed' their transition into self-employment. In this way, these respondents can be seen as 'dependent self-employed workers' and it questions

whether these workers really enjoy the autonomy and satisfaction that self-employment entails<sup>90</sup>.

It was striking that everyone who participated in the study was aware of the risks associated with being self-employed, such as the lack of social security provisions. The possibility of being unable to work as a result of disability or long-term incapacitation and having no welfare state provision was deemed to be the worst potential problem – after all, being ill for a long time means loss of income and perhaps bankruptcy in due course. However, it emerged from the interviews that self-employed people with young children considered the financial consequences of such risks to be greater than those without:

"You think about it more because you also have your children to consider. My partner is not working now but if I were to find myself without work she would have to go out and look for work, or I would have to take a regular job again, even though I rather would not."

(male, 39 years, ICT-consultant)

What is illustrated in this section is that self-employed workers recognize that self-employment embodies risks, such as the lack of social security rights. These risks are both felt in ICT as in the construction sector, while the feelings of insecurity seem to be stronger among individuals with young children and more vulnerable workers in the large-scale sub-sector of construction. In the following, I will examine in more detail the different ways of dealing with risks.

### Dealing with risks

In the Netherlands, the self-employed have to pay premiums towards the AOW (old-age pension), to which they gain entitlement on reaching the age of 65<sup>91</sup> and they are insured for the costs of medical care. These social security arrangements are obligatory for

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<sup>90</sup> See Andersson (2008).

<sup>&</sup>lt;sup>91</sup> Recently, the Dutch government has announced to raise the age of retirement to 67 years in 2025.

'regular' as well as self-employed workers. As a matter of self-interest, there seems to be support for collective intervention in these policy areas. As they are all paying towards particular schemes, they also expect to be entitled to cover against the relevant risks. This is true for 32 of the 40 respondents, belonging to ICT as well as construction. Three other, highly-educated young, respondents said that they are simply not thinking about different strategies in avoiding future risks. In their words, they are rather focused on 'the here and now'. Therefore, these respondents feel comfortable with the basic collective welfare schemes as their main risk strategy. Further, I found that another important motive to support collective intervention is the perception that the social security system is less expensive than other risk strategies. Or, as one puts it:

"I think the social security system offers me a relative inexpensive possibility of insuring against risks."

(male, 54 years, ICT-consultant)

While the collective coverage of the risks of old-age and health care by a national insurance scheme is highly appreciated, some interviewees build up supplementary pension rights through investments, life insurance or private savings. These arrangements are particularly recognized by the highly educated in the ICT-sector. In construction, workers are more likely to participate in a collective pension scheme on the basis of a Dutch trade union membership for self-employed workers ('FNV Self-employed') while painters and carpenters are insured by a collective, mandatory pension scheme. Three workers within construction are, however, relatively unprotected. While they are included in the basic state pension system and will receive some benefits related to their working history in paid employment, they have built up no additional pension.

Overall, the findings reveal that most respondents are relying on collective ways of dealing with risks, such as the risk of old-age. They seem to embrace the basic collective arrangements by the government or collective insurance schemes by a smaller community (pension schemes by 'FNV Self-employed' or obligatory pension schemes for certain categories of self-employed workers). However, a comparison between workers in ICT and construction produces somewhat different profiles. For the self-

employed individuals in construction (in both sub-sectors), an important reason to support collective risk strategies is –besides being formally entitled to social insurance schemes– the perceived lower cost. This is particularly true for those who have not built up supplementary pension rights and the (two) persons currently facing unemployment:

"For me, pension coverage on the private insurance market is too expensive. I am pleased there is at least some basic coverage at my retirement age". (male, 45 years, construction worker)

"For me, it is simply no option to insure against risks on the private market. (...) I am suffering unemployment (...) Insurance through trade-union membership is than a financially acceptable form of protection."

(male, 40 years, construction worker)

As I have seen that particularly the highly-educated workers within the ICT-sector build up supplementary individual pension rights in the private domain, while some of the self-employed in construction are not additionally insured or choose for collective risk strategies instead, one can expect this variation in coping with risk is related to differences in people's socioeconomic position (cf. Cooper, 2008). While all interviewees were aware of different risks, the results indeed seem to indicate that the material circumstances are important to consider in understanding risk strategies. While both groups support and achieve protection by the provision of (basic) collective insurance rights, the lower-paid people in construction are considerably more inclined to favour additional collective strategies. While in ICT the earnings per hour range between 80 and 125 euro, most respondents in construction point to an average of 35 euro per hour. This condition clearly affects the possibilities to take out (additional) individualistic protection measures:

"Reducing risks through, for example, personal investments would be a nice way, but that is no option with a small amount of money."

(male, 51 years, construction worker)

A particularly prominent feature of the interviews is a sense of community feeling shown by a large number of the self-employed as justification for collective risk schemes. In this way, the self-employed are willing to pay premiums and engage in collective schemes. The statements are made as expressions of community feeling without there being any discernible trace of self-interest. Central to this concept is an experienced emotional connection or empathy among citizens of a country <sup>92</sup>. From the data, it appears there are no clear gender, education or age differences evident. One respondent says:

"Social security is precisely for those who are in a vulnerable position, if they fall ill for a time, for example. In my opinion there should always be a wide enough safety net. Fortunately, we have a good social security system in place in our society."

(male, 39 years, ICT-consultant)

Others describe the social security system as follows:

"The welfare state is ultimately a form of civilization that you should not curtail – you have to dare to be generous to the weak."

(male, 33 years, ICT-consultant)

In the Netherlands, the self-employed are not covered by social security provisions when it comes to inability to work through illness or disability <sup>93</sup>. Most of the respondents in ICT have taken out private disability insurance, with one or two having continued their cover with the UWV (the Institute for Employee Benefit Schemes) on a voluntary basis. There were just two respondents who had not taken out any cover whatsoever: in one case, the value of the house of the person involved was to provide any cover that may be needed in case of disability, while the other person was simply unconcerned about the

<sup>93</sup> A separate collective scheme – governed by the Self-Employed Persons Disability Insurance Act – existed until 1 August 2004. The rationale behind its abolition was that the private market was better placed to meet the needs of the self-employed (see Aerts, 2007).

<sup>&</sup>lt;sup>92</sup> See for other uses of the concept 'sense of community', McMillan and Chavis (1986).

matter. In our sample, it appeared that most construction workers (in both sub-sectors) are not insured against the risk of disability. The main problem is that they cannot afford private insurance<sup>94</sup>. This finding can, again, be related to their less privileged economic position. Those in the study who complained about the high premiums payable for private cover are – as a matter of self-interest – particularly inclined to the introduction of a staterun disability insurance scheme for the self-employed, as long as the premiums are lower than those expensive private schemes, as one ICT-worker said:

"Collective disability insurance schemes would definitely be worth considering, as long as it would work out cheaper for me than what I pay now."

(male, 32 years, ICT-consultant)

Or, in the words of a 58-year old construction worker:

"For most of us, private disability insurance is usually too expensive (...) a public scheme is very welcome."

(male, 58 years, construction worker)

In my sample, 31 self-employed workers, in both economic sectors, also wonder in particular why no state disability insurance scheme is available for them, based on a sense of community:

"I find it strange that as a group we are not entitled to a basic state scheme for certain risks such as disability insurance. Whether you are in 'regular' employment or not, we all face the same risk. It should not be forgotten that we are real people too!"

(male, 54 years, ICT-consultant)

<sup>&</sup>lt;sup>94</sup> There are possibilities of insuring against disability through, for example, a trade union. However, these schemes do not have the same advantages as a public disability scheme.

Again, this community orientation influences the preferences concerning collective risk management. This view cannot be attributed to one's socio-demographic characteristics or economic position. In sum, in line with previous research on motivations to support collective welfare schemes among 'regular' workers (see for example Van Oorschot, 2002; 2007), support for collective risk strategies among self-employed workers can be grounded in self-interest as well as in a sense of community feeling. While the economic self-interest argument is particularly prominent among the self-employed in the construction sector, a collectivistic orientation was remarkably visible across the heterogeneous sample of self-employed workers (across differences in sector, age, gender, income, education and political beliefs). Although most higher-educated self-employed workers develop (additional) individual risk strategies, the findings clearly show that an individualistic perspective is a too restrictive way of looking at the risk behaviour of selfemployed workers without personnel: the majority emphasized that collective strategies are necessary in minimizing risks. Hence, one has to conclude that the supposedly typical notion of an individual risk taker going it alone without any attachment to society is difficult to sustain.

Given that this study was largely conducted in 2009, it might be suggested that the economic recession simply spurs a demand for collective social protection. Therefore, I have compared the data of the self-employed within ICT who were questioned in 2008 and 2009. The key question is whether opinions on risk sharing change during a period of economic decline. From the results of the interviews, this does not seem to be the case. In both periods, there is a high level of approval for collective intervention, with the benefits of a basic pension scheme and a (new) publicly run disability insurance scheme being prominently aired:

"Our society is still firmly focused around a social system that is based on the employer/employee relationship. It is still difficult for the self-employed to get insurance, such as for disability."

(female, 49 years, ICT-consultant)

The risk of unemployment: a manufactured risk

As soon as I started discussing questions relating to the degree to which the risk of unemployment should be a collective matter, I noticed that the interviewees suddenly became much more reluctant. The predominant feeling is that they prefer less expenditure in this area. Regardless of whether the respondents were to the left or right of the political spectrum<sup>95</sup>, they felt that the risk of unemployment is something that can be controlled by individuals themselves – in other words, it is a manufactured risk (Giddens, 1994). Here are two typical quotes:

"I favour a system that rewards hard work (...) whether you are unemployed is largely down to yourself. Of course, you can always find people who are genuinely unable to help themselves, but my view is that anyone who wants to work, can. The role of the government should be minimal."

(male, 33 years, ICT-consultant)

"It sometimes gives me the shivers when I see how the government spends money. I am of the opinion that you do not have to be unemployed. There are some women in my street who are supposedly unable to work. It's too easy to claim social security in the Netherlands. And I'm not referring to those who are genuinely unable to work but those who are simply unwilling."

(female, 38 years, ICT-consultant)

Given that the current welfare state is fundamentally based on the idea of external risk management (that is, it provides collective protection against risks that are *not* the result of choices that people make; cf. Giddens and Pierson, 1998), a further increase in the proportion of the working population that is self-employed could place a strain on the level of support in society for protection against this risk. In other words, in the perception of our interviewees, unemployment is not something that simply happens to people. However, this does not mean they do not advocate any protection against

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 $<sup>^{95}</sup>$  I asked all respondents to fill in their political ideology, using a 10-point scale ranging from 1= "left" to 10= "right".

unemployment, but that *extensive* social security benefits in this area are not desirable in their view:

"I support a basic safety net for people who find themselves out of work as a result of circumstances, but the aim should be that they start work again as soon as possible."

(male, 39 years, ICT-consultant)

In contrast to their position regarding the risk of disability, the respondents have no wish to see a publicly funded scheme for insuring against the risk of unemployment for the self-employed. Most of those taking part in the study have built up a financial reserve on which they can call, should it be necessary. Although they are conscious of the financial risks associated with a temporary absence of orders, none is in favour of a scheme to help the self-employed who find themselves without work. Various respondents, such as this 34-year-old man, regard it as an occupational hazard:

"Being self-employed is sometimes a question of sinking or swimming. You run risks if your order book is thin, but that's all part of the game."

(male, 34 years, ICT-consultant)

A striking result is that even the self-employed with currently insecure conditions of work, such as the unemployed, hold a strong preference towards individual protection against the risk of unemployment.

Exceptional case: 'the individual self-employed'

By analysing the qualitative data material, there were some respondents within the ICT-sector who were not typical of the descriptions given above. Three respondents claimed to have no need for social security provisions at all, and pointed out to others the need for individuals to take responsibility wherever possible. The respondents concerned are former employees in 'regular' paid jobs who have now become self-employed. Being their own boss is, for them, the most important reason for their choice, and all three

emphasize their desire to be free of the constraints of an employer and immediate colleagues. Using their high-value ICT-knowledge and skills they see only opportunities in what is a flexible employment framework. These respondents have never had any dealings with social security. The interviewees appear to match the description of a 'new' type of worker who has more affinity with an individualistic social system:

"I am allergic to unions and government bodies – they are just relics from a bygone age. It's no surprise that so many people are self-employed. No longer can it be said that 'we know what is good for you' (...) It is not the government that should be active, but people themselves."

(male, 39 years, ICT-consultant)

"What I think we are seeing is a shift from a collective to an individualistic system. An excellent development. I am anti-collective in fact: I look after myself, I don't need other people to help me."

(male, 32 years, ICT-consultant)

It seems that these respondents have a wish to have as much choice as possible – in accordance with their particular phase in life – in deciding whether or not to insure themselves against the various risks associated with loss of income:

"The government should stop seeking to organize everything. You often notice that everything is averaged out to the same level from which it is difficult to stray. That's not something you want in today's society: that does not benefit anybody." (male, 36 years, ICT-consultant)

Although the above group of respondents does not yet appear to be a particularly large one in the Dutch labour market<sup>96</sup>, there are self-employed people who have a clear

<sup>&</sup>lt;sup>96</sup> From large-scale questionnaire-based research among the adult population of the Netherlands, the Dutch Institute for Social Research (SCP) has concluded that there is limited support for a system of social security benefits that involves greater individual choice (Hoff and Vrooman, 2002).

individualistic view on risk management. Given that such opinions cannot easily be traced back to certain personal requirements or relevant aspects of the backgrounds of the people concerned, it seems more likely that they are based on motives of justice principle.

#### 5.5 Conclusions and discussion

In this chapter, I have investigated how self-employed workers manage different risks in the Netherlands. While some researchers point to the possibility of collective risk strategies, most of the literature is focusing on an individualistic approach to risk management among the self-employed. However, this statement needs to be qualified. It is true that being self-employed negatively affects people's support for social security, and is this effect most visible with regard to social insurance schemes which do not include the self-employed? Empirical research is scarce. This study contributes to the discussion.

The results of the research show clearly that people who are self-employed would prefer to see less expenditure on protection against unemployment. They have no desire for collective strategies. Not for themselves and only to a small extent for 'regular' workers. I have seen that the respondents ascribe this risk largely to factors that are controllable: in their view, being unemployed is not simply a matter of bad luck. A possible explanation of this opinion is that the idea of unemployment runs counter to the traditionally strong work ethic of the self-employed (Claes, 1995). At the same time it was also clear that a more collective scheme against other risks like illness, old age and disability, and more generally the risk of 'need', does have the support of the self-employed. This is an interesting conclusion, given the dominant belief that self-employed workers reject social security. In the qualitative part of the study, I have seen that while some develop (supplementary) individualistic risk strategies, there is in most cases a strong popularity for collective guarantees. The views of the proponents of collective schemes may be derived from self-interest or altruism: collective risk strategies are perceived as costbeneficial, while the self-employed are also convinced that helping one another is a collective responsibility. The motive of self-interest is, however, most strongly true for

the lower-skilled self-employed workers in the construction sector of the labour market. For most of them, private insuring against risks, such as old-age or disability, is too expensive. In this way, they can be seen as 'outsiders' who will promote collective risk strategies, for example through collective welfare schemes or through trade unions, which benefits their interests.

In sum, what we should avoid are simplistic notions to the effect that the rise in the number of self-employed means that the end of the legitimacy of social security schemes is imminent. In other words, the fact that the Dutch employment market is changing does not necessarily mean that collectivism will no longer have a significant role to play (cf. Duyvendak and Hurenkamp, 2004).

From a theoretical point of view, the self-employed seem to favour collectivist risk strategies, but not for 'manufactured' risks, such as the risk of unemployment. In their perspective, unemployment is a 'manufactured' risk and, therefore, must be calculated by the individual. Therefore, I suggest a distinction between employment-related risks and other risks in understanding the nature of coping by self-employed workers. While this is a first attempt to explore the risk perceptions and strategies of self-employed workers, welfare state researchers should try to connect self-employed workers to various attitudinal outcomes in future studies on welfare support. Furthermore, sociologists whose work involves class-related voting behaviour usually assume that the self-employed tend to vote for more right-wing parties (see, for example, Houtman, 2000; De Graaf and Steijn, 1997). Why is this the case? When it comes to support for social security, opinions appear to be less conservative in a number of cases than we might expect.

The results have implications for social policy-making as well. I would argue that policy makers should place more emphasis on the collectivistic nature of risk strategies by self-employed workers. It is clear that the self-employed enhance innovation and economic growth in a country (Audretsch and Keilbach, 2004) but these workers, at the same time, face different income risks and have fewer social rights than 'regular' employees.

Apparently, collective solutions are being appreciated by the self-employed to cope with

these insecurities. This research study, but also the increased collective interest representation of self-employed workers by trade unions (Pernicka, 2005; EIRO, 2002)<sup>97</sup>, supports this argument. Following this logic, new collective guarantees may well boost a further increase in self-employment (cf. Hemerijck, 2002). In other words, individuals want to participate in a flexible labour market, as long as there is a basic level of collective protection to manage risks. For political parties, the results seem to indicate that the time is ripe for a renewed discussion about a basic package of social insurance schemes for the self-employed. This would not extend to risks that are inherent to being self-employed, such as unemployment, but cover only those risks over which they have less influence, such as disability and old-age. While the self-employed are largely covered by the same (basic) pension schemes as 'regular' employees (OECD, 2009), in many countries they are entitled to less generous or no social rights in the case of disability (cf. European Foundation, 2009). Drawing on the theoretical argument of this study, self-employed workers may well demand a public insurance scheme against this risk.

# 5.5.1 Limitations of the study

Nevertheless, more research is needed in order to improve a number of the limitations from this study. First, more survey data on self-employed workers and their policy preferences towards social security is needed to extrapolate the results. Also, findings should be disaggregated according to various groups of self-employed people. For example, the module of the ISSP-survey makes no allowance for self-employed persons with and without personnel. Perhaps it is precisely those who *do* have employees that feel the 'burden' of collective schemes most keenly. Second, social democratic countries, such as the Netherlands, emphasises collective intervention and less market dependency (Blekesaune and Quadagno, 2003). It is possible that this institutional context influences the findings on support for collective risk management. Therefore, cross-country research is relevant in order to reveal possible national differences in values towards risk and coping strategies among the self-employed. Third, future studies should try to explore the

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<sup>&</sup>lt;sup>97</sup> In the Netherlands, the trade union 'FNV Self-Employed' represents more than 10.000 self-employed workers without personnel in 2009 (see www.fnvzzp.nl).

risk perceptions of self-employed immigrants. In the Netherlands, approximately 20 percent of the self-employed without employees is an immigrant worker (RWI, 2009). Most of them are lower-educated and, for them, self-employment may be a 'second-best' choice (Kanas et al., 2009). This (marginal) position may influence their policy preferences regarding collective assistance. Specific sampling is needed to assess the experience of risk and coping mechanisms among this group. Finally, with respect to the relationship between social policy preferences and public policy, social policy preferences is only one determinant of policy-making. The position of political parties, sudden shocks external to the political system and the influence of the media may be associated with policy-making as well (see, for example, John, 2006; Korpi, 2006).

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# Appendix A

Basic topic guide qualitative interviews

# (0) Introduction round (1) Work (history) -previous job(s) and experiences; -self-employment: duration; -motives, expectations self-employment; -working conditions (such as working hours, income and level of autonomy); -work (history) partner. (2) *Risk* -advantages and difficulties associated with self-employment; -perceptions of risk (is the respondent aware of risk and if not, why); -reasons experienced risks; -is this something the respondent worries about and why. (3) Coping -way of avoiding risks (is the respondent planning and if not, why); -way of coping within household; -attitudes to private insurance (ask for reasons); -attitudes to public insurance (ask for reasons). (4) Background variables -age, gender, education level, ethnicity, family characteristics (married-partner-divorcedsingle-number of children) and political views.

**Appendix B** Information on Respondents

Number	Gender	Age	Education (lower=vbo/mavo)	Political preference
				(1=left; 10=right)
1	Female	40	Higher	5
2	Female	36	Higher	7
3	Male	39	Higher	4
4	Female	36	Higher	7
5	Female	38	Higher	8
6	Male	60	Higher	5
7	Male	48	Higher	8
8	Male	33	Higher	8
9	Male	54	Higher	4
10	Male	39	Higher	3
11	Male	50	Higher	4
12	Female	42	Higher	7
13	Female	49	Higher	7
14	Male	36	Higher	8
15	Male	32	Higher	8
16	Male	34	Higher	3
17	Male	33	Higher	5
18	Male	42	Higher	4
19	Male	44	Higher	3
20	Male	39	Higher	8
21	Male	34	Middle	4
22	Male	42	Higher	7
23	Male	42	Higher	6
24	Male	32	Higher	7
25	Male	63	Higher	6
26	Male	56	Higher	4
27	Male	40	Lower	6
28	Male	51	Lower	7
29	Male	58	Lower	4
30	Male	58	Lower	5
31	Male	48	Lower	9
32	Male	45	Lower	6
33	Male	41	Lower	7
34	Male	45	Lower	7
35	Male	52	Middle	5
36	Male	36	Lower	8
37	Male	55	Lower	5
38	Male	57	Middle	7
39	Male	53	Lower	8
40	Male	40	Lower	7

# 6 LABOUR FLEXIBILITY AND SOCIAL POLICY PREFERENCES: CROSS-NATIONAL ANALYSES<sup>98</sup>

#### **6.1 Introduction**

In the previous chapters, I have analyzed individual support for social security among different groups of workers in a flexible labour market. In a nutshell, I can say that people working on flexible labour contracts face greater odds of being job-insecure, while employment security is mostly held by functionally flexible workers. There are no indications that the organizational context plays a decisive role in shaping perceptions of security and the self-employed have reasons to support social security, although most of the literature states otherwise. One thing to be noted, however, is that my results are found in a specific institutional context. In the first chapter of this study, I have argued how the specific Dutch context may shape my results. Therefore, the objective of this chapter is to examine the generalizability of my findings across cross-cultural heterogeneity and institutional diversity in social security and industrial relations systems. To do so, I will start with the social policy preferences of workers in 'atypical' employment.

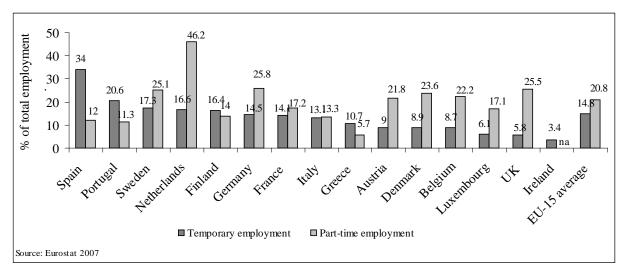
# 6.2 Understanding flexible employment and social policy preferences

Flexible or 'atypical' employment can be defined as work that differs from a traditional full-time, indefinite employment relationship. This includes part-time work and all kinds of temporary or fixed-term contracts (Schulze and Protsch, 2008; De Grip et al., 1997; Delsen, 1995). The use of temporary jobs is especially high in Spain and Portugal. The high levels of 'atypical' work in Spain and Portugal can be attributed to the relatively stringent employment protection for permanent employees. In this way, limitations on layoffs influence the use of temporary work (Delsen, 1995). The highest rates of part-time employment are found in the Netherlands and Germany. As Figure 6.1 shows, the

<sup>&</sup>lt;sup>98</sup> A part of this chapter has been published as: Burgoon, B. and Dekker, F. (2010). Flexible employment, economic insecurity and social policy preferences in Europe, *Journal of European Social Policy*, 20(2): 126-141.

temporary and part-time components of flexible employment do not necessarily hang together – suggesting that they might have distinct political and economic origins.

Figure 6.1 Temporary and Part-time employment in Europe in 2006 (in % of total employment)



What those origins are is an important, researched question. Both temporary and parttime employment may well be driven in part by those seeking means of combining work
with family (Gustafsson et al. 2003). And adjustments to international trade and
technological developments may entail all kinds of flexible employment (Raess and
Burgoon 2006; Burgoon and Raess 2009; Houseman and Okawa 2003). But studies have
also found flexible employment to reflect the need for replacing staff on short leave,
fluctuations in product demand or the need for specialist skills, employer reactions to
employment protections, and more generally to the bargaining strength of employers
relative to workers (Golden and Appelbaum 2006; Smith and Neuwirth 2008).

Whatever their origins, patterns of flexible employment can be expected to have meaningful implications for welfare state politics. In previous chapters of this study, I have seen that 'atypical' forms of employment spur more than soften risks. And the extensive literature on the welfare state, in turn, suggests that such risks might well drive substantial political support for the social policies. These patterns motivate my central expectations that flexibility ought to spur more than dampen subjective economic

insecurity and, hence, also support for social policies, particularly those addressing unemployment risks. I develop each expectation in turn.

## 6.2.1 Flexible employment and economic insecurity

The direct human consequences and the more down-stream policy implications of flexible employment should have a lot to do with how flexible contracts influence not only objective risks but subjective economic insecurities. Objective economic risks involve risk of actual job loss and/or of long-term unemployment, and/or of falling into poverty. Subjective economic insecurity, meanwhile, refers to a worker's own experience and judgment of such risks, what amount to worry that his/her job is under threat or that he/she might fall into poverty (Sverke and Hellgren, 2002).

Extensive research in political economy suggests that flexible employment might well have plenty to do with economic insecurities. A broad range of labor market conditions have been linked theoretically and/or empirically to feelings of job insecurity. Older people, blue-collar workers, and unskilled people face higher risks of and longer spells of unemployment and income loss or poverty, and these groups also report higher levels of insecurity (Näswall and De Witte, 2003). Net of such conditions, those employed in sectors exposed to international trade and foreign investment face similar such risk of unemployment spells, and tend to express job insecurity (Scheve and Slaughter, 2004; Aldrich et.al. 2001). Furthermore, those with skill endowments specific to particular firms or sectors – as opposed to more general skills – tend also to face higher unemployment risk and longer spells of unemployment, making them more insecure about their jobs and incomes (Iversen and Soskice, 2001; Cusack et al., 2006). And closer to the present study's focus on flexible employment, unemployment and poverty risks may also accrue to labor-market 'outsiders', those who are either unemployed or in nonstandard work contracts (Rueda 2006a, 2006b). Net of such conditions, finally, those with previous unemployment experiences are less positive about their future job opportunities (Erlinghagen, 2008). These can all be interpreted as labor-market conditions with objective implications for risk that can also be expected to show up in the thinking of workers, to increase their subjective or perceived economic insecurity.

Whether this applies for flexible employment per se, and not just as part of a broader group of labor-market 'outsiders' (including the unemployed), is not obvious. As an empirical matter, a few studies have found some measures of flexible employment to have little effect on or to even lower some measures of insecurity. Böckerman (2004), for instance, analyzes 'worry about job security' among European respondents (as opposed to self-reported job insecurity), finding temporary and part-time work to lessen rather than spur such worry – mainly on grounds that workers self-select into such jobs taking account their objective levels of insecurity. But many more studies, focused on various countries and measures of flexible employment and insecurity, have found that temporary, part-time or other features of flexible employment increase job insecurity (Clark and Postel-Vinay, 2005; Green et al., 2001; Näswall and De Witte, 2003; Sverke et al., 2000).

Although flexibility's implications for insecurities remain controversial, I expect both temporary and part-time employment to spur a worker's job insecurity and his or her broader income insecurity. First, consider the implications of temporary or fixed-term contracts. Reflecting how temporary jobs are more sensitive to business cycles than permanent jobs, temporary employment ought to spur subjective judgments of job insecurity (as opposed to worry about or dissatisfaction with insecurity) (Näswall and De Witte, 2003). I also expect, however, that temporary employment will tend to spur more than reduce dissatisfaction with own job insecurity. A number of studies have shown that a high proportion of temporary workers prefer more stable contracts (Beard and Edwards 1995; De Wolff, 2000; Gash and McGinnity, 2007). So even if temporary workers see their temporary jobs as stepping-stones to permanent employment, they can be expected to feel broadly dissatisfied with the temporary nature of their current employment. Finally, temporary contracts, via job insecurity and the generally less-favourable pay and working conditions associated with such contracts, may also spur general concerns about income insecurity, such as the risk of falling into poverty (Houseman 1997; Amuedo-Dorantes and Serrano-Padial, 2005).

Part-time employment can also be expected to spur economic insecurities, though perhaps less completely than temporary employment. One can expect part-time work to spur job insecurity or dissatisfaction with own insecurity, to the extent that the former selects for workers who are not core to a given company or organization, and tend not

have as certain or bright futures with such (Francesconi, 1991; Connolly and Gregory, 2008). However, women seem to prefer working part-time in the Netherlands (Portegijs and Keuzenkamp, 2008). Whatever the reasoning, it is significant that Eurostat reports 16% of all European part-timers in 2007 to consider their part-time employment 'involuntary'99; especially in Spain (32%), Italy (28%), Portugal (27%) and France (27%) part-timers strongly prefer full-time work (European Commission 2005). As implied by such percentages, part-time work need not entail subjective or actual marginalization within a firm. Hence, I consider that part-time employment will have more uncertain implications for job insecurity or satisfaction with own job security than does temporary employment. With respect to poverty risk, however, part-time workers likely have earning profiles closer to subsistence and to have lower access to job-related income than do full-time workers – together spurring subjective and objective risks of income insecurity or poverty (Manning and Petrongolo, 2008; Gregory, 2002).

What this all means for economic security is complicated by the diversity of flexible employment across national contexts—varying in terms of culture and of public and private economic development. Amidst such variation, I nonetheless expect a general trend in how part-time and temporary employment affect various faces of economic insecurity. I expect that:

Hypothesis 1: Workers in temporary employment and/or part-time employment report more economic insecurity (job insecurity and poverty risk) than do other workers.

# 6.2.2 Flexible employment and social policy preferences

With respect to social policymaking, if labor flexibility indeed leads to increased feelings of economic insecurity among workers, then those insecure workers ought to support collective welfare programmes providing social protection. Such support can be interpreted as a form of rational self-interest, an important motivational factor for voting or mobilizing to set up and pay contributions to social insurance (Van Oorschot, 2002). The particular link between subjective insecurities and social policy assistance has been

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<sup>99</sup> See Eurostat employment data: http://epp.eurostat.ec.europa.eu/

subject to plenty of study, but less is known empirically (Scheve and Slaughter, 2004). More directly relevant, a few (unpublished) studies show that subjective economic insecurity tend to influence people's opinions towards compensatory benefit programmes, particularly unemployment insurance (Aldrich et al.1999; Kramer and Stephenson, 2001). This all implies that economic insecurity ought to significantly increase support for social policy programmes which mitigate or compensate for risks of unemployment – most obviously active and passive unemployment programmes, though perhaps programmes indirectly addressing such risks, such as poverty relief, might also be relevant.

Assuming rather than investigating this link, there is a substantial empirical and theoretical body of scholarship investigating how labor-market conditions affect support for social policies, via economic risks and insecurities. Broad developments like economic internationalization and de-industrialization have been shown to affect social policy provision (Cameron, 1978; Garrett, 1998). And the specificity of human capital in industrialized economies has been shown to affect support for both passive and active unemployment assistance and broader redistribution (Iversen and Soskice, 2001). Furthermore, studies of insider-outsider dynamics have shown that those in outsider status, such as the unemployed, face economic risks that give them a particularly strong preference for programmes targeted at compensating for or mitigating such risk, such as passive unemployment insurance and active labor market programmes (Rueda, 2005; 2006).

Rueda and others looking at dual labor markets, suggest that such workers may actually be at the margin more tepid towards unemployment assistance where job protections for core workers imply that the actual risks of unemployment are disproportionately shouldered by the outsiders and, hence, that the actual beneficiaries of passive and active unemployment assistance are again the outsiders (Rueda, 2006; Saint-Paul, 1998). Such a logic suggests all the more reason why part-time and temporary workers – not just the unemployed – ought to be more supportive of unemployment assistance than other workers.

This forms the basis for judging how flexible employment shapes demand-side politics of social policy. The focus on individual risks facing those in flexible employment relative to other workers suggests the following hypothesis:

Hypothesis 2: Workers in temporary employment and/or part-time employment report more individual support for welfare programmes aimed at providing social assistance to address unemployment than do other workers.

An additional, third, hypothesis is that controlling for measures of economic insecurity ought to appreciably lower, perhaps explain away, how support for unemployment assistance increases in flexible employment. I will offer all these expectations, in any event, fully aware that temporary and part-time employment might play out differently for welfare state politics across different individual and national economic, demographic, and political contexts. The claim here is that those implications to play-out similarly enough across such settings as to allow the above broad expectations as a first cut into unearthing how flexible employment shapes welfare politics.

#### 6.2.3 Data and methods

The rest of this study tests the above hypotheses on survey data administered to a sample of adult respondents in 15 European countries in 2001 (Eurobarometer 2002). 100 The survey includes a measure of preferences on unemployment assistance and other socialpolicy interventions, and provides bases for capturing variation in flexible employment and other economic conditions, economic insecurity and demographic factors that plausibly influence policy preferences.

To gauge the social policy effects of flexible employment I first consider two measures of subjective economic insecurity. One is *Job insecurity*, a respondent's subjective judgment of whether his or her own current "job is secure" (answers ranging from 1=very true;

<sup>&</sup>lt;sup>100</sup> The countries are Austria, Belgium, Denmark, Finland, France, Germany (West and East), Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, and the United Kingdom.

2=quite true; 3=a little true; and 4=not at all true)<sup>101</sup>. Second, I explore another measure of broader economic risk, what I will call *Income insecurity*, judgments of the statement "I feel that there is a risk that I could fall into poverty" (answers ranging from 1-4, recoded to 1=strongly disagree to 4=strongly agree).

To measure individual support for unemployment-related social policy, I focus on the following question: "Do you agree or disagree with the following statement: *The government should provide a decent standard of living for the unemployed.*" Answers on a 1-5 scale are recoded as follows: 1=strongly disagree; 2=slightly disagree; 3=neither agree nor disagree; 4=slightly agree; 5=strongly agree. <sup>102</sup> Such a question surveys support for policies to address living standards of unemployed people – most obviously, unemployment insurance or services targeted at those losing their jobs. These aspects of welfare states are directly relevant to redressing insecurities associated with flexible employment contracts.

The explanatory variables measure flexible employment, in particular part-time and temporary employment. The Eurobarometer 56.1 asks many questions about the nature of work. The measure of flexible employment focuses on separately-asked questions that capture part-time employment and temporary employment. For *Part-time employment* I focus on answers to the question "My job is a part-time job": 1=yes; 0=no (don't know=missing). And for temporary or fixed-term employment I combine "I work for a temporary employment agency" and/or describing one's job as "seasonal, temporary or casual". From answers to these two questions I create *Temporary employment*: 1=work in temporary employment; 0=neither (Don't know=missing).

I focus on how these perform independently and together in two composites. One is a simple composite categorical variable *Flexible employment (categorical)*: 0=neither part-time nor temporary worker; 1=either part-time or temporary worker; 2=both. Such a composite allows me to judge the possible extra risk associated with both temporary and part-time contracts, as opposed to simply one of these aspects of flexible employment.

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<sup>&</sup>lt;sup>101</sup> The perceived possibility of job loss, or 'cognitive' job insecurity, is most likely related to objective circumstances on the labour market, while 'affective' job insecurity is more connected to psychological factors (De Witte, 2005). Therefore, cognitive insecurity seems to be the best measure of job insecurity. <sup>102</sup> "Don't know or refused" (412, or 2.6 percent, of the 15,943 respondents) are coded as missing.

That latter condition, however, applies to a relatively small number of respondents (167 respondents, roughly 2.5 percent of the sample respondents, compared to 17.5 percent with either temporary or part-time contracts, and nearly 80 percent of employed workers in full-time, permanent positions). Since temporary and part-time contracts might not constitute additive risks I also consider the simpler binary measure of *Flexible employment* (*binary*): 0=neither part-time nor temporary worker; 1=either part-time and/or temporary worker.

Finally, estimations include controls that arguably influence support for unemployment assistance and economic insecurity, as well as non-standard employment. The specifications for the baseline models include seven controls. Whether or not respondents are *employed* can be expected to diminish the degree to which they depend on unemployment assistance in the short term, certainly compared to unemployed respondents. Age should increase concerns of economic risk and thus support for unemployment assistance. Female gender has been found to positively influence support for welfare programmes generally and increases chance of non-standard employment. Education, measured in categories of low, medium and high levels of education based on respondent age upon finishing 'full time education', should partly capture level-of-skill and risk, and diminish support for unemployment compensation. And *Household income* categories, measured as dummies in four categories ("refused" or "don't know" being the excluded category), should entail lower-income categories positively affecting support for unemployment assistance. Having children under 5 should increase financial responsibilities that working respondents face, spurring support for compensation, and should strongly spur nonstandard employment for primary care-givers. *Employed partner* can reduce concern over employment risks and hence support for unemployment assistance, and also influence selection into nonstandard employment. Finally, Right ideology (Right as opposed to Center or Left) captures broad ideological or politicaleconomic attitudes, based on self identification on a ten-point scale of political views from "left" to "right."

The full models focus on employed respondents and add to the above controls a few extra controls that address particular work orientation and experience relevant to the social policy preferences of those in flexible employment compared to other employees.

Previously unemployed (in the last five years) should also spur concern about job security, support for unemployment assistance, and conditions entry into non-standard employment contracts. Private-sector employment may increase economic insecurity and support for unemployment assistance, while affecting nonstandard employment. Union membership should inspire support for policies that increase work-place and bargaining power, and select against non-standard employment.

To test the hypotheses, I estimate subjective insecurities and support for unemployment assistance, all as functions of part-time employment, of temporary employment and/or their combination as well as the above controls. Further, I report models on two kinds of samples and selections of controls – a baseline model focused on all respondents, including those employed and those not working and another, full model, focused only on employed respondents that allow further controlling for workplace conditions. All models are estimated using ordered probit with probability weights to account for sampling across surveyed countries<sup>103</sup>. To address heteroskedasticity and within-country correlation of errors, I calculated robust standard errors clustered by country. And all models include country dummies to absorb possible heteroskedasticity and unobserved national effects.

#### 6.2.4 Results

Table 6.1 summarizes results for hypothesis one. It considers how part-time employment, temporary employment, and their combination affect subjective job insecurity (1-4) and subjective income insecurity (5-8). The controls generally perform in line with intuition. For instance, more educated respondents tend to judge their jobs as less insecure and be less dissatisfied with their job security. Having been unemployed within five years strongly spurs both measures of insecurity. And income is strongly negatively related to both job and income insecurity. Finally, having an employed partner reduces chance of worrying about falling into poverty, though as one would expect has no significant impact on job insecurity. Other conditions, however, tend not to be statistically significant, though are signed as expected. Older respondents, for instance, tend not to

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<sup>&</sup>lt;sup>103</sup> A special thanks to Brian Burgoon, for his methodological assistance.

experience either more job insecurity or judgment of risk of falling into poverty than do younger respondents.

Table 6.1 Flexible Employment and Economic Insecurity

Job insecurity Income insecurity (3) (1)(2)(4) (5) (6) (7) (8) Part-time employment 0.140\* 0.098\*\*\* (0.074)(0.036)0.470\*\*\* 0.175\*\* Temporary employment (0.086)(0.072)0.209\*\*\* 0.112\*\*\* Flexible employment (categorical) (0.058)(0.032)0.210\*\*\* Flexible employment 0.133\*\*\* (0.069)(0.033)(binary) -0.002 -0.002 -0.002 0.001 0.001 0.001 0.001 Age -0.001 (-0.001)(-0.001)(-0.001)(0.001)(0.002)(0.002)(0.002)(0.002)-0.010 0.011 -0.033 -0.028 -0.039 -0.020 -0.044 -0.046 Female (-0.041)(-0.038)(0.039)(0.036)(0.036)(0.037)(0.038)(-0.034)-.103\*\*\* -.099\*\*\* -.101\*\*\* -0.101\*\*\* Education -0.010 -0.009 -0.009 -0.009 (-0.026)(-0.027)(-0.026)(0.027)(0.015)(0.015)(0.016)(0.015)0.425\*\*\* 0.403\*\*\* 0.405\*\*\* 0.409\*\*\* 0.363\*\*\* 0.359\*\*\* 0.355\*\*\* 0.355\*\*\* Previously unemployed (-0.039)(-0.038)(-0.038)(0.039)(0.034)(0.034)(0.033)(0.034)0.214\*\*\* 0.215\*\*\* 0.214\*\*\* 0.217\*\*\* 0.020 0.016 0.017 0.016 Private sector (-0.046)(-0.045)(-0.046)(0.046)(0.032)(0.032)(0.033)(0.033)Partner employed 0.012 0.019 0.011 0.011 -0.079\*\* -0.077\*\* -0.081\*\* -0.081\*\* (-0.032)(-0.032)(-0.031)(0.031)(0.039)(0.037)(0.038)(0.038)0.032 0.011 0.015 0.002 0.003 0.036 0.032 0.032 Have children (0.045)(-0.027)(-0.028)(-0.028)(0.028)(0.046)(0.046)(0.046)0.429\*\*\* 0.439\*\*\* Lowest income 0.261\*\*\* 0.264\*\*\* 0.253\*\*\* 0.255\*\*\* 0.426\*\*\* 0.426\*\*\* (-0.079)(-0.081)(-0.082)(0.083)(0.083)(0.087)(0.087)(0.087)0.038 0.026 0.028 0.030 0.154\*\* 0.150\*\* 0.151\*\* 0.153\*\* Medium-low income (-0.062)(-0.062)(-0.061)(0.061)(0.064)(0.065)(0.065)(0.065)

Dependent variables: (1-4) Job insecurity: 'My job is secure' (1=strongly agree; 4=strongly disagree);

(5-8) Income insecurity: 'Feel I could fall into poverty in coming years' (1=strongly disagree; 5=strongly agree).

-0.1\*\*

(-0.044)

-.146\*\*\*

(-0.035)

6003

0.040

-7487.400

-0.101\*\*

(0.044)

-0.149\*\*\*

(0.035)

6003

0.041

-7492.14

-0.051

(0.046)

-.236\*\*\*

(0.057)

6028

0.050

-7825.400

-0.051

(0.048)

-.233\*\*\*

(0.055)

6029

0.050

-7827.300

-0.049

(0.048)

-.233\*\*\*

(0.055)

6009

0.050

-7796.100

-0.049

(0.048)

-0.233\*\*\*

(0.055)

6009

0.050

-7795.73

-0.102\*\*

(-0.045)

-.147\*\*\*

(-0.035)

6021

0.040

-7507.100

Ordered probit with robust standard errors (clustered over countries).

-0.098\*\*

(-0.043)

-.15\*\*\*

(-0.035)

6022

0.040

-7524.800

Medium-high income

High income

Observations

Pseudo R-squared

Log pseudolikelihood

<sup>\*\*\*</sup> p<0.01, \*\* p<0.05, \* p<0.1

As for the main results, the estimates suggest that both part-time and temporary employment spur economic insecurities. Part-time employment, temporary employment, and their combination significantly increase the likelihood that respondents judge their present jobs to be insecure (models 1-4, respectively). And here it is clear that temporary employment is substantially more likely to do so than part-time employment – consistent with my expectations above. And subjective poverty risk is also increasing in both measures of flexible employment – but here, again, temporary work has a stronger spurring effect than part-time employment. Substantively, the size of flexible employment's effect is strongest towards job insecurity. The results clearly support the first hypothesis, and build on other studies finding positive correlation between measures of flexibility and measures of job insecurity.

Table 6.2 turns to the main results on how flexible employment affects support for unemployment assistance. The focus, here, is on support for government policies assisting the unemployed on two kinds of samples and constellations of controls – the baseline models (1-4) focused on both employed and non-working respondents and limited controls, and the full models (models 5-8) focused on employed respondents and more controls. The controls themselves perform broadly in line with expectation. This is most clearly true for low income, union membership, and previous unemployment, all of which tend to increase support for unemployment assistance. And it applies also to private-sector employment, partner employment, and right ideology, all of which tend to significantly decrease support for unemployment assistance. Less educated, older and female respondents do not significantly support such assistance, though the signs are in the expected directions.

Table 6.2 Flexible Employment and support for government assistance to the unemployed

All respondents Employed respondents

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Part-time employment	0.077***				0.065**			
	(0.025)				(0.032)			
Temporary employment		0.142*				0.144*		
		(0.086)				(0.084)		
		(0.000)				(0.004)		
Flexible employment			0.084***				0.078***	
(categorical)			(0.027)				(0.029)	
Flexible employment				0.084***				0.073**
(binary)				(0.031)				(0.037)
Employed	-0.302***	-0.290***	-0.307***	-0.305***				
•	(0.040)	(0.035)	(0.038)	(0.037)				
Age	-0.004***	-0.004***	-0.004***	-0.004***	0.003	0.003	0.003	0.003
	(0.001)	(0.001)	(0.001)	(0.001)	(0.002)	(0.002)	(0.002)	(0.002)
Female	-0.011	-0.003	-0.014	-0.013	0.022	0.033	0.016	0.019
	(0.029)	(0.028)	(0.029)	(0.028)	(0.047)	(0.044)	(0.046)	(0.045)
Education	-0.042*	-0.043*	-0.042*	-0.042*	-0.013	-0.015	-0.014	-0.014
	(0.023)	(0.022)	(0.023)	(0.023)	(0.030)	(0.029)	(0.030)	(0.030)
Lowest income	0.144***	0.147***	0.144***	0.145***	0.025	0.037	0.030	0.031
	(0.050)	(0.051)	(0.051)	(0.051)	(0.058)	(0.060)	(0.060)	(0.060)
Medium-low income	0.055	0.057	0.057	0.057	0.025	0.032	0.033	0.034
	(0.048)	(0.049)	(0.049)	(0.049)	(0.061)	(0.061)	(0.061)	(0.061)
Medium-high income	-0.024	-0.025	-0.023	-0.024	-0.023	-0.017	-0.015	-0.016
	(0.040)	(0.039)	(0.039)	(0.039)	(0.053)	(0.051)	(0.052)	(0.052)
High income	-0.035	-0.035	-0.035	-0.036	-0.009	0.000	-0.003	-0.004
	(0.057)	(0.055)	(0.056)	(0.056)	(0.071)	(0.068)	(0.069)	(0.070)
Partner employed	-0.083***	-0.077***	-0.080***	-0.080***	-0.075**	-0.068**	-0.072**	-0.071**
	(0.029)	(0.029)	(0.029)	(0.029)	(0.031)	(0.032)	(0.031)	(0.031)
Have children	-0.032	-0.028	-0.030	-0.030	-0.026	-0.024	-0.026	-0.025
	(0.037)	(0.037)	(0.037)	(0.037)	(0.037)	(0.037)	(0.036)	(0.036)
Right ideology	-0.198***	-0.200***	-0.198***	-0.198***	188***	191***	188***	-0.188***
	(0.037)	(0.036)	(0.037)	(0.037)	(0.051)	(0.050)	(0.051)	(0.051)
Previously unemployed					0.268***	0.262***	0.261***	0.263***
					(0.055)	(0.055)	(0.055)	(0.054)
Private sector					-0.064*	-0.063*	-0.063*	-0.063*
					(0.038)	(0.037)	(0.038)	(0.037)
Union member					0.104***	0.106***	0.104***	0.103***
					(0.035)	(0.035)	(0.035)	(0.035)
Observations	8839	8836	8818	8818	4848	4852	4834	4834
R-squared	0.06	0.06	0.06	0.06	0.05	0.05	0.05	0.05
Log pseudo-likelhood	-11457.6	-11447.2	-11426.3	-11426.9	-6472.4	-6475	-6454.8	-6455.4

Dependent variable: Support government insuring that unemployed have a decent standard of living Ordered probit with robust standard errors (clustered over countries).

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

As for the main results, Models 1-4 consider how part-time employment (1), temporary employment (2), and their combination (3) and (4) affect support for unemployment assistance, with a minimal set of controls. Models 5-8 consider the same flexibility measures focusing on a fuller set of controls that limit the sample to employed respondents. Consistent with the second hypothesis, temporary employment, part-time employment and their combination tend to spur support for unemployment assistance.

In a final step, I will be focusing on how the link between (different measures of) flexible employment and support for unemployment assistance are affected by adding *economic insecurity*, *job insecurity*, or both to the analysis. Table 6.3 reports only the coefficients and standard errors for the given measure of flexible employment from their respective regressions. Column (1) reproduces Table 6.2's key results for the four measures of flexible employment from the full-specification models 5-8. Column (2) shows how each of the coefficients and significance levels are affected by adding *income insecurity* (subjective judgment of risk of falling into poverty in the coming five years) to the respective regressions. Column (3) does the same by adding *job insecurity*. And column (3) adds both *income insecurity* and *job insecurity*. The models do not substantially reduce the number of observations. And no single VIF score is above 2.5, and no mean VIF score is above 1.62, even when controlling for both measures of insecurity simultaneously – suggesting that multi-collinearity is not a problem in these exploratory estimations.

Table 6.3 Economic Insecurity as intervening link

	(1)	(2)	(3)	(4)
				After controlling for
	From table 6.2:	After controlling for	After controlling for	Job Insecurity and
	Models 5-8	Income insecurity	Job Insecurity	Income insecurity
Part-time employment	0.065**	0.055*	0.045	0.038
	(0.032)	(0.032)	(0.035)	(0.035)
Temporary employment	0.144*	0.105	0.125	0.095
	(0.084)	(0.089)	(0.082)	(0.086)
Flexible employment	0.078***	0.062**	0.06**	0.049*
(categorical)	(0.029)	(0.030)	(0.028)	(0.029)
Flexible employment	0.073**	0.058	0.052	0.043
(binary)	(0.037)	(0.038)	(0.037)	(0.037)

Dependent variable: Support government insuring that unemployed have a decent standard of living Ordered probit with robust standard errors (clustered over countries).

Results for controls and country dummies not shown. Mean VIF scores never higher than 1.61.

Consistent with expectation, adding the measures of subjective economic insecurity tend to lower the size and significance of the coefficients for flexible employment – often to below standard levels of statistical significance. The survey instrument's measures of *income insecurity* and *job insecurity* mostly "explain away" how flexible employment tends to increase support for social policy. The partial exception is the categorical version of the composite *flexible employment*, where size and significance appreciably drop but remain within standard levels of significance even when controlling for both income and job insecurity. Such a result suggests that I cannot rule out that flexible employment has implications for support for social policies that go beyond dynamics of economic insecurity. But the tenor of the results still corroborate my contention that part-time work, temporary work and their combination influence support for social policies by virtue of increasing economic insecurities.

<sup>\*\*\*</sup> p<0.01, \*\* p<0.05, \* p<0.1

#### 6.2.5 Conclusions and discussion

In short, the survey analysis harbors substantial information on how flexible employment affects economic insecurity and welfare politics. Part-time employment, temporary employment and their combination appear to cause feelings of job insecurity and income insecurity. They also spur support for social policy assistance. Furthermore, the experience of economic insecurity appears to be a relevant intervening link in explaining social policy preferences, mostly accounting for how flexible employment spurs support for unemployment assistance.

Further study ought to investigate alternative intervening links between flexible employment and social policy preferences in addition to the economic insecurities on which my analysis has focused. Further study might also reveal whether other measures of flexible employment, insecurity and social policy preferences, and data from other countries, harbor patterns like those found here. Most importantly, further research ought to consider the more aggregated politics of welfare policy-making, studied over time and in varying national settings, to see if the patterns of micro-politics translate into actual policy outcomes in welfare provision – that is, to see how flexible employment affects the supply-side as well as demand-side of welfare state politics (Brooks and Manza 2007).

In the meantime, the present study suggests that if employment is to become more flexible in the near future, feelings of insecurity will increase which, in turn, will fuel substantial demands for more social protection. Hence, the results provide a link between my findings that flexible employment has little impact on solidarity, but significantly increases subjective job insecurity, and studies which indicate that economic insecurity spurs welfare state protection. Clarifying these issues is important in the search for a balance between flexibility and security that has become a central issue for European polities.

## 6.3 Understanding functional flexibility and risk

As argued in chapter one, cross-country differences may impact on my findings. The previous part of this chapter dealt with employees having flexible labour contracts. This part of the study aims at explaining perceived risk among functionally flexible workers

across different countries. The central question is whether the earlier findings on functional flexibility and the perception of risk are robust across various national contexts. Although the main focus in this study is on the Netherlands, I will incorporate the international context in order to test the generalizability of my results.

The results in chapters three and four lead to the conclusion that functional flexibility is positively related to feelings of employment security. I have also demonstrated that there is no relationship between functional flexibility and perceived job security. In chapter one, I have pointed out that the consequences of labour flexibility for workers may differ by country-specific conditions, such as the social security system, the industrial relations system and economic and employment conditions. Looking at functional flexibility, it is possible that the Dutch context is related to more positive outcomes for individual workers. As said before, because of a history of long-term cooperation between the government and social partners, mandatory works councils and a high level of collective bargaining coverage, functional flexibility may foster positive outcomes for workers in the Netherlands (cf. Godard, 2001). These factors may be rooted in the broader cultural context with respect to justice principles and fair treatment among workers (De Jong, 2008; Gallie, 1978).

While the issue of functional flexibility and managerial 'choice' has been taken as a starting point in chapter four, I will now discuss the national context as level of analysis.

# 6.3.1 Functional flexibility and risk

Over the last decades, several researchers have investigated the quality of working life in different countries. According to Gallie (2003), Scandinavian countries (Sweden, Denmark and Finland) report higher qualities of working life. Due to a strong emphasis on co-operation between employers and employee representatives, workers experience more varied work tasks, high levels of participation in decision-making and high levels of employer-provided training. Gallie concludes that in countries with a strong emphasis on so-called 'consensual industrial relations' (Gallie, 2003: 64), such as the Scandinavian countries, a greater priority will be given to the quality of work-issues. The European Foundation (2007b: 53) also concludes that '(...) 'advanced' forms of work organization

are considerably more prevalent in the northern European countries, while they are least prevalent in the southern and eastern European countries'. These empirical studies presented up to this point, show that more coordinated market economies are associated with more beneficial outcomes for employees. However, as Gallie (2007) has shown in a more recent study, this line or reasoning does not hold for all countries. Gallie found that workers in Germany experience a lower control over tasks and less participation in decision-making compared to workers in Britain, which can be seen as an example of a liberal market economy. In general, the empirical evidence suggests there are clear differences in the quality of employment between countries which can be explained by their specific industrial relations system, but we must treat theoretical models of economic organization -such as the production regime framework 104- as ideal-typical. In conclusion, these institutional features may affect the findings on functional flexibility and risk. At the same time, several macroeconomic factors such as the unemployment level and economic conditions also have a potential impact on experienced risk, while high levels of social security spending may lessen perceived risks (as reported in chapter one). Finally, strict employment protection legislaton (EPL) may influence the incidence of 'atypical' employment and the perception of risk. However, the level of strict employment protection legislation may influence the incidence of functional flexibility and the perception of risk as well. While firms may shift to external flexibility ('atypical' forms of employment) they can also shift to internal flexibility (functional flexibility) in order to avoid labour market regulations (cf. Keller and Seifert, 2005). Furthermore, with respect to the perceived risk of losing a job, people are less insecure under conditions of strict employment protection legislation (Anderson and Pontusson, 2007). All these considerations raise the following research question: are my findings on functional flexibility and perceived risk consistent across different national contexts? If so, functionally flexible workers should report more employment security, while there is no connection with the perception of job security. Unfortunately, for this purpose crosscountry datasets are limited. However, the 2005 'EWCS dataset' allows me to study the perception of job insecurity among functionally flexible workers in different developed

<sup>&</sup>lt;sup>104</sup> See Hall and Soskice (2001).

countries <sup>105</sup>. In the next section, I will present the 2005 'EWCS dataset' and the methodological approach.

#### 6.3.2 Data and methods

Data are taken from the 2005 'EWCS survey' <sup>106</sup>. This includes a random sample of the population aged 15 years and over of the EU Member States <sup>107</sup>. The questionnaire consists of more than 100 questions on a wide range of work-related themes. The data has been collected in 2005, and provides information on functional flexibility and the perception of job insecurity. Unfortunately, no information is available on the perception of employment security. I focus on employees and those aged 15-64 only. I made the decision to exclude the inactive and self-employed people because these persons are not employees. The sub-sample includes 21.113 persons in 27 countries.

The dependent variable is perceived job insecurity. The perception of job insecurity is measured with the item: 'I might lose my job in the next six months' (1=strongly disagree, 5=strongly agree). The EWCS sample includes two questions on functional flexibility: teamwork and task rotation. The variable teamwork is measured with the following item: 'Does your job involve doing all or part of your work in a team?' The variable is coded 0 for people who do not work in teams and 1 for people who do. The variable task rotation is measured as follows: 'Does your job involve rotating tasks between yourself and colleagues?' The variable is coded as 0 for people who do not rotate tasks and 1 for people who do.

Several independent variables are included in the analysis. Type of contract is coded 0= indefinite contract and 1=flexible contract (fixed term contract; temporary employment agency contract). The age of respondents is measured in years. Gender is coded 0=male and 1=female. Educational level is coded in seven groups of completed education: 0=no education and 6=tertiary education (advanced level).

<sup>&</sup>lt;sup>105</sup> The 2005 'EWCS dataset' does involve items on the possibility to learn on the job, but no indicators of employment security (see European Foundation, 2008).

<sup>&</sup>lt;sup>106</sup> See http://www.eurofound.europa.eu/ewco/surveys/index.htm.

<sup>&</sup>lt;sup>107</sup> Included are Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Spain, Sweden and the United Kingdom.

Since the data have a multilevel structure (an individual and a country level), I conduct multilevel regression analysis to estimate the results. This is the most appropriate method for country-level analyses (Hox, 2002). The analysis is performed in two steps: it starts with a null model without indicators, followed by a model one that adds these variables. The deviance indicates whether the model improves. The intraclass correlation (ICC) shows how much variation of job insecurity exists at the country level. In the analysis that follows, I will find out whether the previous result on functional flexibility and job insecurity stand the test.

6.3.3 Results

Table 6.4 shows the results of the multilevel regression analysis.

Table 6.4 Multilevel analysis of job insecurity among functionally flexible workers (standardized regression coefficients; estimation: maximum likelihood)

Model	(0)	(1)
Intercept	2.12***	2.12***
Team work		-0.01
Task rotation		0.00
Controls		
Type of contract		0.02***
Age		-0.04***
Education		-0.14***
Gender		-0.02**
ICC	0.07	0.07
Deviance	55622.29	54303.29108

Source: EWCS (2005)

<sup>108</sup> After six variables (degrees of freedom) were added to the model, model one is a significant improvement of the null model. It includes a drop in deviance of 1319 (55622.29-54303.29). According to the chi-square distribution, this drop is highly significant at the 5 percent level.

<sup>\*\*\*</sup> P < 0.001

<sup>\*\*</sup> P < 0.01

<sup>\*</sup> P < 0.05

The results make clear that functional flexibility is not related to feelings of job security. The findings indicate that 'atypical' employment is related to increased job insecurity. This is in line with my argument that flexible employment contracts increase job insecurity, while functional flexibility does not play a significant role. Table 6.4 also reveals the results from different controls. It displays significant effects for age, education and gender. The higher educated are clearly less insecure. This confirms findings of earlier studies. Women and older people are also less job-insecure. These last two results are somewhat unpredicted. However, as discussed by Sverke et al. (2006:9), the issue of gender and job insecurity is not yet settled. Further, it is clear that the influence of age is also still ambiguous. Some researchers find a negative effect on experienced job security, others a positive effect and some are unable to detect any influence at all (see, for an overview, Erlinghagen, 2007). Overall, I can conclude that functional flexibility is not linked to job security, while job security is significantly lower for 'atypical' workers.

#### *6.3.4 Conclusions and discussion*

This part of the study had the empirical goal of investigating functional flexibility and the perception of risk across different national contexts. The primary empirical contribution of this part of the study is that it reveals there is no relationship between functional flexibility and perceived job security across multiple contexts. The implication is that functional flexibility does not secure workers in the internal labour market. In other words, there is little reason to believe that functional flexibility matters. Unfortunately, data availability limits the possibility to extrapolate my findings on functional flexibility and employment security in the Netherlands to different national contexts. Therefore, the question if functionally flexible workers feel more employment-secure across national heterogeneity should be tackled as soon as relevant cross-country data sets become available. For example, in the Netherlands, a high degree of union coverage and substantial cooperation between government and social partners may have a positive impact on perceived employment security among functionally flexible workers. Furthermore, future work on functional flexibility and employment security should try to explore the specific institutional, such as union coverage, and labour market variables,

such as the unemployment rate, in more detail. While I have controlled for country differences, other studies could explore the impact of specific national mechanisms in more detail. Finally, another challenge is to gain more insight into the effects of different types of security (job and employment security) on social policy preferences across national contexts. It would be interesting to study these links in a multi-level design as well.

# 6.4 Understanding self-employment and social policy preferences

In the last part of this cross-country chapter, I analyze social policy preferences among the self-employed across eight different countries. This selection of countries represents different institutional characteristics, including political and cultural factors such as labour market regulation, social security coverage and uncertainty avoidance. The analyses will reveal if I am able to extrapolate my previous findings to other countries. In other words, this chapter controls for cross-country differences. The section 6.4.1 will elaborate on the question why I should expect variation in individual support for social security among the self-employed between countries. Section 6.4.2 will assess the data and methods, followed by the results (section 6.4.3) and a concluding part 6.4.4.

# 6.4.1 Self-employment and social policy preferences

In this study, social policy preferences have been analyzed at the individual level. However, looking at self-employment and policy preferences there may be differences in support across national settings. Harbi and Anderson (2010: 437) state that the self-employed 'act within society and that their entrepreneurial process is shaped by that society'.

First, previous studies on self-employment tell us that individuals may be 'pushed' or 'pulled' into self-employment (Storey, 1982). Put differently, 'necessity', such as unemployment, may 'push' people into starting a business (Hevenstone, 2010; Bogenhold and Staber, 1991). Unemployment may 'push' employees into self-employment, while the unemployment rate and economic conditions are connected to

someone's policy preferences as well (Blekesaune, 2007; Fraile and Ferrer, 2005; Durr, 1993).

Second, in countries where the levels of labour market regulation are high, employers have more incentives to outsource their production which may create unemployment for some categories of workers (Autor, 2003). Rather than staying unemployed these employees are 'forced' to become self-employed (cf. Arum and Müller, 2004; Acs et al., 1994). In this way, self-employment is a second-best choice. The profile of this 'false' 109 self-employed worker is one who is less qualified and more vulnerable in the labour market. This 'vulnerability' may influence policy preferences to social security. So, apart form the unemployment rate, the level of labour market regulation may be related to the level of self-employment and individual support for social security as well.

Third, while self-employment may be attractive regarding the opportunities for obtaining profits and autonomy, it is more risky than dependent employment. During economic downturn, the self-employed carry the risk of income loss and they are generally excluded from social security law, regarding risks such as old age, sickness and disability (Aerts, 2007; cf. European Foundation, 2009). In short, the risks for the selfemployed are not considered as social risks, but individual risks instead. In the literature on social policy preferences, there seems to be substantial agreement that this is in line with the opinions among the self-employed: they do not support social security. First, there is good reason to assume that the self-employed do not prefer collective arrangements, because they are more individually oriented than the rest of the population (Beugelsdijk and Noorderhaven, 2005; cf. De Swaan, 1988). Furthermore, support for government spending is not in their own-interest because government intervention probably leads to higher taxes and less profit (Iversen and Soskice, 2001). In short, there are different reasons to assume low levels of support for social security among the selfemployed; they experience neither emotional grounds nor self-interest for supporting collective arrangements, which are relevant factors in explaining social policy preferences (Van Oorschot, 2002; Gelissen, 2001). Nevertheless, I have seen that the selfemployed and employees are not highly different in their social policy preferences in the Netherlands. While the self-employed are less supportive of unemployment spending

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<sup>&</sup>lt;sup>109</sup> See OECD (2000).

compared to employees, no variation in individual support exists with respect to the socalled 'external' risks such as sickness and old-age. As was argued in chapter five, I therefore suggest a distinction between employment-related risks and other risks in understanding the nature of coping by self-employed workers. In part, these differences may be linked to self-interest: the self-employed support social security arrangements which are obligatory for 'regular' as well as self-employed workers. Because they are entitled to social security programmes, these arrangements are also in the interest of the self-employed. According to the European Foundation (2009), there are differences in coverage between countries. For example, in Finland the self-employed fall within the scope of the earnings-related pension scheme, they are covered by a health insurance scheme and are entitled to a basic unemployment allowance (Ministry of Social Affairs and Health, 2007). Simply put, the state provides generous social security arrangements for dependent employees as well as the self-employed. In Germany, the self-employed are more responsible for managing their risks. Schulze Buschoff and Schmidt (2009: 155) conclude that: 'the majority of self-employed people are not subject to any kind of mandatory social insurance'. Given these differences, the self-employed may also differ in their level of support for social security.

Fourth, there is theoretical literature emphasizing cultural explanations of self-employment. Referring to the cultural indices of Hofstede (1991; 1980)<sup>110</sup>, Noorderhaven et al. (1999: 6) suggest that 'in strong uncertainty avoidance countries<sup>111</sup> people have a stronger emotional needs for rules and procedures, and have a tendency to stay longer in a job at a particular organization'. According to their data in 23 countries, in strong uncertainty avoiding countries there is a negative connection between wealth and the rate of self-employment. Noorderhaven et al. (1999: 15) propose this is 'a sign that people in these countries see self-employment as a necessity rather than as a vacation' (see alo Shane, 1993). However, in a more recent study, Wennekers et al. (2006) state that dissatisfaction with a climate of too high uncertainty avoidance may 'push' individuals towards self-employment. In this way, self-employment is recognized as an opportunity

110 These indices are: power distance (PDI), uncertainty avoidance (UAI), masculinity (MAS) and

individualism (IDV). See also www.geert-hofstede.com/hofstede\_dimensions.php <sup>111</sup> Noorderhaven et al. used the uncertainty avoidance index from Hofstede (1980). It relates to the acceptance of unpredictable, unstructured situations. A higher score means strong uncertainty avoidance.

to escape this highly 'inflexible' environment. Overall, culture seems to play a role in explaining differences in self-employment (Noorderhaven et al., 2004). In addition, uncertainty avoidance may also be related to social policy preferences: in high-uncertainty avoiding countries people are most likely more in favour of compensating social security arrangements compared to individuals living in low-uncertainty avoiding countries.

As far as national differences are concerned, the important point I would like to make is that there is a variety of factors that may impact on the link between self-employment and social policy preferences. It can be asked: *if my previous findings on self-employment and social policy preferences are consistent across different national contexts?* Therefore, in order to test the consistency of my earlier findings, I will analyze data on eight industrialized countries. In the next part, I describe the data and methods.

#### 6.4.2 Data and methods

The analyses are based on two samples. First, I use the 2006 International Social Survey Program (ISSP). This data allows me to study the policy preferences of the self-employed. Second, the 2002/2003 'European Social Survey set (ESS)' contains two relevant questions on support for government intervention. I have selected eight industrialized countries: Finland, France, Germany, the United States (Ireland in the ESS dataset), Norway, Spain, Sweden and the United Kingdom. These countries represent a diversity in labour market regulation (for example, a high level of regulation in Spain versus a low level in the United Kingdom<sup>112</sup>), social security coverage for the self-employed (for example, a high level of coverage in Finland versus a low level in Germany<sup>113</sup>) and differences in uncertainty avoidance (for example, a high level of uncertainty avoidance in France versus a low level in Sweden<sup>114</sup>). The groups that were not active on the job market (students, pensioners, housewives/house husbands and those on disability benefit)

<sup>&</sup>lt;sup>112</sup> See OECD (2004).

<sup>&</sup>lt;sup>113</sup> See Tangian (2004).

<sup>&</sup>lt;sup>114</sup> See www.geert-hofstede.com/hofstede\_dimensions.php

were removed from the datasets. In this way, the effective sample sizes are 6.871 (ISSP) and 9.055 respondents (ESS).

The dependent variables used are as follows. First, in the ISSP dataset, support for social security is measured by three questions on the desired level of collective expenditure in three different policy areas (health care, old age and unemployment). For each theme, the respondent was required to indicate on a sliding scale from 1 to 5 whether the government should spend much less (1) or much more (5). The ESS dataset asked respondents: 'The less that government intervenes in the economy, the better it is for [country]' (1= agree strongly, 5= disagree strongly) and 'The government should take measures to reduce differences in income levels' (recoded to 1=disagree strongly, 5=agree strongly). In both ways, a higher score is associated with a desire for collectivistic intervention. It is noteworthy, that the specific wording of the questions in the ESS dataset suggests a preference for government intervention in the field of the economy. In other words, it seems to reflect a desire for economic intervention while I have seen (in chapter five) this may clash with the opinions of the self-employed towards individual responsibility. Put differently, I have seen that the self-employed feel that individuals are (to a large extent) responsible for achieving their income security, in case of unemployment in particular. For many people, the most important way of obtaining income security is through work. I expect that the self-employed do not hold the state responsible for achieving this goal. Attempts to reduce income differences are most likely not in line with the strong commitment to work among the self-employed. In their opinion, only the 'truly' needy, such as the sick, the old and disabled, should be the focus of government activity. Therefore, to test my proposed distinction between work-related risks and 'external' risks (Giddens, 1998) in order to understand the policy preferences among the self-employed, I hypothesize that:

The self-employed do not differ in their social policy preferences from employees regarding the domains health care and old age (hypothesis 1a);

The self-employed differ in their social policy preferences from employees regarding the domain unemployment and economic intervention in general (hypothesis 1b).

The independent variables are similar to those in chapter five; gender, age, education level and political ideology. Following the literature on policy preferences, women, older people, leftist people and the lower educated are more inclined to support social security (Rehm, 2007; Yang and Barrett, 2006; Svallfors, 1997; Taylor-Gooby, 2001). However, the variable household income was not available in standardized codes. I control for household characteristics by including whether the respondent has a partner. I include this variable because married or cohabiting persons have more chance to be selfemployed (Van Es and Van Vuuren, 2010)<sup>115</sup>. Furthermore, having a partner may imply a higher household income which decreases the need for social security. Gender is captured by a dummy variable (1=female), the respondent's age is in years, the educational level is a quasi-interval variable with six categories in the ISSP dataset (0=no or lowest formal qualification, 5=university degreed completed) and years of full-time and completed education in the ESS dataset. Political ideology is measured by quasi-interval variables with five categories in the ISSP dataset (1=left, 5=right) and 11 categories in the ESS dataset (0=left, 10=right). I use a dummy variable for having a partner (1=partner). For the employment status, people who worked for their own account (their own company) made up the group of the self-employed (1=self-employment).

As the data have a multilevel structure (respondents within countries), I apply multilevel regression analyses. In the next section, I will discuss the results.

6.4.3 Results

In table 6.5, I will present the results (null models not shown).

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<sup>&</sup>lt;sup>115</sup> See, for a critique, Blumberg and De Graaf (2004).

Table 6.5 Multilevel analyses of social policy preferences among the self-employed (standardized regression coefficients; estimation: maximum likelihood)

Determinants	Health care	Old age	Unemployment	Intervention in the	Income redistribution
				economy	
Intercept	3.98***	3.73***	3.06***	3.25***	3.70***
Self-employment	.00	01	04*	04***	05***
(1=self-employed)					
Gender (1=female)	.07***	.07***	.06**	.04***	.10***
Age	.01	.04**	.04*	.02	.05***
Education	09***	18***	13***	.09***	12***
(low-high)					
Political ideology (left-	10***	09***	21***	11***	24***
right)					
Partner (1=partner)	.02	.00	02	.01	02*
ICC	.04	.06	.12	.04	.06
Deviance <sup>116</sup>	5031.82	4969.97	5269.46	22424.37	22466.06

Source: ISSP (2006) and ESS (2002/2003).

<sup>116</sup> All models are significant improvements of the null models.

<sup>\*\*\*:</sup> p<.001; \*\*: p<.01; \*: p<.05

There are clear signs that the self-employed do not differ from employees regarding the policy areas health care and old age. This is in line with my argument that the selfemployed and 'regular' employees do not necessarily differ in their policy preferences. However, with regard to the policy area unemployment, the self-employed appear to have lower levels of support compared to employees. It also turns out that the self-employed do not favour government intervention in the economy and reject income redistribution. This confirms my hypotheses and might indeed point to a distinction between employment-related (or: 'manufactured') risks and social risks, such as health care and old age. Turning to the control variables, I observe some significant effects. As shown in table 6.5, women demand higher social spending on health care, pensions and unemployment. They also support government intervention in the economy and income redistribution in general. Differences in opinion between men and women have also been found in earlier research on welfare support (see, for example, Gelissen, 2001). Furthermore, older people are more supportive of social spending in the areas old age, unemployment and desire income redistribution. These results also fit the expectations. In general, the analyses also reveal that the higher educated are less supportive for social spending and income redistribution. These results are in line with the findings in the existing literature. (see, for example, Rehm, 2007). Because the higher educated are less exposed to risks, they do not support social spending and income redistribution. However, a 'puzzling' finding is that the higher educated demand government intervention in the economy. An interpretation is that they still perceive it is important that institutions, such as the state, play a role in the economy. Simply put, for the higher educated there is no reason to support social spending and economic redistribution, but in their opinion governments may still be of interest as they control for 'deviant' behaviour in the economy. Finally, people on the political right show lower support on all domains and having a partner decreases support for income redistribution. These findings are in line with the expectations.

To summarize, the results basically seem to confirm my previous findings in the Netherlands. There are clear signs that the self-employed do not differ in their policy preferences from 'regular' employees, as long as it concerns so-called 'external risks',

such as sickness and old age. The risk of unemployment as well as income redistribution and government intervention in the economy, seem to clash with the ideas of the self-employed that individuals are (to a large extent) responsible for the occurrence of risks in this work-related domain.

#### 6.4.4 Conclusions and discussion

In this part of the study, I have examined social policy preferences among the self-employed across different national contexts. In accordance with my findings in chapter five, this study has shown no variation in individual support between the self-employed and employees, regarding the domains health care and old age. Furthermore, the self-employed do not prefer unemployment spending and economic intervention in general. These types of state intervention secure against risks which are closely related to the labour market and, therefore, perceived as 'manageable' by individuals.

The most important conclusion of this part of the study is that the self-employed are not that different from employees, regarding their social policy preferences. It is the specific domain of government intervention that matters. This needs to be addressed in future research, both theoretically and empirically. General notions that the self-employed favour free markets and a low level of social protection (Rehm, 2007; Iversen and Soskice, 2001; De Swaan, 1988) are no longer satisfactory. For policy-makers, these findings are important as well, in order to secure 'atypical' workers against risks on a transitional labour market.

This study is clearly a first attempt to investigate social policy preferences among the self-employed in more detail. Naturally, more research is required to resolve some of the study limitations. There is still plenty room for improvements. Obviously, the most important limitation concerns the cross-sectional character of the analyses. Therefore, future studies should try to expand the analyses over time. Furthermore, the self-employed form an extremely heterogeneous group of people (European Foundation, 2009; Arum and Müller, 2004). Distinguishing, for example, the social policy preferences of 'dependent' self-employed workers (ILO, 2003), self-employed people working in different economic branches as well as self-employed workers with and without

personnel is an interesting avenue for future research. Finally, I would like to suggest more research into the question how specific country differences may impact on social policy preferences of the self-employed. Although my aim was investigating the robustness of the empirical findings in the specific Dutch context across a large amount of national variation, it seems fruitful to explore country differences in more detail. In spite of these limitations, I would argue that studying social policy preferences among the self-employed is back on the research agenda.

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#### 7 CONCLUSIONS AND DISCUSSION

#### 7.1 Introduction

This study focuses on flexible labour and its consequences for social policy preferences. This issue was chosen because of the rise of flexible employment conditions. During recent decades, traditional employment has been partially replaced by flexible types of employment, such as temporary contracts, self-employment and functional flexibility. The question can be asked how workers in the modern, flexible labour market perceive risk and a sense of community, which are important determinants of supporting social security. While fundamental socio-economic changes may impact on the development of the welfare state, research into labour flexibility and social policy preferences is still scarce. This study therefore aims to provide an answer to the following central research question: does labour flexibility play a role in the formation of social policy preferences and if so, in what way and why? In the previous chapters, I have looked at people with 'atypical' employment contracts, functionally flexible workers and the self-employed in different organizational contexts and across different macro level settings. Because of the large size of the flexible workforce and the increasing number of self-employed persons (without personnel), the Netherlands was chosen as a starting point. In this concluding chapter, the overall picture of the empirical findings will be presented (section 7.2), followed by a theoretical reflection in section 7.3. In section 7.4, the implications for social policy-making are presented, while the limitations of the study and directions for future research are given in the final section (7.5).

# 7.2 Labour flexibility and social policy preferences

Over the last few decades, the Netherlands has experienced an increase in various types of labour flexibility (Dekker, 2007). By adopting labour flexibility, organizations are better able to operate in a fluctuating market environment caused by the globalization process, while it allows individual workers to cope with, for example, the demands of family life. At the same time, labour flexibility may imply risks for employees. Theorists

like Beck (2000) and Bauman (2001) predict that employment instability for different types of 'atypical' employees will become a permanent feature. Furthermore, it is expected that 'atypical' employment undermines loyalty, trust and the sense of belonging to a wider collectivity (Sennett, 1998). Regarding functional flexibility, theory suggests that risk and sense of community may have contradictory effects: functional flexibility should enhance an employee's sense of belonging to a wider collectivity and it is assumed to lessen risk (see chapter 3).

Risk, self-interest and a sense of community are of great significance in understanding social policy preferences (see, for example, Van Oorschot, 2002), while different macro level conditions and organizational issues, such as the cultural and organizational context, the industrial relations system and/or labour market conditions may impact on the perception of risk and consequently on social policy preferences. This was explained in chapter 1. Having stressed the significance of these factors, empirical evidence has clearly shown the influence of policy preferences to actual social policy (see, for example, Brooks and Manza, 2007; Burstein, 1998; Page and Shapiro, 1983). As labour flexibility has become a significant element of the contemporary labour market it is, therefore, important to study the effects of labour flexibility on perceived risk, sense of community and social policy preferences.

I will now briefly present all the research questions and the empirical results.

# 7.2.1 'Atypical' employment, perceived risk and sense of community

In the empirical literature on the perception of risk and flexible employment, 'atypical' employment is related positively to perceived job insecurity (De Witte and Näswall, 2003). Job insecurity refers to the perception of the possibility of losing one's current job. In line with previous findings, I hypothesize that 'atypical' workers are more job insecure than other workers. Another type of perceived risk, associated with the labour market, is the perception of not finding employment in the external labour market. This refers to employment insecurity (or low 'employability'). I expect that 'atypical' workers also experience less employment security, because they receive less training and opportunities for learning from employers (Eurostat, 2004). This possible link between 'atypical'

employment and the perception of employment security has not been addressed by existing literature.

As far as social policy preferences are concerned, individual support for social security can be explained by the perception of risk, such as job and employment insecurity, and by affective feelings towards others (De Beer and Koster, 2009). This raises a new question: does 'atypical' employment erode the sense of belonging to a wider community? For several researchers, 'atypical' employment is symbolic of the post-industrial trend towards greater 'liquidity' in the workplace. In a nutshell, this idea of 'liquid modernity' (Bauman, 2007; 2000) refers to a weakening of social bonds. With respect to the modern labour market, flexible labour has replaced the traditional relationships in work and no longer offers forms of community (see chapter 1). While this thesis is expressed by theorists like Bauman and Sennett, empirical studies are missing. Generally speaking, Bauman and Sennett expect 'atypical' employment to make solidarity harder to maintain (see also Wheelock, 1999). Drawing on their suggestions, I have hypothesized that workers with flexible employment contracts will report a less well-developed sense of community than other workers.

To answer the questions above, data sets relating to Dutch workers were analysed from 2006 and 2008. These data sets provide information on the type of labour contract and the different motives for supporting social security. In chapters 2 and 3, it is argued that 'atypical' workers do indeed experience lower levels of job security compared to other workers. Additional analyses from 1998 to 2004, pointed out that this finding does not seem to be the result of the wider situation on the labour market (e.g. times of rising unemployment rates). However, 'atypical' workers do not seem to experience lower levels of employment security than other workers. I have indicated that the perceived risk of not finding other employment in the future may be something that 'atypical' workers do not yet worry about. It is, for example, possible that 'atypical' workers always expect it to be possible to find a temporary job. Hence, short-term employment contracts increase the occurrence of short-term risk (job insecurity), but not the occurrence of long-term risk (employment insecurity). Another important finding is that the type of employment contract is not a significant factor in accounting for sense of community. Contrary to the decline-in-solidarity view, the sense of community is not dwindling

among 'atypical' workers. This finding indicates that the type of labour contract has no effect on sense of community. It is more likely that sense of community is influenced by a person's deeply rooted values and beliefs about community. Finally, I have shown that, as De Swaan (1989) has argued, the willingness to help others can partly be a function of self-interest: the feeling of belonging to a wider community and, consequently, the preferred need for collective insurance against risk may also refer to one's self-interest (e.g. job insecurity).

### 7.2.2 Functional flexibility, perceived risk and sense of community

In chapters 3 and 4, the consequences of functional flexibility are investigated. Unlike 'atypical' employment, functionally flexible workers are assumed to perceive greater job and employment security than other workers. By broadening and/or diversifying tasks at work, working in teams or rotating between tasks or departments, workers increase their skills levels and, therefore, become more valuable to organizations. An important way to retain these 'valuable' workers is by offering them job security. In addition, multi-skilled workers also feel more secure in the external labour market (employment security).

As for sense of community, functional flexibility may increase the motivational effect of this as a basis for individual support for social security. Increased cooperation between team members and learning from others by rotating between tasks and departments may improve the sense of belonging to a wider community. The 2008 'Labour and Welfare Opinions survey', has provided the basis for the statistical analyses of functional flexibility, the perception of risk and sense of community. The results show that job security is not related to functionally flexible working, but these workers do perceive themselves as more 'employable' in the external labour market. For functionally flexible workers, 'doing the job' that they were initially hired for as well as the overall economic performance of the company are more salient factors in understanding perceptions of job security. The situation is different when it comes to employment security: functional flexibility seems to improve the perceived human capital of employees and their employment security. Theoretically, this implies that different types of labour flexibility may be linked to different types of security in the workplace: 'atypical' workers feel more job-insecure than other workers, while functionally flexible

workers feel more employment-secure than other categories of employees. Previous studies have focused mainly on 'atypical' forms of employment and perceived job insecurity. By doing this, these studies have largely ignored the importance of differentiating between 'atypical' and functional flexibility and different types of security. The findings presented in my study demonstrate the necessity of doing so.

Again, there is no evidence that labour flexibility influences sense of community. This implies that sense of community neither diminishes nor strengthens under conditions of flexible labour. This finding calls into question the assumptions made by Bauman and Sennett. In spite of their suggestions, there seems to be no link between any of the types of labour flexibility that I have discussed and sense of community. In other words, on the basis of this research, their 'grand theories' on the transformation of work and its social consequences have to be challenged.

### 7.2.3 Organizational issues

It is possible that the organizational context affects the relationship between functional flexibility and the perception of risk: employers can choose how to implement functional flexibility. In chapter 4, I distinguished between the 'high road' and the 'low road' to functional flexibility. These different paths may involve different experiences of risk for employees. The 'high road' to functional flexibility involves autonomy and learning opportunities for employees, while the 'low road' provides little room for obtaining qualifications. In other words, the 'high road' context provides possibilities for increased job security and employment security in particular. I have investigated this issue in two contrasting work contexts: the ICT sector and the printing industry. Contrary to expectations, I have seen that functional flexibility may be beneficial for workers in both the 'high road' and the 'low road' work setting. In both of the companies that I studied, workers who are functionally flexible perceive employment security. Although more 'advanced' forms of functional flexibility, such as more formal training and learning opportunities as well as greater autonomy, are found in the ICT sector, the results indicated that the individual expectations of workers are more important in understanding the effects of functional flexibility on perceived risk than the method of implementation (cf. Vidal, 2007). This finding does not undermine the importance of the organizational

strategy (i.e. how functional flexibility is implemented). Rather, it implies that management practices must be in line with the expectation that workers have. In other words, different categories of workers may recognize the importance of functional flexibility, but they may wish for different workplace designs. From an employee perspective, this finding therefore questions the promotion of 'high road' solutions as the best route to change (European Commission, 2007).

# 7.2.4 The self-employed

Self-employment is another form of flexible employment investigated in this study. In the Netherlands, the number of self-employed persons increased from 11.7% in 1996 to 12.9% in 2009. The increasing rate of self-employment in the Netherlands is largely connected to the growth in those who are classified as 'self-employed without employees' 117. The self-employed include a variety of different workers, from professionals working in the service sector to semi-skilled manual workers.

Chapter 5 examined the risk perception and social policy preferences of the selfemployed in the Netherlands. A key assumption in the literature is that the self-employed, by definition, tend to be less supportive of social security (see, for example, Iversen and Soskice, 2001; De Swaan, 1989). As I have already pointed out, a problem with previous research on social policy preferences is that self-employment has not been introduced as a central object of study. In contrast to earlier studies, therefore, my analysis has considered the social policy preferences of the self-employed in more detail. My analysis is based on data from the 2006 International Social Survey Programme (ISSP) and on 40 in-depth interviews among self-employed workers without personnel. I put forward the hypothesis that self-employed workers are, indeed, more negative towards social security than employees, and that it is most clearly visible when it comes to risks for which they are not covered by social security. Contrary to expectations, however, the results presented in chapter 5 make it clear that the self-employed seem to favour collective risk protection. The overall picture that emerges is that support for social security among the self-employed is related to the type of risk: they do not have different policy preferences from employees when it comes to the policy domains health care, disability and old age,

<sup>&</sup>lt;sup>117</sup> In Dutch: 'Zelfstandige Zonder Personeel' (ZZP).

but they are less supportive regarding the risk of unemployment. These views can be explained by self-interest and altruism: they support social security (health care and old age) because they are also, partially, entitled to social security and they view these risks as 'external' (Giddens, 1994). By perceiving risks as 'external', they feel comfortable with collectivistic risk strategies such as social security. In this way, support for collective risk-sharing is promoted by a sense of belonging to a wider community. Or, in the words of one of our respondents: "Some risks may happen to all of us". Overall, then, assuming that self-employment by definition correlates negatively with support for social security is problematic. However, despite the similarities in social policy preferences between the self-employed and employees, self-employed persons claim that unemployment is a 'manufactured' risk. In other words, unemployment is not something that simply happens to people. As a consequence, when comparing the social policy preferences of the self-employed and employees, support for spending on unemployment benefits is lower among the self-employed. In the context of a growing proportion of selfemployed workers, this result suggests a potential threat towards the financial and social sustainability of social security programmes regarding the risk of unemployment. One could argue that our findings have been influenced by the global economic crisis 118. Like other countries, the Netherlands' economy was hit by rising unemployment levels and declining economic growth in 2009. However, I observed exactly the same social policy preferences among the self-employed before and during the economic crisis, so this argument can be countered.

### 7.2.5 Social policy preferences across national contexts

In chapter 6, I made the first step in examining my findings across different national contexts. Institutional frameworks, such as social security and labour market regulations, as well as macro economic factors may impact on the findings in the Netherlands. For example, the unemployment rate, the level of employment protection legislation and the level of active labour market spending may all be linked to the perception of insecurity. When comparing the results in the Netherlands with the cross-country findings, it also

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 $<sup>^{118}</sup>$  Rising levels of poverty among the self-employed (SCP/CBS, 2010) may increase support for social security.

becomes clear that the results are valid across national variation. It is shown that perceived job and income insecurity is higher among those with a flexible employment contract, while I found that being functionally flexible had no effect on the perception of job insecurity. In sum, the cross-national results seem to demonstrate a consistent picture across countries: it is 'atypical' workers who most often face labour market risks, which increases their support for social policy assistance. In chapter 6, I also suggested that the experiences of risk and social policy preferences among the self-employed are shaped by the specific macro level context. For example, differences in economic development and/or the level of labour market regulation may influence the motives that people have for moving into self-employment, as well as the possible outcomes in terms of their social policy preferences. Furthermore, the particular cultural context and the level of social security coverage for the self-employed may have implications for paths to selfemployment and social policy preferences as well. My results show that, despite the cross-country heterogeneity, self-employment does not negatively influence support for social security, the risks of sickness and old age in particular. In accordance with the results in the Netherlands, self-employment reduces support for spending on unemployment benefits. Furthermore, it turns out that the self-employed do not favour government intervention in the economy and reject income redistribution. According to these findings, government action to protect people against the risk of unemployment, as well as government intervention to redistribute incomes, and intervention in the economy more generally, are all factors that seem to clash with the prevailing view among the selfemployed that people are, to a large extent, responsible for their own protection against risks in work-related domains. The self-employed consider these risks to be 'manufactured'. Yet, this conclusion is clearly different from the widespread claim that the self-employed always argue against any form of social security whatsoever.

# 7.3 Solidarity in a flexible labour market

I can draw some general conclusions from the results of this study. In the academic and policy debate, several assumptions have been made about how people in an increasingly flexible labour market perceive risks and sense of community and, hence, to what extent

they support the social security system. A common statement among policy-makers is one of an inflexible social system, which needs reform to sustain its legitimacy. In other words, social security reform is needed in order to meet the demand for more individualized social security among a heterogeneous, flexible workforce (cf. Hosseini, 2006; Leijnse et al., 2002). From a theoretical perspective, it was also assumed that individuals become less attached to each other and more sceptical about state intervention (Sennett, 1998; Bauman, 2001). These expectations relate to a 'classical' theme in sociology: the study of social change and the potential loss of solidarity which it may generate. This study contributes to the question of solidarity in changing societies as well as to the debate on the sustainability of the social security system (Taylor-Gooby, 2004).

It is certainly true that there are new forms of work in the contemporary labour market, but employees with flexible labour contracts as well as the self-employed do not reject the idea of social security. Although these flexible workers are less integrated into collective groups in the labour market, they still support collective solutions to protect the members of a given society against risk. In simple terms, it appears that social security remains popular, despite a more fragmented workforce. Although it is often assumed that flexible labour is less conducive to a sense of belonging to a wider community, people still express solidarity on the basis of self-interest as well as in terms of sense of community. This conclusion confirms the findings of other, more general research that show that people remain committed to the social security system in modern societies (De Beer and Koster, 2009; Taylor-Gooby, 2001).

In the sections that follow, I will discuss the theoretical implications in more detail. What do my findings imply for theories on class and community in a flexible labour market?

# 7.3.1 Class: a recommodification of risk

Several social researchers have claimed that the concept of social class has expired (Pakulski and Waters, 1996; Clark and Lipset, 1991), while others (such as Achterberg, 2006) continue to think that social class is a relevant factor in sociological research. In this debate, there have been no systematic studies on the consequences of labour

flexibility for new inequalities (e.g. risk). Some researchers argue that risks are becoming more individualized in contemporary labour market (such as Beck, 1999; 2000), while others (such as Breen, 1997) claim that risks will follow traditional lines of social class. Breen (1997) argues that, in order to cope with changing demands in the globalized market environment, organizations are increasingly shifting their risks to employees. At the organizational level, labour flexibility is one strategy for dealing with the changes faced by organizations (Delsen, 1995). The attendant risks are transferred to less powerful groups in the labour market in particular. These groups include less-skilled employees working in jobs with poor working conditions. In other words, according to Breen, risk is following traditional class patterns in the global economy.

The empirical results in this study suggest a 'recommodification' of risk; risks associated with labour flexibility are transferred onto employees and onto the lowerskilled in particular. Large numbers of workers are expected to work on 'atypical' employment contracts, while another, core group is functionally flexible and becoming more employable on the external labour market. Generally, younger people, women and the less-qualified have 'atypical' employment contracts (see also OECD, 2002). These characteristics usually indicate a weak position on the labour market (Eurostat, 2007). My analysis clearly shows that these 'atypical' workers feel more job-insecure than other workers, while older, male, functionally flexible workers with open-ended contracts tend to feel more employment security. Hence, the workforce that has traditionally been more disadvantaged is becoming more vulnerable in the flexible labour market, while the core workforce continues to enjoy more secure employment. In other words, the risks of a flexible labour market do not affect different groups equally. Younger workers as well as women and the less-skilled are more likely to have 'atypical' employment contracts and, thus, experience the most risk (i.e. job insecurity). In this way, labour flexibility intensifies class-specific risks, as suggested by Breen (1997). Not all workers will be affected by 'modern' labour market risks, but those who have traditionally been disadvantaged in the labour market are becoming more disadvantaged. In conclusion, there seems to be a risk cleavage between 'atypical' (peripheral) and 'functionally flexible' (core) workers.

One can argue that macro level conditions, such as the welfare state and labour market institutions, also impact on the level of this inequality between 'insiders' and 'outsiders' (Barbieri, 2009). For example, 'atypical' workers in tightly regulated labour markets, such as Italy and Spain, face the highest risks of not achieving permanent employment (Barbieri and Lucchini, 2006; Polavieja, 2005; Muffels and Luijkx, 2006). In this way, flexible employment may lead to structural insecurity. In the Netherlands, most flexible workers eventually move into permanent jobs (OECD, 2006)<sup>119</sup>. However, reviewing the cross-country results of this study, some general patterns emerge across institutional heterogeneity: insecurity is linked to 'atypical' employment while there is no connection between functional flexibility and the perception of job insecurity.

7.3.2 Understanding social policy preferences: risk and sense of community

My study focuses on people's preferences for social security in a flexible labour market.

The social security system is, among other things, based on what people consider to be legitimate. When citizens no longer believe that social security arrangements are 'just', policy-makers have to consider some degree of adjustment – due to electoral voting pressure, for example (see, for example, Brooks and Manza, 2007). At an individual level, social policy preferences are determined by self-interest and the degree to which they feel a sense of community (Van Oorschot, 2002; Gelissen, 2000). As a consequence of labour flexibility, 'atypical' workers feel more job-insecure, while functionally flexible workers feel more employment-secure. Job-insecure workers are expected to benefit from social security, particularly unemployment benefit, while employment-secure workers do not benefit directly. I thus expect job-insecure workers to show a higher level of individual support for social security while employment-secure workers show a lower level of support, particularly regarding the risk of unemployment. Furthermore, building on previous research (Van Oorschot, 2002), I hypothesized that a higher level of support for

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social security is guided by a higher level of perceived sense of community.

<sup>&</sup>lt;sup>119</sup> However, certainly not all 'atypical' workers face mobility into permanent employment in the Netherlands (see, for an overview, Goudswaard, 2003; Heyma et al., 2010).

As can be seen in the different chapters, job-insecure workers did indeed show a higher level of support for spending on unemployment benefits. This is strong evidence for a self-interest explanation for social policy preferences: those who are likely to benefit from social security will be more likely to support it. Additionally, there is no relationship between perceived job insecurity and social policy preferences in other policy domains. One other result was surprising: employment-secure people do not show less support for spending on unemployment benefits. As I discussed in the chapters 3 and 4, one possible explanation is that people are unable to judge risks that lie in the future (Kahneman and Tversky, 1974). This stresses the significance of risk perception bias. In chapter 4, I have seen that although workers may feel employment-secure, they can still perceive long-term uncertainty when working in relatively high-risk sectors, such as the printing industry. In summary, the findings in this study have shown that self-interest is certainly an important factor in explaining social policy preferences. Although this finding is not new, no studies have examined various forms of insecurity in a flexible labour market and its influence on social policy preferences to my knowledge. A theoretical contribution is therefore that specific labour market risks (such as job insecurity) are, as a result of self-interest, related to social policy preferences in specific policy domains (e.g. unemployment-related domains). It is the type of labour market risk and the type of policy domain that matter. Furthermore, risk perception bias must be taken into account in order to fully understand why specific labour market risks (i.e. employment insecurity) are not related to social policy preferences. In this way, feelings of long-term uncertainty can partially explain why people still support social security despite feeling employment-secure.

This study has also indicated that labour flexibility is not linked to sense of community. It was assumed that functional flexibility would be beneficial to sense of community, while 'atypical' employment would not be. As stated earlier in this chapter, a person's ideological values and beliefs are more likely to account for their sense of community. I would also like to argue that theorists who assume a decline in sense of community due to labour flexibility, such as Sennett and Bauman, consider sense of community as a somewhat static concept. For them, community is based on similarity (i.e. open-ended

contracts with the same employer) rather than diversity (i.e. 'atypical' employment contracts and self-employment). Rather than assuming a decline in the sense of community as a result of the emergence of post-industrial labour relations, one could also suggest the realization of a 'new' community based on diversity and individualism. In his classical work on solidarity, Durkheim (1964) already labelled this as mechanical versus organic solidarity. According to this view, societal differentiation is then the basis for community, rather than homogeneity. Or, in the words of Delanty (2003: 195), "community is more flexible than may be thought at first sight".

While my analysis clearly shows there is no link between labour flexibility and sense of community, sense of community still plays an important role in understanding social policy preferences. Including sense of community in the theoretical framework offers a more complete understanding of social policy preferences. Even the most 'employable' and multi-skilled workers in my study did not show the calculating behaviour predicted by asset theorists (Iversen and Soskice, 2001). These researchers argue that workers with generic skills are unlikely to support social security. However, these workers still support collective social security, referring to people in their own social network, simply not wanting to choose between public and private social security arrangements and, because of a sense of community. This finding accords with other research projects, indicating the importance of more considerations than the rational choice approach in understanding social policy preferences (see, for example, De Beer and Koster, 2009; Jaeger, 2006). In the end, support for social security does not depend solely on the distribution of risk.

7.3.3 The self-employed: class and social policy preferences revisited

If one follows theory on class and political orientations (see, for example, Barone et al., 2007; Heath et al., 1995; Lipset, 1970)<sup>120</sup>, supporting social security ought not to be in the interest of the self-employed. Firstly, the self-employed are assumed to favour their individual autonomy (De Swaan, 1989) and, secondly, paying for collective social security arrangements is not expected to be in their economic interest (Iversen and

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<sup>&</sup>lt;sup>120</sup> However, depending on the changing nature of the political culture, material issues may be less central in social policy preferences (Achterberg, 2006; Van der Waal et al., 2007).

Soskice, 2001). However, in this research I have argued that this claim should not be overstated. While one can still argue that the self-employed demonstrate a negative preference for government intervention when it comes to employment-related, 'manufactured' risks, they do not differ much from employees in their social policy preferences regarding 'external' risks such as sickness, disability and old age. In other words, the 'traditional' view that the self-employed have no reason to support collective social security no longer holds. As discussed earlier in the chapters 5 and 6, it is the specific domain of government intervention that matters for social policy preferences among self-employed workers. Political sociologists should, thus, be sceptical of the idea that there is, necessarily, a negative correlation between a self-employed occupational position and support for social security. It is the type of risk that matters.

# 7.4 Policy implications

Turning to the future of the social security system in the Netherlands, the most important outcome of this research is that the flexible labour market is not putting the social legitimacy of the social system under strain. In the Dutch policy debate, it is often suggested that moving towards a more flexible labour market requires some kind of reinvention of the welfare state (cf. De Mooij, 2007; CPB, 2006), with more individual responsibility and a larger degree of freedom of choice (Hosseini, 2006; Goudswaard, 2002; Leijnse et al., 2002). This study has shown that labour flexibility does not lead to any obvious decline in support for collective social security. In fact, due to increased job insecurity among 'atypical' workers, there is even a strong preference for more unemployment-related services, and although the self-employed are less willing to support unemployment-related spending, they are not as negatively disposed towards social security as is often assumed. For this reason, if a future government were to aim for greater labour flexibility, this should be accompanied by relatively high levels of social protection (e.g. income protection and/or schooling facilities) in order to balance the risks and needs of citizens in a flexible labour market. This study clearly shows that labour flexibility is related to risks for 'atypical' workers, so social protection for that group would seem desirable. Furthermore, the Social and Economic Council of the

Netherlands (SER) has recently published its advice on the social security needs of the self-employed without personnel (SER, 2010). Unfortunately, although studies show that less than half of all self-employed persons without personnel have taken out disability insurance (RWI, 2009), the SER has decided not to reopen the discussion on a public disability insurance scheme for the self-employed. This study has shown that the self-employed prefer a basic guarantee against risks over which they cannot exercise much influence. If policy-makers require greater labour flexibility, what is needed from an individual perspective is a system that offers basic social guarantees (cf. Hemerijck, 2002). In this way, social protection may enhance labour market flexibility: people will change jobs more easily if they do not have to worry about losing their social insurance (Ferrera et al., 2001). In addition to basic health care and a first-pillar pension scheme, this implies a public disability insurance scheme for the self-employed.

### 7.5 Limitations of the study and future research

While this study offers more insight into the question of whether labour flexibility plays a role in understanding social policy preferences, more research is still needed. My research is based on various cross-sectional surveys as well as in-depth interviews. This combination of research methods is a fruitful way of increasing the validity of the findings. However, as mentioned previously in this study, future research should try to disaggregate the results to specific groups of flexible workers in order to gain a more detailed understanding. For example, within 'atypical' workers, one could differentiate between temporary workers, on-call workers and agency workers. Regarding functional flexibility, more indicators could be included, while it would also be useful to distinguish the results between the self-employed with employees and without employees. Another interesting subject for a future study would be the risk perceptions among functionally flexible employees in other sectors and/or organizations. For example, the selection of organizations that develop different approaches to functional flexibility at the same time (such as the 'high road' and the 'low road') would be needed in order to make more detailed comparisons in risk perceptions between different groups of workers. Finally, one important point to make concerns the need for detailed studies in different

institutional contexts. My study design was aimed at understanding social policy preferences in the relatively flexible Dutch labour market. In chapter 6, the cross-national results indicate external validity to other contexts. Nonetheless, my study was not designed to be particularly sensitive to contextual, macro level differences.

Understanding social policy preferences among flexible workers in specific national contexts would require additional research.

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### **Dutch summary**

Flexibele arbeid, risico's en de verzorgingsstaat

## Inleiding en probleemstelling

Van oudsher biedt het stelsel van sociale zekerheid bescherming tegen verschillende vormen van inkomensverlies. Mensen die onvoldoende in hun eigen bestaan kunnen voorzien, kunnen rekenen op de steun van anderen. Deze steun kan op individueel niveau gebaseerd zijn op vormen van welbegrepen eigenbelang en/of op gemeenschapsbesef. Allereerst is eigenbelang een belangrijke factor om de opvattingen van mensen over sociale zekerheid te kunnen begrijpen. Risico's en problemen waar mensen tegenaan lopen kunnen via collectieve arrangementen, zoals het stelsel van sociale zekerheid, worden opgevangen. Dit besef resulteert in een positieve opvatting van burgers over sociale zekerheid. Een ander mechanisme dat van invloed is op de opvattingen van mensen over sociale zekerheid heeft te maken met gemeenschapsbesef. Niet het eigenbelang maar de overtuiging dat mensen deel uitmaken van een groter geheel is dan de grondslag voor positieve opvattingen over sociale zekerheid. Dit proefschrift gaat over de mogelijke consequenties van flexibele arbeid op de opvattingen die mensen hebben over sociale zekerheid. We hebben hierbij aandacht voor verschillende beleidsterreinen, zoals gezondheid, oudedagsvoorziening en werkloosheid. Het belang van de bestudering van opvattingen van mensen over sociale zekerheid blijkt uit het gegeven dat zij een factor van betekenis is bij de totstandkoming van sociaal beleid. Dit is inmiddels al diverse malen door onderzoek bevestigd.

Tegenwoordig werken steeds meer mensen op basis van een flexibel arbeidscontract en/of zijn ze functioneel flexibel actief binnen bedrijven en/of werken ze als zelfstandig ondernemer (al dan niet met of zonder personeel). In 2009 werkte ongeveer 13,5 procent van de Europese beroepsbevolking in een flexibele baan en was 15,5 procent zelfstandig ondernemer. Ondanks dat minder gegevens bekend zijn over de aard en omvang van functioneel flexibele arbeid wijzen de beschikbare cijfers er ook in dit geval op dat het

een onlosmakelijk onderdeel is van de hedendaagse arbeidsmarkt. In de wetenschap zijn tegenstrijdige opvattingen te vinden over de mogelijke relaties tussen flexibele arbeid en opvattingen over sociale zekerheid.

In een breed theoretisch verband zijn er allereerst theoretici die veronderstellen dat de opkomst van flexibele arbeid leidt tot een situatie waarin iedereen, tijdelijk, met onzekerheid en werkloosheid te maken krijgt (Beck, 2000; Heery en Salmon, 2000) terwijl anderen veronderstellen dat het vooral de 'traditioneel' kwetsbaren zijn op de arbeidsmarkt, zoals laaggeschoolden, die met de risico's van een flexibele arbeidsmarkt geconfronteerd worden (Breen, 1997). Dit zijn belangwekkende theoretische noties waarvan de empirische houdbaarheid tot op heden nog niet in kaart is gebracht. Als het gaat om risico's gaat het in dit proefschrift om de ervaren baan- en werkonzekerheid. Bij baanonzekerheid gaat het om de onzekerheid over het behoud van de baan, terwijl het bij werkonzekerheid gaat om de onzekerheid van het vinden van werk in de toekomst.

Ten tweede zijn er theoretici die ingaan op de gevolgen van flexibele arbeid voor het gemeenschapsbesef. In de ogen van de sociologen Sennett (1998) en Bauman (2001) leidt flexibele arbeid tot een verminderde betrokkenheid bij de ander. Volgens Sennett is een duurzame betrokkenheid bij anderen niet langer mogelijk aangezien flexibele arbeid zich juist kenmerkt door korte, voortdurend wisselende relaties. Ook Bauman is pessimistisch over het gemeenschapsbesef binnen een flexibel arbeidsbestel. Bauman stelt dat er sprake is van 'fragmentarisering' op de arbeidsmarkt. In zijn optiek verliezen 'traditionele' instituties als de vaste arbeidsrelatie aan betekenis en is het de individuele werknemer die zelf verantwoordelijk wordt voor zijn of haar loopbaan. Dit resulteert, net als bij Sennett, in een afnemend sociaal besef. Wederom is empirisch weinig bekend over de houdbaarheid van deze redeneringen. Over het algemeen heeft bestaand onderzoek weinig tot geen aandacht voor de verbanden tussen flexibele arbeid, ervaren risico's, gemeenschapsbesef en opvattingen over sociale zekerheid. Doel van het onderzoek is daarom de beantwoording van de centrale problemstelling:

Is het hebben van een flexibele arbeidsrelatie van invloed op de opvattingen van mensen over sociale zekerheid en zo ja, op welke wijze en waarom?

De tot dusver besproken theoretische veronderstellingen hebben betrekking op de gevolgen van flexibele arbeid in algemene zin, en zijn daarom nog onvoldoende vruchtbaar om te komen tot toetsbare onderzoeksvragen. In dit proefschrift zijn daarom diverse theorieën behandeld die ingaan op de gevolgen van drie vormen van flexibele arbeid voor de opvattingen over sociale zekerheid. De nadruk ligt op 'atypische' arbeid, functioneel flexibele arbeid en zelfstandig ondernemerschap. Deze vormen van flexibele arbeid zijn het meest ingebed in de literatuur. Nederland is vervolgens gekozen als strategische casus aangezien het beschikt over één van de meest flexibele arbeidsmarkten van Europa (De Vries en Wolbers, 2005; Delsen, 1995). De verschillende onderzoeksvragen en verwachtingen die in dit proefschrift per type flexibele arbeid gebruikt zijn, worden hieronder in het kort weergegeven.

### Onderzoeksvragen en structuur

Een eerste vraag die zich aandient is of 'atypische' arbeid invloed uitoefent op de opvattingen van mensen over sociale zekerheid. Met 'atypische' arbeid worden arbeidsrelaties bedoeld die afwijken van 'reguliere' arbeidscontracten van onbepaalde duur. Het gaat dan in de eerste plaats om werknemers met tijdelijke contracten (zonder uitzicht op een vast contract), uitzendwerk en op- en afroepcontracten. In aansluiting op de veronderstellingen in de bestaande literatuur verwachten we dat 'aypische' werknemers een grotere mate van baan- en werkonzekerheid ervaren. Deze onzekerheden kunnen vervolgens, via het motief van eigenbelang, bijdragen aan een grotere behoefte aan sociale zekerheid. Daarnaast vragen we ons af wat 'atypische' arbeid betekent voor het gemeenschapsbesef van mensen. Zoals we hebben gezien zijn er diverse sociologen die de conclusie trekken dat gemeenschapsbesef, en hiermee ook het collectieve stelsel van sociale zekerheid, niet kan gedijen in een flexibele arbeidsmarkt. Onderzoek hiernaar is schaars. In eerder onderzoek is alleen de relatie tussen 'atypische' arbeid en ervaren baanonzekerheid onderzocht. In hoofdstuk 2 staan de gevolgen van 'atypische' arbeid voor de opvattingen van mensen over sociale zekerheid centraal. Hiermee wordt voorzien in een duidelijke lacune in de literatuur. Het empirische gedeelte van dit hoofdstuk wordt gevormd door statistische analyses op databestanden die in de jaren 2008 en 2006 zijn verzameld en over de periode 1998-2004.

Een tweede vraag heeft te maken met de gevolgen van functioneel flexibele arbeid voor de opvattingen van mensen over sociale zekerheid. Functionele flexibiliteit heeft diverse uitingsvormen. Als we in dit proefschrift spreken over functionele flexibiliteit gaat het om praktijken als taak- en afdelingsrotatie en/of het werken in teams. Ondanks dat in de literatuur verschillende visies bestaan ten aanzien van de consequenties van functioneel flexibele arbeid voor werknemers, zijn de meeste onderzoekers van mening dat functioneel flexibele arbeid bij kan dragen aan de ontwikkelingsmogelijkheden en hiermee aan de ervaren zekerheden van werknemers op de arbeidsmarkt. Doordat functioneel flexibele werknemers multi-inzetbaar (of: 'employable') zijn kunnen ze veel leren en ontwikkelen ze een sterkere positie op de arbeidsmarkt in vergelijking met anderen. Versterking van de baan- en werkzekerheid kan vervolgens, via het motief van eigenbelang, bijdragen aan verminderde voorkeuren voor sociale zekerheid. Een andere veronderstelling is dat functioneel flexibele arbeid, in tegenstelling tot 'atypische' arbeid, bij kan dragen aan versterking van het gemeenschapsbesef. Doordat werknemers meer met verschillende mensen in contact komen binnen de organisatie ontstaat eerder een gevoel van samenhang en betrokkenheid bij de ander en ontstaat er eerder instemming met sociale zekerheid, zo is de verwachting. Hoofdstuk 3 richt zich op deze veronderstellingen en voorziet wederom in een aantal hiaten in de literatuur. Een statistische analyse is verricht over data uit een landelijke steekproef in 2008.

In hoofdstuk 4 verschuift de focus naar het bedrijfsniveau. We vragen ons in dit hoofdstuk af of de organisatiecontext de relatie tussen functioneel flexibele arbeid en opvattingen over sociale zekerheid beïnvloedt. We stellen vast dat functioneel flexibele arbeid via een zogenaamde 'high road' dan wel via een 'low road'-strategie kan worden ingevoerd. In het eerste geval staan de opbrengsten voor werknemers (mede) centraal, terwijl in het laatstgenoemde geval primair de bedrijfsmotieven (zoals kostenoverwegingen en vergroting van de wendbaarheid van de organisatie)

leidend zijn. Naast de aandacht voor de organisatiecontext proberen we in dit hoofdstuk ook antwoord te geven op de vraag of functioneel flexibele werknemers zich, via de ontwikkeling van meer generieke vaardigheden, bij hun opvattingen over sociale zekerheid exclusief laten leiden door het eigenbelang, zoals aanhangers van de zogenaamde 'Asset Theory' veronderstellen. Het empirische gedeelte bestaat uit twee casestudies. Eén organisatie is gekozen als representant van de industriële economie (de 'low road') en één organisatie is geselecteerd als representant van een post-industriële setting (de 'high road').

De zelfstandig ondernemers vormen een andere groep 'atypische' werkers en staan centraal in hoofdstuk 5. Sinds een aantal jaren lijken steeds meer Nederlanders naast de al eerder genoemde flexibele dienstverbanden te kiezen voor het zelfstandig ondernemerschap. Als wordt gekeken naar de ontwikkelingen in het ondernemerschap blijkt dat het percentage zelfstandig ondernemers vanaf 1996 is toegenomen van 11,7 procent naar 12,9 procent in 2009. Binnen dit segment is met name het aandeel zelfstandigen zonder werknemers (de zzp'ers) in relatieve zin gestegen, van 54,5 procent in 1996 tot 66,1 procent in 2009. De gangbare opvatting in de literatuur is dat zelfstandigen van oudsher wantrouwend staan tegenover collectieve arrangementen. Dergelijke collectiviteiten zouden in hun beleving de individuele soevereiniteit beperken. In eerder onderzoek wordt weinig tot geen specifieke aandacht geschonken aan dit thema. Via data afkomstig uit het *International Social Survey Programme* (2006) en 40 aanvullende interviews met zzp'ers in de zakelijke dienstverlening en de bouwnijverheid wordt bezien of zelfstandig ondernemers in het algemeen en zzp'ers in het bijzonder inderdaad geen voorkeur hebben voor sociale zekerheid.

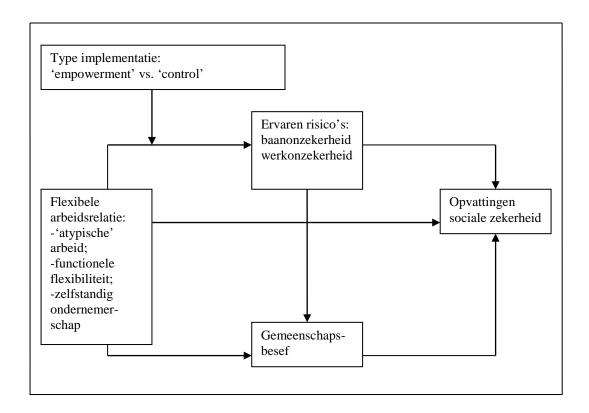
In hoofdstuk 6 is getracht de onderzoeksbevindingen in de Nederlandse context te generaliseren naar andere landen. Dit hoofdstuk richt zich hierbij niet op de vraag op welke wijze een specifieke sociaal-economische omgeving de bevindingen kan beïnvloeden, maar eerder op het in beeld krijgen van de empirische reikwijdte van de resultaten gegeven de variatie tussen landen. Een minder strenge ontslagbescherming van flexibele werknemers kan bijvoorbeeld van invloed zijn op de mate van ervaren

baanonzekerheid, terwijl het niveau van nationale bestedingen aan actief arbeidsmarktbeleid van invloed kan zijn op de mate van ervaren werkonzekerheid. De situatie op de arbeidsmarkt en conjuncturele effecten zijn andere factoren die in de literatuur al vaak met ervaren baan- en werkonzekerheid in verband zijn gebracht. In de literatuur zijn ook aanwijzingen gevonden dat de wijze waarop functionele flexibiliteit binnen bedrijven wordt ingezet en de consequenties hiervan voor werknemers, varieert tussen landen. Onder andere de institutionele kenmerken van landen, denk hierbij bijvoorbeeld aan de corporatistische structuur in Nederland waarbij ruimte is voor geïnstitutionaliseerde samenwerking tussen overheid en sociale partners, kunnen van invloed zijn op de opstelling van werkgever ten aanzien van functionele flexibiliteit en de gevolgen voor werknemers. Wat betreft de zelfstandig ondernemers laat de literatuur zien dat beslissingen om als zelfstandige te opereren op de arbeidsmarkt eveneens zijn ingebed in institutionele en sociaal-economische structuren. Naast de situatie op de arbeidsmarkt en conjuncturele effecten kan ook de mate van ontslagbescherming van vaste werknemers van invloed zijn op de beslissing om als zelfstandig ondernemer aan de slag te gaan. Een andere veronderstelling in de literatuur luidt dat culturele karakteristieken, zoals de mate van onzekerheidsvermijding, van invloed kunnen zijn op de beslissing om te starten als zelfstandig ondernemer. Naast de invloed van deze factoren op het zelfstandig ondernemerschap kan er tevens een relatie worden gelegd met de opvattingen over sociale zekerheid. Zo is economische neergang bijvoorbeeld een goede voorspeller van minder individuele steun aan sociale zekerheid, gaat een oplopende werkloosheid over het algemeen juist gepaard met een grotere vraag naar sociale zekerheid en mogen we veronderstellen dat individuen die leven in een samenleving met een hogere onzekerheidsvermijding ook meer belang hechten aan de zekerheden van het sociale stelsel. Ten slotte is het niet ondenkbaar dat de mate waarin zelfstandig ondernemers vallen onder de personele werkingssfeer van het stelsel van sociale zekerheid van invloed is op hun opvattingen over dit stelsel. Om te kunnen onderzoeken in hoeverre de bevindingen uit de hoofdstukken 2 tot en met 5 stand houden in weerwil van de aanzienlijke verschillen tussen landen, worden in dit hoofdstuk een aantal hypothesen getoetst met behulp van data uit de Eurobarometer 56.1 (2001), de

European Working Conditions Survey (2005), het International Social Survey Programme (2006) en de European Social Survey (2002/2003).

Tot slot worden in hoofdstuk 7 de belangrijkste bevindingen van dit proefschrift samengevat en de implicaties en beperkingen van de studie besproken.

In het volgende figuur is het conceptueel model weergegeven, waarin de verklaring van opvattingen van mensen over sociale zekerheid in een flexibel arbeidsbestel centraal staat.



# Resultaten en implicaties

De resultaten laten zien dat 'atypische' werknemers een grotere mate van baanonzekerheid ervaren dan andere groepen op de arbeidsmarkt. Opvallend is dat er geen relatie is met gevoelens van werkonzekerheid. Van belang is derhalve om een onderscheid aan te brengen naar het type risico dat met 'atypische' arbeid samenhangt.

Ook zien we dat er geen relatie bestaat tussen het werken met een flexibel arbeidscontract en gemeenschapsbesef. Dit betekent dat flexibiliteit op de arbeidsmarkt niet het gemeenschapsbesef ondermijnt, zoals verschillende onderzoekers suggereren. Als het gaat om de opvattingen over sociale zekerheid constateren we dat de ervaren baanonzekerheid positief samenhangt met een voorkeur voor ruimere werkloosheidsbestedingen. Dit is de conform de verwachtingen: op basis van het motief van eigenbelang resulteert baanonzekerheid in een grotere behoefte aan collectieve compensatie van het werkloosheidsrisico. Er zijn geen relaties met opvattingen over andere beleidsterreinen.

Zoals verwacht is het gevoel van werkzekerheid groter bij werknemers die functioneel flexibel zijn. Functionele flexibiliteit gaat daarentegen niet gepaard met verhoogde gevoelens van baanzekerheid. Dit zijn nieuwe inzichten. Ook opvallend is dat er geen verband is tussen de ervaren werkzekerheid van functioneel flexibele werknemers en opvattingen over sociale zekerheid. We hebben tevens verondersteld dat functionele flexibiliteit verband kan houden met een groter gemeenschapsbesef. Hiervan lijkt echter geen sprake te zijn. Op basis van deze resultaten kunnen we concluderen dat flexibele arbeid niet van belang is bij het begrijpen van gemeenschapsbesef: 'atypische' arbeid noch functionele flexibiliteit spelen een rol van betekenis.

De conclusie van hoofdstuk 4 luidt dat het bedrijfsniveau geen onderscheidend effect heeft op gevoelens van werk- of baanonzekerheid van werknemers. Een veel voorkomende veronderstelling is dat werknemers hun situatie als minder gunstig beoordelen wanneer zij geconfronteerd worden met de invoering van functionele flexibiliteit via een zogenaamde 'low road'-strategie. Het door werkgevers onvoldoende aandacht schenken aan de autonomie en leermogelijkheden van werknemers resulteert bij het personeel niet in een perceptie van verhoogde kansen op de arbeidsmarkt, zo is de verwachting. De resultaten laten echter zien dat niet zozeer de organisatiecontext als wel het verwachtingspatroon van werknemers ten aanzien van functionele flexibiliteit de bepalende factor is. Dit is een verklaring voor het feit dat, zowel bij werknemers in een werkomgeving waarbij een ruime aandacht bestaat voor personeelsbelangen bij de

invoering van functionele flexibiliteit als bij werknemers in een 'low road'werkomgeving, de ervaren werkzekerheid onder invloed van functionele flexibiliteit
toeneemt. Daarnaast hebben we in dit hoofdstuk gerapporteerd dat in tegenstelling tot wat
aanhangers van de 'Asset Theory' beweren, het hebben van relatief veel brede
vaardigheden niet per definitie leidt tot een afnemende bereidheid tot collectieve
risicodeling in de sociale zekerheid. De bevindingen laten juist zien dat alternatieve
factoren van even groot belang kunnen zijn om opvattingen van mensen ten aanzien van
het sociale stelsel te verklaren.

In hoofdstuk 5 is onderzocht of het zelfstandig ondernemerschap samen gaat met een lagere bereidheid om het stelsel van sociale zekerheid te steunen. Een belangrijke conclusie is dat zelfstandigen in hun opvattingen over sociale zekerheid in veel opzichten niet verschillen van werknemers. Zelfstandigen staan duidelijk negatiever tegenover werkloosheidsuitgaven, maar verschillen niet van werknemers in hun opvattingen over collectieve uitgaven voor gezondheid en ouderdom. Er zijn geen aanwijzingen gevonden dat de financieel-economische crisis deze bevindingen beïnvloedt.

Tenslotte is in hoofdstuk 6 getoetst in hoeverre de eerdere bevindingen generaliserbaar zijn. Op basis van de resultaten uit dit hoofdstuk kunnen we concluderen dat er voldoende empirische ondersteuning is gevonden dat de bevindingen ook in andere landen op kunnen gaan. Verschillende indicatoren voor 'atypische' arbeid hangen samen met een verhoogde voorkeur voor sociale bescherming in het geval van werkloosheid. De ervaren baanonzekerheid is een belangrijk mechanisme dat hieraan ten grondslag ligt. Wat betreft de gevolgen van functionele flexibiliteit voor werknemers zien we wederom dat functionele flexibiliteit niet de ervaren baanzekerheid stimuleert. Tot slot gaat een zelfstandige beroepspositie gepaard met een verminderde steun voor publieke interventies rondom de bestrijding van het werkloosheidsrisico, maar zijn er geen verbanden met opvattingen over andere beleidsterreinen.

Er kunnen op basis van de bovenstaande bevindingen tevens een aantal meer algemene conclusies worden getrokken.

'Insiders' en 'outsiders' op de flexibele arbeidsmarkt

Allereerst kunnen we stellen dat de ervaren risico's die samenhangen met flexibele arbeid vooral terecht komen bij groepen die al relatief kwetsbaar zijn op de arbeidsmarkt. Jongeren, vrouwen en laaggeschoolden zijn eerder aangewezen op flexibele arbeidscontracten en worden meer geconfronteerd met ervaren baanonzekerheid vergeleken met anderen. Daarentegen zijn het de werknemers met vaste arbeidscontracten die eerder te maken krijgen met functionele flexibilisering en zij verwerven hiermee meer werkzekerheid. Dit proces heeft een belangrijk gevolg: het ontstaan van een mogelijke tweedeling tussen 'insiders' die in aanraking komen met de kansen op de hedendaagse flexibele arbeidsmarkt en 'outsiders' die in mindere mate profiteren van het werken in een flexibel arbeidsbestel.

### Flexibele arbeid en opvattingen over sociale zekerheid

Hoe verhouden de bevindingen zich tot onze kennis rondom de opvattingen die mensen erop nahouden als het het gaat om sociale zekerheid? De theoretische veronderstelling van diverse sociologen dat flexibele arbeid het gemeenschapsbesef ondermijnt blijkt in ieder geval niet houdbaar. Een blinde vlek in het debat over de gevolgen van flexibele arbeid voor het gemeenschapsbesef is dat gevoelens van verbondenheid tussen mensen ook kunnen bestaan op basis van verschillen (differentiatie in arbeidsrelaties) in plaats van overeenkomsten (de 'norm' van een vast contract). Flexibele arbeid ondergraaft in deze zin, kortom, niet het gemeenschapsbesef als grondslag voor het stelsel van sociale zekerheid.

We hebben daarnaast gezien dat flexibele arbeid wel van invloed is op de risico's en kansen die mensen ervaren. 'Atypische' arbeid hangt samen met een grotere mate van baanonzekerheid maar er is geen verband met ervaren werkonzekerheid. Bij functioneel flexibele werknemers neemt de ervaren werkzekerheid toe maar is er geen relatie met ervaren baanzekerheid. Hieruit blijkt dat verschillende vormen van flexibiliteit verband houden met verschillende risico's voor werknemers. Baanonzekerheid houdt vervolgens verband met een grotere behoefte aan sociale zekerheid als het gaat om compensatie van

het werkloosheidsrisico. Het theoretische mechanisme achter deze relatie is het calculerend eigenbelang van mensen: sociale zekerheid levert de betreffende groep werknemers voordeel op. De bevinding dat functioneel flexibele, werkzekere, werknemers daarentegen geen verminderde voorkeur vertonen voor sociale zekerheid staat hiermee in contrast. Theoretisch kan echter worden onderbouwd dat er sprake is van een mogelijke 'bias' in de risicoperceptie. Dit doet zich in dit geval voor omdat het betreffende risico verband houdt met de langere termijn. De arbeidsmarktsituatie op de langere termijn is door een gebrek aan informatie dan niet goed in te schatten. Uit de interviews met werkzekere respondenten in de grafische sector hebben we bijvoorbeeld gezien dat zij tegelijkertijd een mate van onzekerheid ervaren als het gaat om het toekomstige werken in de desbetreffende sector. Dit betekent dat zij zich, ondanks hun ervaren werkzekerheid, nog onvoldoende een voorstelling kunnen maken van hun risico's op de langere termijn. Dit zou een mogelijke verklaring kunnen zijn. Het perspectief dat dit proefschrift in ieder geval wil bieden is dat individuen minder rationeel zijn dan aanhangers van 'rational choice'-theorieën vaak verwachten. De bevinding dat zelfs de werknemers met generieke vaardigheden en een hoge mate van ervaren werkzekerheid bij hun opvattingen over sociale zekerheid wijzen op de verbondenheid met mensen in het eigen sociale netwerk, een gevoel van gemeenschapsbesef en/of wijzen op het verschijnsel 'keuzestress' past eveneens in het beeld dat mensen hun opvattingen niet slechts baseren op basis van een optimalisatie van puur eigenbelang.

Een andere vaststelling is dat zelfstandigen niet *a priori* in hun opvattingen over sociale zekerheid verschillen van andere groepen op de arbeidsmarkt. Werkloosheid is in hun optiek weliswaar niet simpelweg domme pech maar beïnvloedbaar, waarbij mensen kunnen worden aangesproken op hun eigen verantwoordelijkheid. Zelfstandigen hebben daarentegen belang bij bestaande socialezekerheidsregelingen die ook hun risico's dekken, en bij niet of moeilijk beïnvloedbare risico's zoals ziekte en ouderdom ligt eveneens steun voor sociale zekerheid voor de hand. Dit zijn relevante bevindingen voor onderzoekers die zich bezig houden met opinie-onderzoek rondom de verzorgingsstaat.

Tot slot zijn er enkele implicaties voor de beleidspraktijk. In de afgelopen jaren zijn diverse rapportages verschenen met als onderwerp herziening van het sociale zekerheidsstelsel. Onder andere tegen de achtergrond van een heterogene arbeidssamenleving zou het huidige stelsel niet meer van deze tijd zijn. Verschillende pleidooien zijn gehouden voor een kleiner stelsel met meer eigen verantwoordelijkheid en keuzevrijheid. Dit versterkt de legitimiteit van het stelsel, zo is de redenering. Deze studie heeft echter laten zien dat mensen die actief zijn op een flexibele arbeidsmarkt eerder lijken te vragen om meer sociale bescherming en niet om een grotere mate van keuzevrijheid. 'Atypische' arbeid gaat gepaard met een hogere mate van baanonzekerheid en zelfstandig ondernemers lijken niet eenduidig afscheid te willen nemen van sociale beschermingsconstructies. In de toekomst ligt er voor beleidsmakers een uitdaging om een (betere) balans te vinden tussen de risico's van 'atypisch' arbeid en baan- en werkzekerheid. Wat betreft de zelfstandigen geven de resultaten aan dat -na eerdere invoering van het zwangerschaps- en bevallingsverlof voor zelfstandig werkende vrouwen- opnieuw discussie kan worden gevoerd over een basispakket van sociale verzekeringen voor zelfstandigen. Het gaat dan niet om risico's van het vak, zoals werkloosheid, maar om risico's waar zelfstandigen onvoldoende invloed op hebben zoals ziekte, arbeidsongeschiktheid en ouderdom. Een dergelijke verbreding van het sociale stelsel naar zelfstandigen toe zou wel eens kunnen zorgen voor een nog verdere flexibilisering van de arbeidsmarkt c.q. stijging van het zelfstandig ondernemerschap.

# **Curriculum Vitae**

Fabian Dekker was born on 18 May 1978 in Rotterdam, the Netherlands. He obtained his master's degree in Sociology at Erasmus University Rotterdam in 2004. Since then he worked at the Institute for Sociological and Economic Research and the Verwey-Jonker Institute. In 2006, he started working as a PhD fellow at Erasmus University Rotterdam. He has published papers in: Economic and Industrial Democracy, Politics & Policy, Journal of European Social Policy, Tijdschrift voor Arbeidsvraagstukken, Sociologie and Economisch Statistische Berichten.