

## Theoretical and Conceptual Basis of Precarious Employment

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**Abstract:** *The growth of informal employment in the world significantly changes the traditional models of employment on permanent working places, and the number of precarious workers is growing. As a result, the requirements of the decent employment concept of the International Labor Organization are violated. The article analyzes the theoretical and conceptual basis of precarious employment and describes the author's definition of precarious employment of the population.*

**Keywords:** *precarisation, employment flexibility, precariat, sustainable employment, precarious employment*

**Introduction.** Despite a number of efforts to ensure decent working conditions and adequate employment in the world, unsustainable employment is becoming an increasingly serious social problem. According to the ILO, “In 2019, a large proportion of the world’s 3.3 billion people in paid employment have been employed in jobs that do not provide decent working conditions or adequate income. Especially in low- and middle-income countries, 1.4 billion people worked in informal, vulnerable conditions”<sup>1</sup>. Today special attention is paid to the implementation of appropriate measures in targeted regulation of labor market liberalization, increasing attention to social guarantees in social-labor relations and in accordance with the requirements of the International Labor Organization's Concept of Decent Work.

The world is conducting extensive researches aimed at solving the problems of social and labor relations of precarious employment. The researches include the liberalization of the labor market in the context of labor mobility and migration, solving problems of social guarantees and social-labor relations as a whole system, a special attention is paid to improving the methodology for determining informal employment and development of non-standard forms of employment.

In Uzbekistan, especially in recent years, issues such as improving the quality of life, providing permanent employment, creating new jobs are becoming a priority. “The task of improving the living standards and quality of life in the regions, in particular poverty reduction is in many ways directly related to the creation of new and sustainable jobs by increasing the competitiveness of all sectors and sectors of the economy and creating fundamental conditions for entrepreneurship”<sup>2</sup>. In addressing these challenges, reducing the level of precarious employment on the basis of target parameters of labor market regulation, increase the level of non-standard forms of employment, it is expedient to deepen research in such areas as substantiation of income indicators based on the factors influencing income instability.

**The degree to which the problem has been studied.** Theoretical and methodological basis of precarious employment, distribution of people into social strata, non-standard types of employment in the labor market without certain social protection and legal guarantees, changed informal forms of employment and the scientific basis of their impact on social and labor relations studied by foreign scientists: Robert Castel, Gay Standing, Pierre Bourdieu, C. Paugam, R.D. Hepp, B.L. Nugarten, A. Kollberg and others.

Scientific approaches of non-standard employment problems, some modern types and forms of precarious employment have been presented by scientists of the Commonwealth of Independent States as V.N. Bobkov, O.V. Veredyuk, V.E. Gimpelson, U.G. Odegov, Z.T. Golenkova, U.V. Goliusova, E.A. Grishinina, N.V. Osipova, N.J. Alshanova and others.

Social and labor relations in Uzbekistan - the formation and development of the labor market, regulation of employment and labor migration, reducing unemployment and theoretical and practical aspects of creating new jobs are found its expression in scientific works of K.Kh. Abdurakhmanov, D.N. Rahimova, N.K. Zokirova, B.H. Umurzakov, N.H. Rakhimova, Z.Y. Khudoiberdiev, N.U. Arabov and others.

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<sup>1</sup> Data from the ILO

[https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms\\_734455.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_734455.pdf)

<sup>2</sup> Presidential Decree No. UP-5975 “On measures to radically update state policy in the field of economic development and poverty reduction.”/<https://lex.uz/docs/4776669>

**The main part.** The labor market generally follows the law of supply and demand, but is a specific market. Its development is influenced not only by macro- and microeconomic factors, but also by social, demographic, psychological factors that determine the quantitative and qualitative characteristics of the formation of labor resources.

According to the Russian scientist A.I. Rofe, labor market has the following able-bodied population:

- do not have a job, want to work, are looking for a job and ready to start working (registered as unemployed in the employment service, entering the labor force and looking for a job or looking for a job after a break from work, education);
- working people, but not satisfied with their work and looking for another job, including those whose information does not correspond to their current job;
- those who are employed but are looking for another job because they do not meet the employer's requirement.<sup>3</sup>

At the same time, the processes of globalization, the introduction of new information and communication technologies in production have led to the flexibility of employment.

In this case, V. Sarantinos distinguishes four types of flexible employment:

- 1) functional flexibility - combination of skills and competencies for labor mobility;
- 2) quantitative flexibility - reduction or increase of employees on the basis of temporary employment, depending on the volume of work;
- 3) temporary flexibility - overtime or uneven working hours due to changes in production;
- 4) financial flexibility - reducing labor costs and changing wage levels using temporary flexibility<sup>4</sup>.

In social and labor relations, "flexibility" implies, on the one hand, flexibility in the organization of working hours and employment policy, and, on the other hand, the diversity of staff skills and their ability to adapt to change.

In this case, flexible employment can be classified as follows:

- flexibility of working hours;
- employee flexibility (change in the ratio of performance and leadership, creative and boring functions);
- flexibility of the enterprise (work in a stable workplace or at a distance)<sup>5</sup>. One of the types of flexibility employment is precarious employment. The concept of "precarious employment" emerged in the second half of the twentieth century in the industrial relations of Western countries. But Adam Smith, the founder of the classical school of economic theory, has long shown that inequality in labor relations and unstable employment stem from the nature of employment.

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<sup>3</sup> Rofe A.I. Labor economics: textbook. – -M.KRONUS, 2018. – p.14.

<sup>4</sup> Sarantinos V. Flexibility in the workplace: What happens to commitment? *Busines and Public Affairs*. – 2007. – Vol. 1. - Iss. 2. - P.40-68

<sup>5</sup> Мухамбетова Л.К. Развитие гибкого рынка труда в условиях организации новой стратегии занятости //rusnauka.com. 10.02.2017

He argued that there were five main differences in wages. That is, Adam Smith's salary:

**first**, "simplicity or complexity of labor activity, to pride or discrimination";

**second**, the "easy or difficult, cheap or expensive" nature of the profession;

**third**, "stability or instability of work";

**fourth**, "employee confidence level";

and **fifth**, that it depends on the "opportunity to succeed" in the profession<sup>6</sup>.

Keynes introduced the term "forced unemployment" into economic theory. He argued that full employment could only be achieved when forced unemployment was zero. In case of forced unemployment, the employee is reluctant to agree to these conditions of the employer, despite the unfavorable working conditions or high labor intensity<sup>7</sup>.

Globalization is characterized by the strengthening of the dominance of the employer, its short-term employment, reduction of wages. Theorists base this practice on the Concept of Economic Dependent Employees. Such employees do not enter into an employment contract that is based on economic dependence, but their income is economically dependent on one employer. In the economic literature, they are referred to as "economically dependent employees"<sup>8</sup>. That is, they are employees engaged in unstable work that is now seen as precarious.

Temporary or seasonal employment of the able-bodied population has always been the case in all societies. However, this form of labor was not temporary, but stable, and the main reason for its growth was the idea of self-proclaimed "new liberals" in the 1960s that guarantees for workers, disregard for trade union demands could slow economic growth and increase productivity. This idea was reflected in the economic policies of Reagan in the United States and Thatcher in the United Kingdom in the 1980s. Indeed, the introduction of new liberal concepts has served to increase economic efficiency. However, this was achieved due to rising unemployment and the formation of a helpless layer of workers, which began to be called precarious.

To study the nature of labor and the importance of employment, it is important to look at modern society as a system.

In this regard, Castel describes the society that forms the mobility of labor with the term "divider". In such a society, a part of the population is excluded from the system of social recognition, and these individuals cannot imagine that they will be included in this society either now or in the future.

Therefore, Robert Castel believes that the main reason for the emergence of precarisation is the destruction of the industrial order of labor organization and the social system of society.

However, the collective protection system of the twentieth century (labor law, social insurance system, the social state that regulates these structures) served as a kind of "airbag" in the event of social threats<sup>9</sup>.

Serge Paugam sees such separation of the able-bodied population as a mechanism that

<sup>6</sup> Смит А. Исследование о природе и причинах богатства народов. — М.: Эксмо, 2007.- С.89-92.

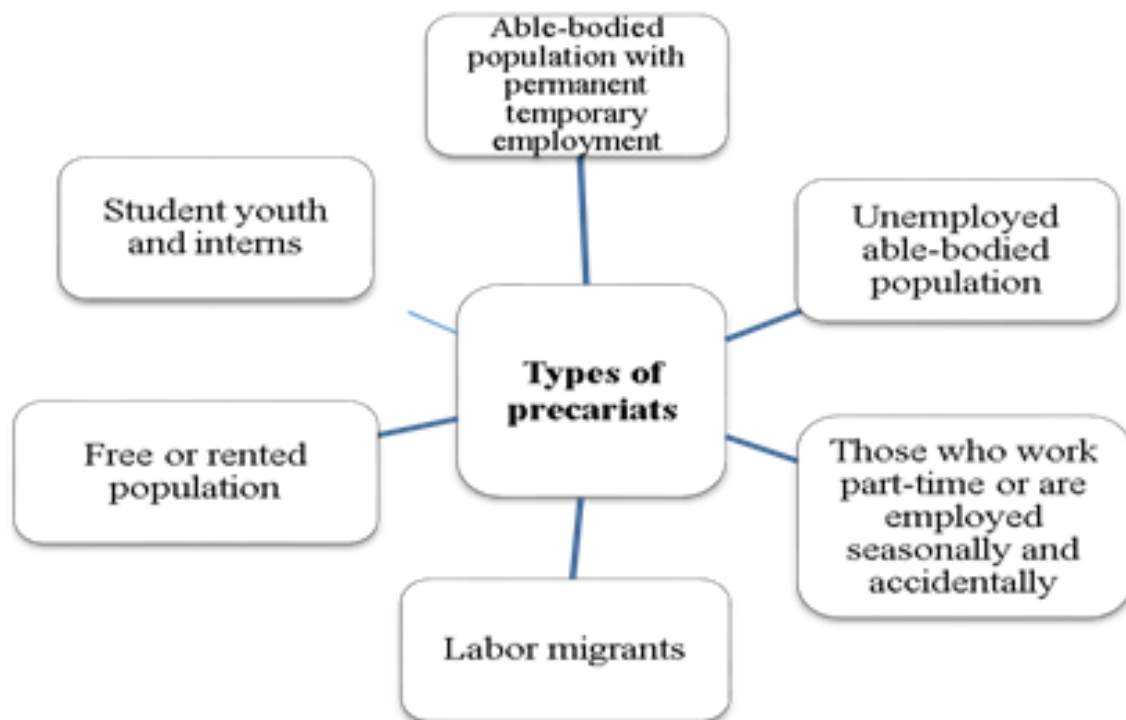
<sup>7</sup> Кейнс Дж.М. Общая теория занятости, процента и денег. Избранное. — М.: ЭКСМО, 2007. — с.144.

<sup>8</sup> Burchell B, Deakin S. and Honey S. The Employment Status of individuals in Nonstandard Employment Report for the British Department Trade and Industry. — London, 1999. — 340 p.

<sup>9</sup> Castel R. Die Krise der Arbeit. Neue Unsicherheiten und die Zukunft des Individuums. Hamburg 2011.

accelerates precarisation. It is this mechanism that turns the relatively low-skilled, inexperienced and intolerant part of the able-bodied population into precariat<sup>10</sup>.

Changes in the primary (agricultural) and secondary (industrial) sectors of the economy, the rapid development of the third (service) and fourth (education, health, science, information and communication technologies) sectors, automation and robotization of production, redistribution of labor resources radically changed. The precariat of labor resources in the labor market (Latin: "precarium" - from the words "unstable", "unsecured") began to form (Figure 1) and unstable (also called non-standard) employment began to gain popularity



**Figure 1. Types of precariat<sup>11</sup>**

The British economist G.Standing describes the nature of the category of precariat as follows: “Many of what we call precariat have never seen their employer, have no idea how many employees the employer has in their hands, and how many employees it plans to hire in the future. Precariat cannot be included in the middle class because it does not have a stable salary, does not correspond to the status of the middle class, and is not entitled to guaranteed benefits for them”<sup>12</sup>.

It can be clearly imagined by comparing the working conditions of stable and unstable employment in the labor market. (Table 1)

<sup>10</sup> Paugam S. Die Herausforderung der organischen Solidarität durch die Prekarisierung von Arbeit und Beschäftigung // Prekarität, Abstieg, Ausgrenzung. Die soziale Frage am Beginn des 21. Jahrhunderts / R. Castel, K. Dörre (Hg.). Frankfurt a. M.; New York, 2009. S. 175

<sup>11</sup> Prepared by the author

<sup>12</sup> Стэндинг Г. Прекариат: новый опасный класс. - М.: Ад Маргинем Пресс, 2014. С.19.



**Table 1: Specific working conditions related to precarious and sustainable employment<sup>13</sup>**

<b>Indicators</b>	<b>Sustainable employment</b>	<b>Precarious employment</b>
<i>The role of the state</i>	Labor market regulation	Flexible employment regulation
<i>Organization of production</i>	Mass production. Clearly defined working hours	Flexible production. Unspecified working hours
<i>The concept of employment</i>	Full employment	Flexible employment
<i>Workplace</i>	Workplace availability	Absence of workplace or regular change of workplace
<i>The relationship between employer and employee</i>	On the basis of an employment contract	Short-term contracts, verbal (informal) agreements
<i>Employment guarantee</i>	Protection of the employer from voluntary dismissal, regulation of employment and dismissal	Lack of social and guarantees of voluntary dismissal of the employer
<i>Guarantees and composition of income</i>	Constant stable income. Salary and additional social benefits (additional bonuses, paid leave, temporary disability benefits, insurance, pensions, etc.)	Lack of permanent stable income. Remuneration. Lack of additional income (bonuses, paid leave, temporary disability benefits, insurance, pensions, etc.)
<i>Protection of employee interests</i>	Collective protection in the labor market through trade unions. Employer - team order	Lack of protection of employee interests. Employer - employee

As a result of accelerating globalization and radical changes in the economy, radical qualitative changes are observed in the supply and demand for labor resources in the labor market.

Among them are the following:

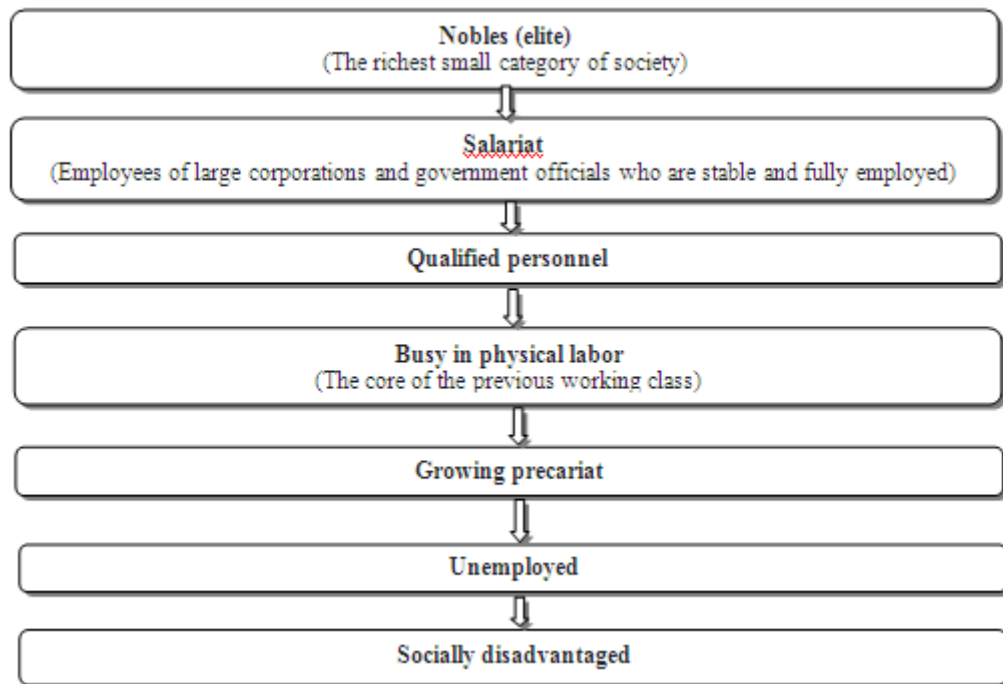
- lack of employment guarantees;
- part-time work (day, week);
- distribution of the workplace among the employees (hiring employees who work in shifts in one workplace);
- temporary or seasonal work (limitation of the period of employment or workload in the contract);
- remote operation;
- peer-to-peer performance;
- self-employment;
- lack of occupational safety;
- employee representatives - the absence of trade unions;
- informal employment, etc.

<sup>13</sup> Prepared by the author

The French scientist P. Bourdieu made a great contribution to the analysis of the state of precariat. He describes the precariat as an unstable, defenseless, marginal category of the population (from the Latin word "margo" - "edge"), is isolated from society<sup>14</sup>.

The English sociologist G. Standing noted that there were seven categories of society with clear characteristics in industrial society: nobility (elite), salaried, skilled labor, physical labor, growing precariat, unemployed, socially disadvantaged, but post-industrialism (post-industrial development) shows that it has abstracted the boundaries of social stratification. "The path to precariat, he writes, -is incomplete employment, which is typical of the third economy (service sector), which is different from industrial society".<sup>15</sup>

According to the scientist, the goal of globalization was to commercialize all spheres of human life: labor, social security, professional communities, family, education, politics. With the proliferation of flexible forms of labor, stratification and inequality, instability and social insecurity will increase. G.Standing singles out seven groups in a globalized society (Figure 2)



**Figure 2. G.Standing's classification of categories in a globalized society<sup>16</sup>**

Academician of the Academy of Sciences of Uzbekistan, Doctor of Economics K. Abdurahmanov says that the reason for the formation of precarisation is "The wide range of non-standard employment is the result of structural changes in the production of goods and services, the emergence of new forms of production relations in labor and entrepreneurship in a situation of increasing labor market flexibility".

<sup>14</sup> Бурдьё П. Практический смысл. - СПб.: Алетейя, 2001. – С.279-280.

<sup>15</sup> Стэндинг Г. Прекариат: новый опасный класс. - М.: Ад Маргинем Пресс, 2014. – С.34.

<sup>16</sup> Стэндинг Г. Прекариат: новый опасный класс. - М.: Ад Маргинем Пресс, 2014. – С.45.

According to the International Labor Organization, precarious employment is a means of imposing risks and risks on the employer. These labor activities are used in both formal and informal economies and have the characteristics of abstraction and insecurity.

**Conclusion.** Based on this, precarious work is work activity in which the duration of work is abstract, several employers are likely to be detained or labor relations are masked, usually do not provide for social protection and benefits in employment, low wages, trade union membership and serious legal and practical barriers to organizing collective labor.

In conclusion, author's definition of precarious employment was developed as follow: "Precarious employment (precarisation) is a forced or compulsory labor activity carried out by individuals on the basis of employment contracts or informal agreements with the employer, for which the employee's rights in the workplace are not formalized or limited, decent work guarantees - no clear working hours, no social security, low wages, improvement of professional skills, lack of skills".