

Living on the edge: the growth of precariousness and why it matters for health

Martin McKee

Wetenschappelijke Raad voor het Regeringsbeleid
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@martinmckee

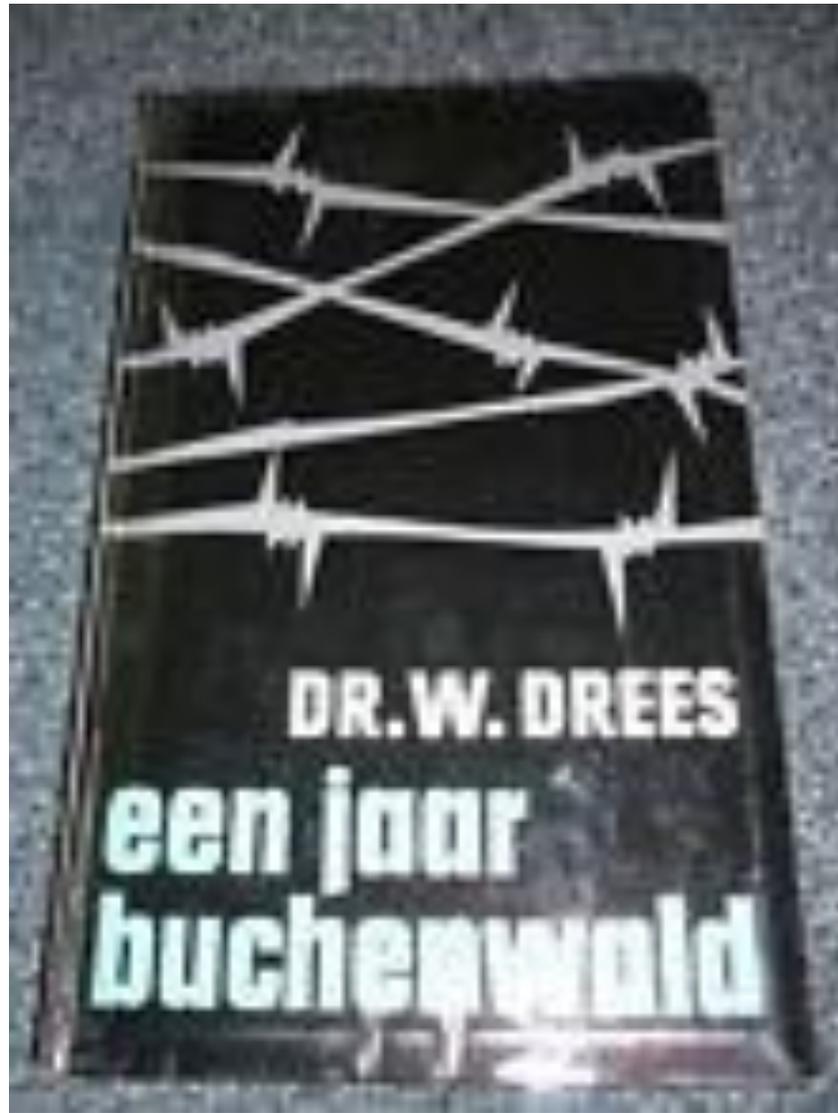
LONDON
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European
Observatory
on Health Systems and Policies







The Reagan-Thatcher revolution



“The most terrifying words in the English language are: I'm from the government and I'm here to help.”



“And, you know, there is no such thing as society. There are individual men and women, and there are families. ”

A MARTIN SCORSESE PICTURE

THE WOLF OF WALL STREET

This is an allegory
It is not an instruction manual!



**CHRISTIAN
BALE**

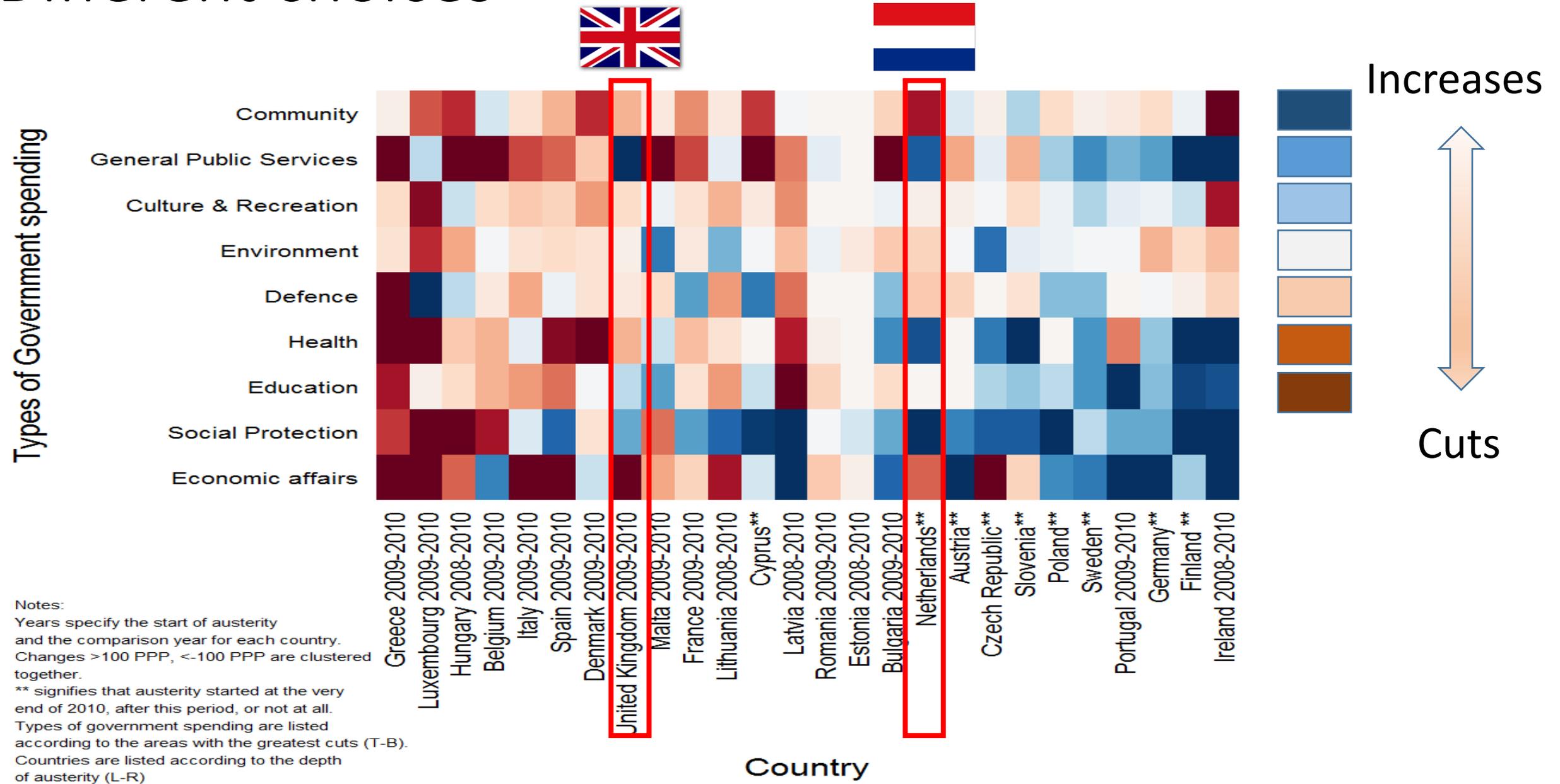
**STEVE
CARELL**

**RYAN
GOSLING**

**BRAD
PITT**

**THE
BIG
SHORT**

Different choices



Notes:
 Years specify the start of austerity and the comparison year for each country. Changes >100 PPP, <-100 PPP are clustered together.
 ** signifies that austerity started at the very end of 2010, after this period, or not at all.
 Types of government spending are listed according to the areas with the greatest cuts (T-B).
 Countries are listed according to the depth of austerity (L-R)



"The company has no duty to provide you with work.

Your hours of work are not predetermined and will be notified to you on a weekly basis as soon as is reasonably practicable in advance by your store manager.

The company has the right to require you to work varied or extended hours from time to time."



Characteristics that define précarité

- low skills
- low wages
- harsh working conditions

- economic insecurity
- inadequate housing
- health problems
- lack of social networks

Pitrou, 1978



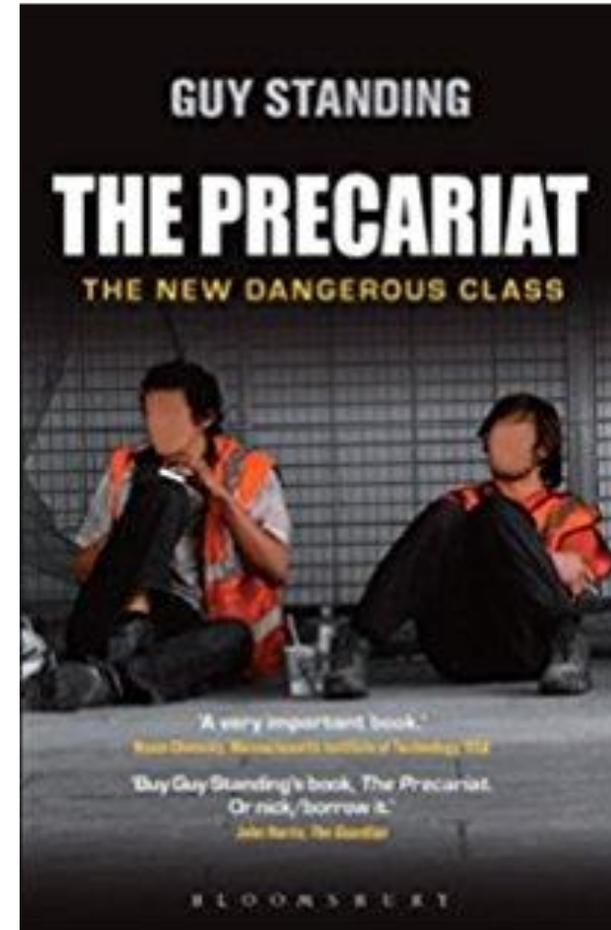
The Great British Class Survey

- Economic capital
 - income and assets
- Cultural capital
 - amount and type of cultural interests and activities
- Social capital
 - quantity and social status of an individual's friends, family, and business contacts.



The new classes

- Elite
- Established middle class
- Technical middle class
- New affluent workers
- Traditional working class
- Emergent service sector
- Precariat



Fifth of Britons may lose jobs on whim as 'precarious' work soars



Robert Booth reports on the phenomenon that has forced 2 million more people in the past decade into the 'just managing' economy

The number of workers in the UK in precarious positions where they could lose their jobs at short or no notice has grown by almost 2 million in the past decade, as businesses insist on using more self-employed workers and increasingly recruit staff on temporary and zero-hours contracts, analysis for the Guardian has revealed.

More than one in five workers, 7.1 million people, now face precarious employment conditions that mean they could lose their work suddenly - up from 5.3 million in 2006, according to analysis of official figures conducted by John Philpott, a leading labour market economist. Half of the biggest group - the self-employed - are in low pay and take home less than two-thirds of the median earnings, according to the Resolution Foundation thinktank. Two million self-employed people now earn below £8 per hour.

The extent of the precarious work phenomenon emerges as a Downing Street-commissioned inquiry into mod-

ern employment practices gears up. Amid growing concern about the social impact of a workforce increasingly divided between low-paid, low-skilled and insecure work and higher-paid, higher-skilled employment, the Guardian is publishing a series of articles on the consequences of the change for the kind of workers described by Theresa May as "just managing".

The government is concerned that the lack of training offered in precarious work, particularly in self-employment, is "completely backward", according to a No 10 source. The fear is that it entrenches low pay and hinders career progression to higher earnings.

Meanwhile, 750,000 more people are on zero-hours contracts than in 2006, and 207,000 more people are working as temps, according to Philpott's analysis of the government labour force survey.

"There is something profound going on and all of this poses a potential risk to social cohesion and a risk to the potential for social mobility," Alan Milburn, the chairman of the government's commission into social mobility, told a recent event on precarious working.

The issue has also been prioritised at the Trades Union Congress, which has launched a review of the scale and nature of vulnerable work in Britain.

Companies such as Argos and Tesco use thousands of agency temps. Sainsbury is now using 54 different employment agencies for its temporary warehouse workers. The taxi company Uber and courier firms Hermes and Yodel are among firms relying on 4.7 million "self-employed" workers, although Uber recently lost a landmark employment tribunal case when judges ruled that its

self-employed drivers should be treated as workers and paid the national minimum wage, enjoy paid holidays and get sick pay.

Anxiety about low pay is running so high that more than 10,000 people called the Advisory, Conciliation and Arbitration Service (Acas) minimum wage helpline in the five months to September concerned they were not receiving the statutory minimum - a 73% increase on the same period last year, according to figures released to the Guardian. The UK currently has a greater proportion of full-time employees in low pay than all but seven of the

22 developed nations in the Organisation for Economic Co-operation and Development (OECD).

"The rise in self-employment has been hailed as part of the economy's success story in the recovery, but for thousands of people it can mask some worrying trends - namely being forced into precarious, low-paid work," said Ashwin Kumar, chief economist at the Joseph Rowntree Foundation. He pointed out that self-employed families were more likely to live in poverty, with a median income of £209 a week against £384 for employees.

Vulnerable work does not always mean poor pay and conditions, but while many workers choose self-employment or temporary contracts, earnings on average are much lower. Self-employed workers typically earn about half the wage of permanent employees, zero-hours contractors about 40% and temp workers around two-thirds, Philpott said in his analysis for the Guardian.

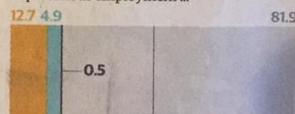
The impact of the changes to pay is not spread evenly across the UK. An estimated one in four of all workers in Lincolnshire, for example, are forecast to be earning near or below the "national living wage" or the national minimum wage by 2020 - an increase from one in 10 in 2015, according to analysis by the Resolution Foundation. Other areas badly affected include London, Nottingham, Liverpool and the Tees valley.

The human impact of the phenomenon is also becoming clear. Last year, a review of studies around the world published in the BMC Public Health journal concluded that job insecurity posed a

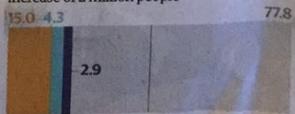
Precarious employment

● Self-employed ● Temporary employees* ● Zero-hours contract

In 2006, 18.1% of workers were subject to precarious employment ...



... by 2016, that had risen to 22.2% an increase of 2 million people



*NOT INCLUDING THOSE ON ZERO HOURS CONTRACTS
SOURCE: JOHN PHILPOTT'S LABOUR FORCE SURVEY

In 2006, 18.1% of workers were subject to precarious employment ...



... by 2016, that had risen to 22.2%, an increase of 2 million people



"There is something profound going on and all of this poses a potential risk to social cohesion" *Alan Milburn*

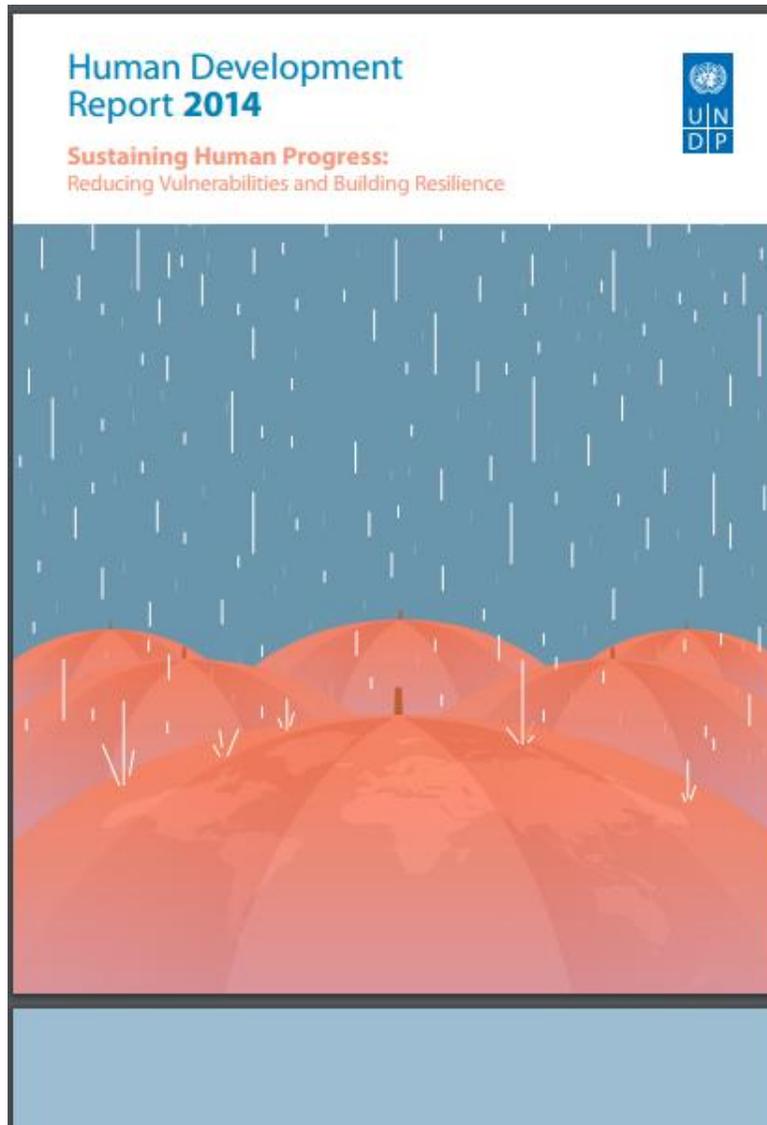




“Par ma foi, il y a plus de quarante ans que je dis de la prose, sans que j'en susse rien”

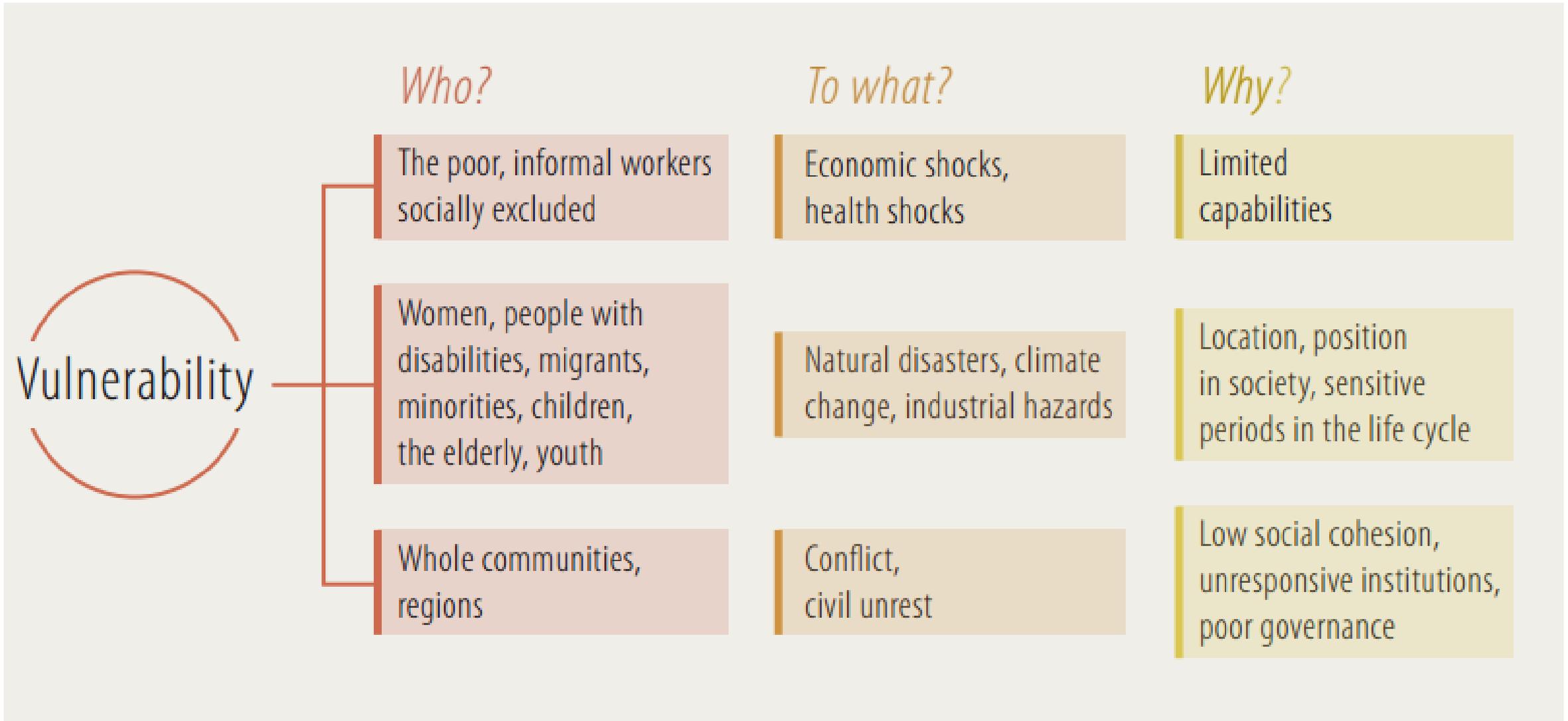
Thinking about precariousness

- “the spread of greater labour market flexibility, greater job insecurity, a greater fragility in relationships and a weakening in the formal provision of social welfare” (*Nettleton and Burrows*)
- “the concepts of precarious housing and precarious employment make direct reference to the marginal position of many households” (*Beer et al.*)
- “[precarious] employment...is uncertain, unpredictable, and risky from the point of view of the worker” (*Kalleberg*)
- “Precariousness (in relation to work) refers to all forms of insecure, contingent, flexible work -- from illegalised, casualised and temporary employment, to homeworking, piecework and freelancing” (*Gill and Pratt*)



- “there is a widespread sense of precariousness in the world today – in livelihoods, in personal security, in the environment, and in global politics”

Who is vulnerable to what and why?



Social resilience

- “the capacity of individuals or groups to secure favourable outcomes under new circumstances and, if need be, by new means”

(Hall & Lamont, 2013)

- “the dynamic ability of individuals, communities and entire societies to adapt positively to shocks”

(Luthar et al, 2000)

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concerned or would like any
information about this, please see your
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our NHS

hospitals

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JUNIOR DOCTORS

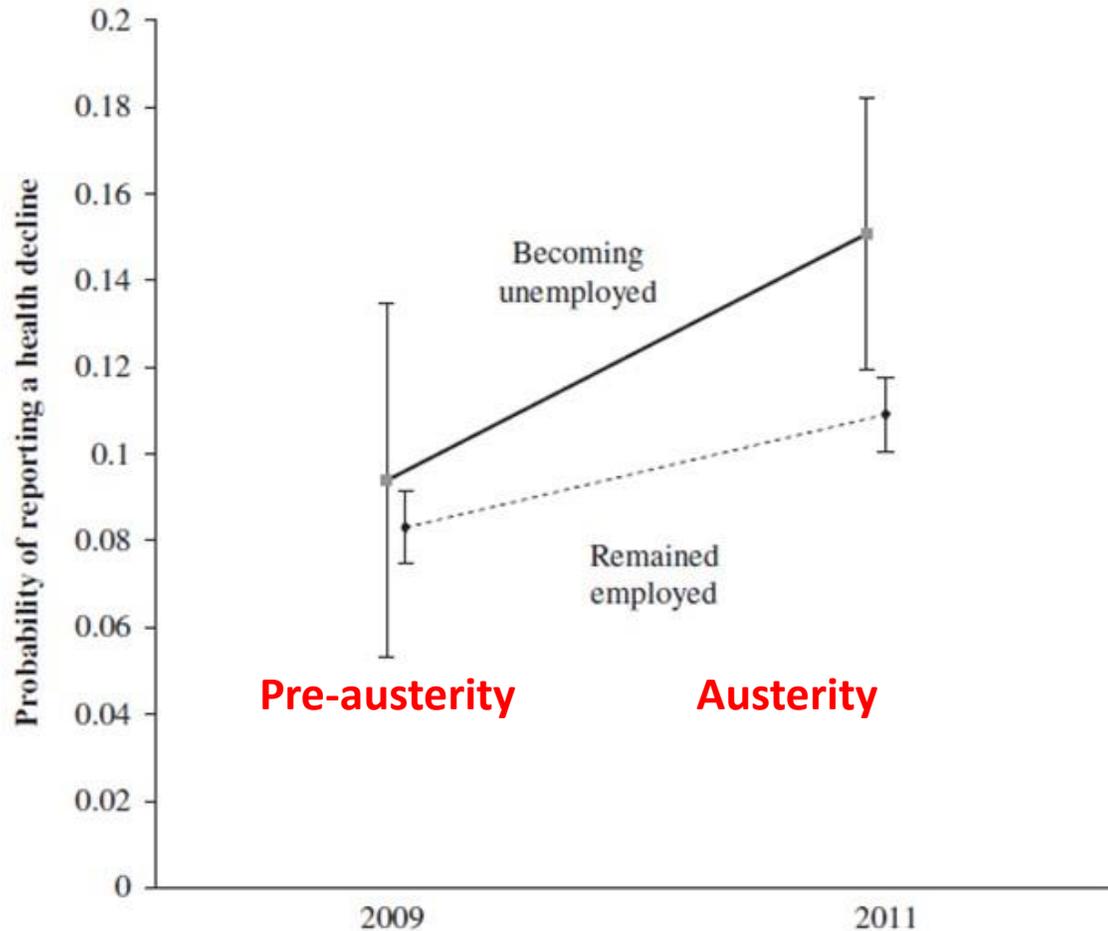
SAVE OUR JUNIOR DOCTORS
HONK TO SUPPORT!
LOVE OUR
NHS

JUNIOR DOCTORS



Austerity, precariousness, and the health status of Greek labour market participants: Retrospective cohort analysis of employed and unemployed persons in 2008–2009 and 2010–2011

Pepita Barlow^{a,*}, Aaron Reeves^a, Martin McKee^b, and David Stuckler^a



- Health of all Greeks worsened during austerity after 2010
- However, impact of job loss on chance of reporting worse health much greater during austerity

National minimum wage and mental health

- UK government implemented minimum wage legislation in 1999
- We compared 3 groups:
 - Just below minimum wage, and received a pay rise
 - Stayed just below it (non-enforcement)
 - Stayed just above it
- Those getting (very small) pay rise saw jump in mental health, comparable to the effect of anti-depressants on depressive symptoms.

The Orange France suicide cases shine a light on corporate morality

Stefan Stern



The competitive environment can be used to justify all manner of extreme measures, with 'casualties' an unavoidable part of doing business



John Malkovich and Dustin Hoffman in the film version of Death of a Salesman. 'In his play Arthur Miller captured the essential human dilemma of an individual's (doomed) attempt to retain basic dignity when financial pressures are proving overwhelming.' Photograph: Everett Collection/Rex Features

Orange France investigates second wave of suicides among staff

Ten people at telecoms giant have killed themselves this year, most over what company says are 'work-related' reasons



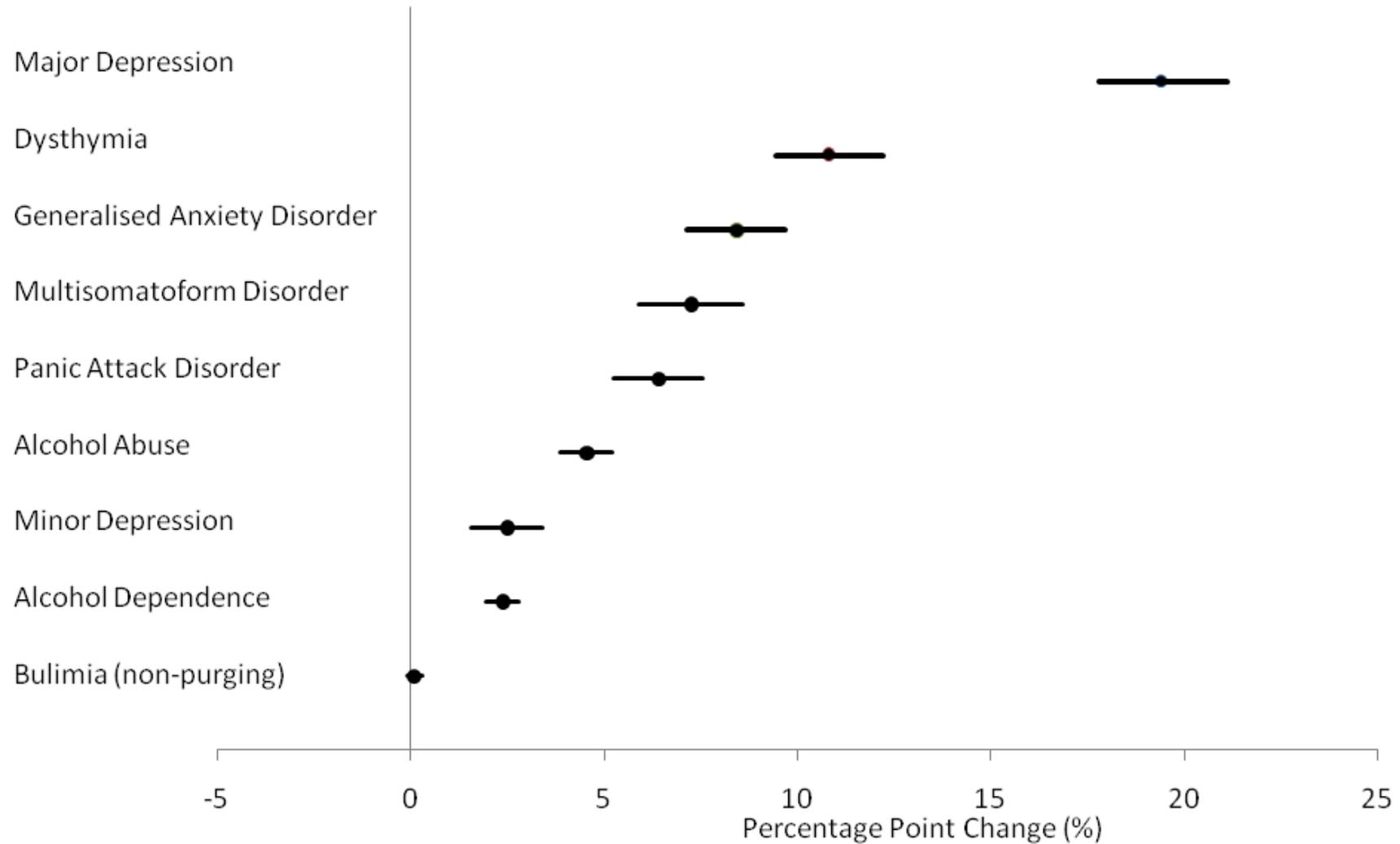
Ten employees of French telecoms giant Orange have committed suicide since the beginning of the year. Photograph: Philippe Huguon/AFP/Getty Images

The French telecoms company [Orange](#) is on "serious alert" after reports of a fresh spate of work-related suicides.

“All deaths to workers and non-workers, **with the exception of suicides**, must be reported if they arise from a work-related accident”

UK Health and Safety legislation

Percentage point increase in diagnoses of mental illness among patients attending primary care in Spain: 2006/7 and 2010



The impact of housing payment problems on health status during economic recession: A comparative analysis of longitudinal EU SILC data of 27 European states, 2008–2010

Amy Clair ^{a,*}, Rachel Loopstra ^a, Aaron Reeves ^a, Martin McKee ^b, Danny Dorling ^c, David Stuckler ^a

SSM -Population Health

- How did housing payment problems affect health status of homeowners and renters in 27 EU states?
- Arrears associated with a significant deterioration in health of renters but not owners
- Effect independent of and greater than the impact of job loss
- Varied across countries
 - largest adverse associations in Belgium, Austria, and Italy.

Housing benefit and mental health



- ~ 26,000 people newly experienced depressive symptoms in association with cuts to housing benefit

Reeves A, Clair A, McKee M, Stuckler D. Reductions in housing benefit increases symptoms of depression in low-income UK households. *Am J Epidemiol* 2016; 184 :421-9

The impact of economic downturns and budget cuts on homelessness claim rates across 323 local authorities in England, 2004–12

Rachel Loopstra¹, Aaron Reeves¹, Ben Barr², David Taylor-Robinson², Martin McKee³, David Stuckler^{1,3}

- Why have homelessness claims in England risen since 2010?
- 10% fall in economic activity associated with increase of 0.45 homelessness claims per 1000 households
- Increasing rates of homelessness strongly linked with reductions in welfare spending
- Greatest protection from social care, housing services, discretionary housing payments and income support for older persons.



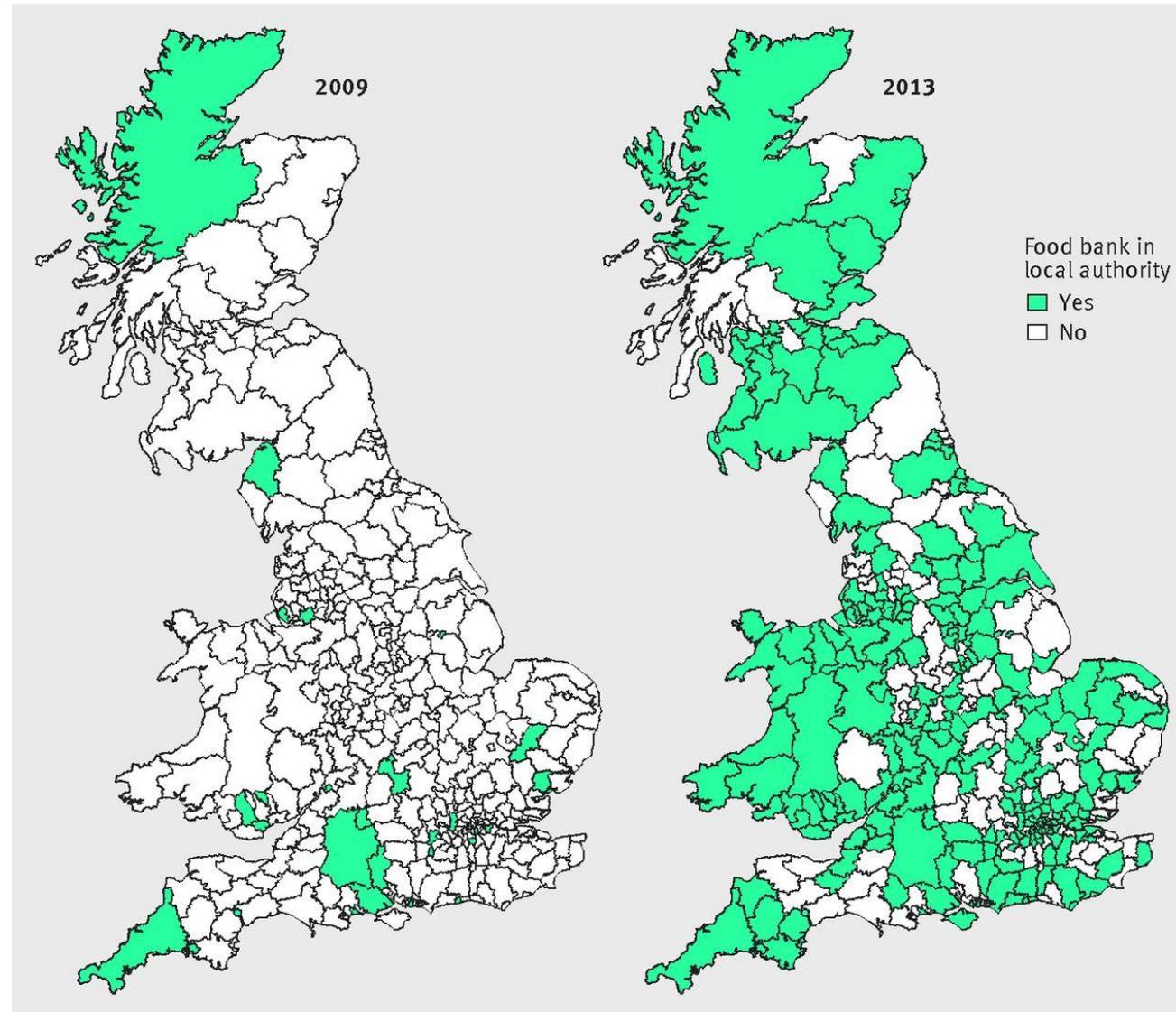
Food insecurity and social protection in Europe: Quasi-natural experiment of Europe's great recessions 2004–2012

Rachel Loopstra ^{a,*}, Aaron Reeves ^{a,b}, Martin McKee ^c, David Stuckler ^a

- Did rising unemployment and declining wages increase food insecurity?
- Did social protection expenditure reduce any impact?

YES

The growth of foodbanks



Source: Loopstra et al BMJ 2015

Reasons?

- “not able to manage their finances” (Michael Gove, Education Minister)
- “[Food bank use can] become a habit” (Paul Maynard, Conservative MP)
- “food from a food bank is by definition a free good and there’s almost infinite demand” (Lord Freud, Conservative minister)
- “have more money to spend on alcohol, cigarettes” (Councillor Steward (Conservative))
- Trussell Trust is “Scaremongering” (Iain Duncan Smith, Work & Pensions minister)

Austerity, sanctions, and the rise of food banks in the UK

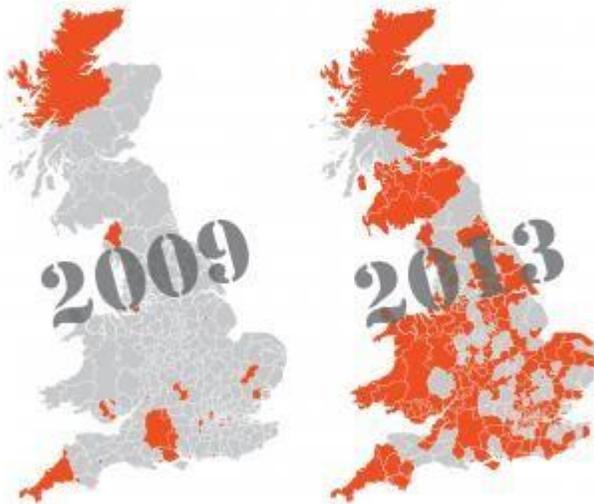
Doctors are witnessing increasing numbers of patients seeking referrals to food banks in the United Kingdom. **Rachel Loopstra and colleagues** ask, is this due to supply or demand?

Rachel Loopstra *postdoctoral researcher*¹, Aaron Reeves *senior research fellow*¹, David Taylor-Robinson *MRC research fellow*², Ben Barr *NIHR research fellow*², Martin McKee *professor of european public health*³, David Stuckler *professor of political economy and sociology*¹



THE BMJ AWARDS FINALISTS

Behavioural and psychological issues in dementia	Data briefing: the state of the NHS in Wales
Colloid solutions: time to stop use perioperatively?	High INR on warfarin CPD/CME hours



The rise of food banks

- Factors associated with increased foodbanks:
 - Unemployment
 - Cuts in welfare benefits
 - Increased of benefit sanctions

The story so far

- The financial crisis and resulting austerity have made the lives of many people more precarious
- People have lost income and homes, and gone without food
- Risks of adverse events have increased but so have the consequences of experiencing them
- Beyond the data, many live in constant fear of the future
- Things may be okay now but for how long?

Precor (Latin): to
pray, beseech, plead

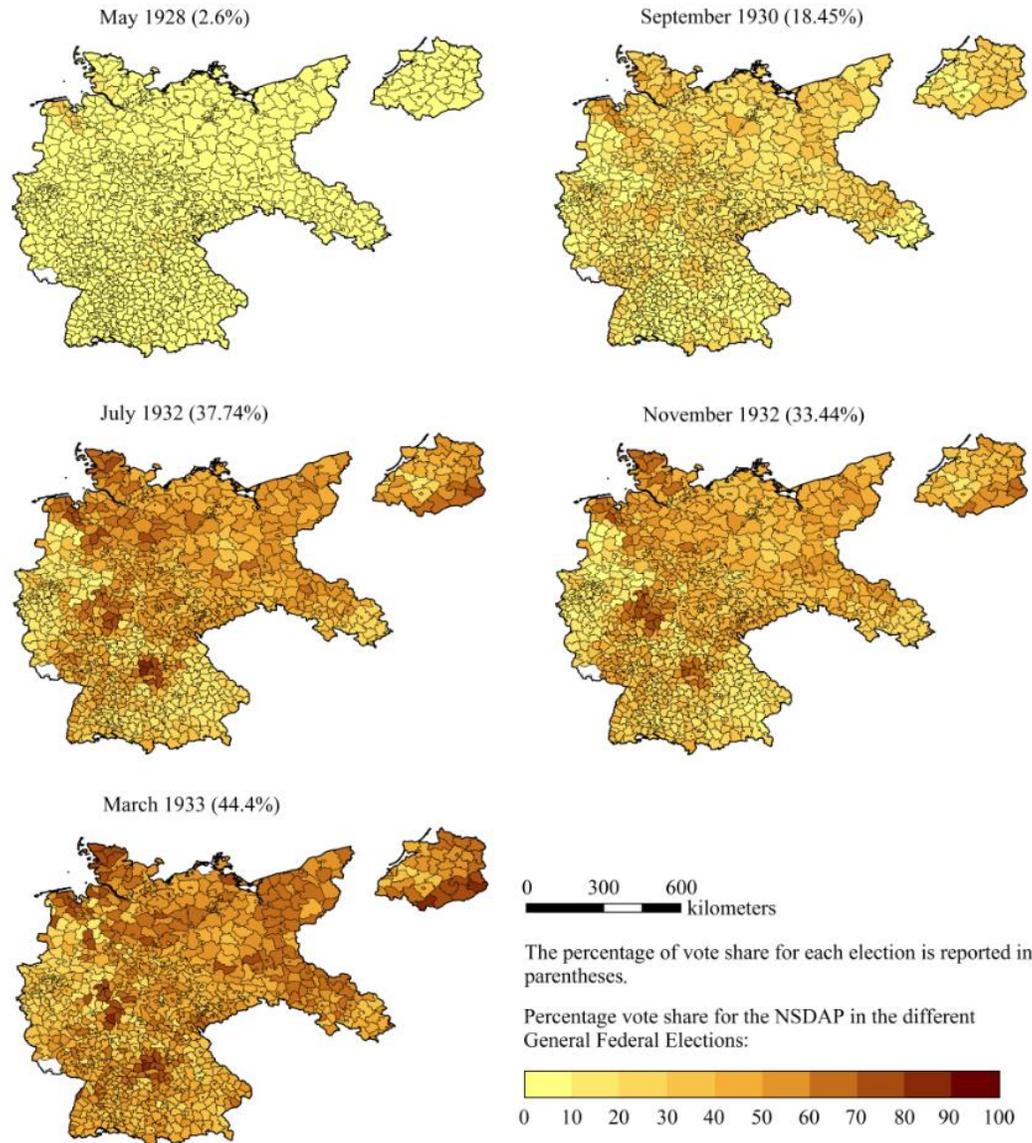


St Francis at prayer - Caravaggio

Unemployment in Hanover, 1930



Growth in total vote share for the Nazis in federal elections, 1928-1933



Trends in government spending



One percentage point increase in fiscal consolidation in the long difference model was associated with 160,000 extra votes for the Nazis



'It's *The Sun* Wot Won It': Evidence of media influence on political attitudes and voting from a UK quasi-natural experiment

Aaron Reeves^{a,*}, Martin McKee^b, David Stuckler^{a,b}

^a Department of Sociology, University of Oxford, England, United Kingdom

^b London School of Hygiene and Tropical Medicine, London, England, United Kingdom

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ABSTRACT

Do print media significantly impact political attitudes and party identification? To examine this question, we draw on a rare quasi-natural experiment that occurred when *The Sun*, a right-leaning UK tabloid, shifted its support to the Labour party in 1997 and back to the Conservative party in 2010. We compared changes in party identification and political attitudes among *Sun* readers with non-readers and other newspaper readerships. We find that *The Sun's* endorsements were associated with a significant increase in readers' support for Labour in 1997, approximately 525,000 votes, and its switch back was associated with about 550,000 extra votes for the Conservatives in 2010. Although we observed changes in readers' party preference, there was no effect on underlying political preferences. The magnitude of these changes, about 2% of the popular vote, would have been unable to alter the outcome of the 1997 General Election, but may have affected the 2010 Election.

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“The Sun's endorsements were associated with a significant increase in readers' support for Labour in 1997, approximately 525,000 votes, and its switch back was associated with about 550,000 extra votes for the Conservatives in 2010.”

Conclusion

- Europe is a remarkable natural laboratory
- Increasing precariousness is not inevitable
- ... and it is not good for all of us
- There is so much that we can learn from each other



Dank U wel



@martinmckee

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