

Subjective Well-being of Non-standard Workers in Russia

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Introduction

- 1. Terms and definitions;**
- 2. Problem and motivation;**
- 3. Research question;**
- 4. International statistics;**
- 5. Russian statistics;**
- 6. Descriptive statistics on RLMS-HSE;**
- 7. Determinants of non-standard employment;**
- 8. Methodology of defining dependent variables;**
- 9. The impact of non-standard employment on social well-being;**
- 10. The next project steps:**
 - **Identification of non-standard employees on WVS;**
 - **Measurement of well-being on WVS;**
 - **Preliminary descriptive statistics on WVS.**

Terms and Definitions

The most typical types of non-standard employment: temporary, informal, part-time and secondary employment.

- **Standard** employment means that employees are hired and work full-time on the basis of the contract unlimited in time. If any of these conditions is not satisfied, then a person is considered to be a **non-standard** worker.
- We determine **permanent workers** as those who declare that they were employed by the contract unlimited in time. **Temporary employees** are those who said that they were hired by fixed-term contracts, contracts for particular tasks or by oral agreements.
- **Part-timers** are those who usually work less than 30 hours per week and **full-timers** are those who usually work 30 hours per week and more.
- **Informal workers** are those who work without any written contract, plus statistically informal workers (working in firms with less than 5 employees and not hired workers)
- **Secondary employment** is the situation when a person has additional work to the primary job.

Problem and Motivation

- **Less than 30 years ago the predominantly type of employment was full-time permanent contract, which is standard employment. But later on the share of other types of employment started to grow. New forms of contract became more and more popular: part-time, self-employed, fixed-term, seasonal work, daily work, casual work, informal agreements, agency work and etc.**
- **During the planned economy labor contract was unlimited in time at the vast majority of workplaces, and employers practically hadn't got any ways to cancel it. In the early 90's the labor legislation did not change in this area, but in the situation of confusion it became easier to avoid established norms. In 2002 the New Labour Code was adopted. While there is still the concrete list of cases when a temporary employee could be hired it provides more possibilities for employers.**

Problem and Motivation

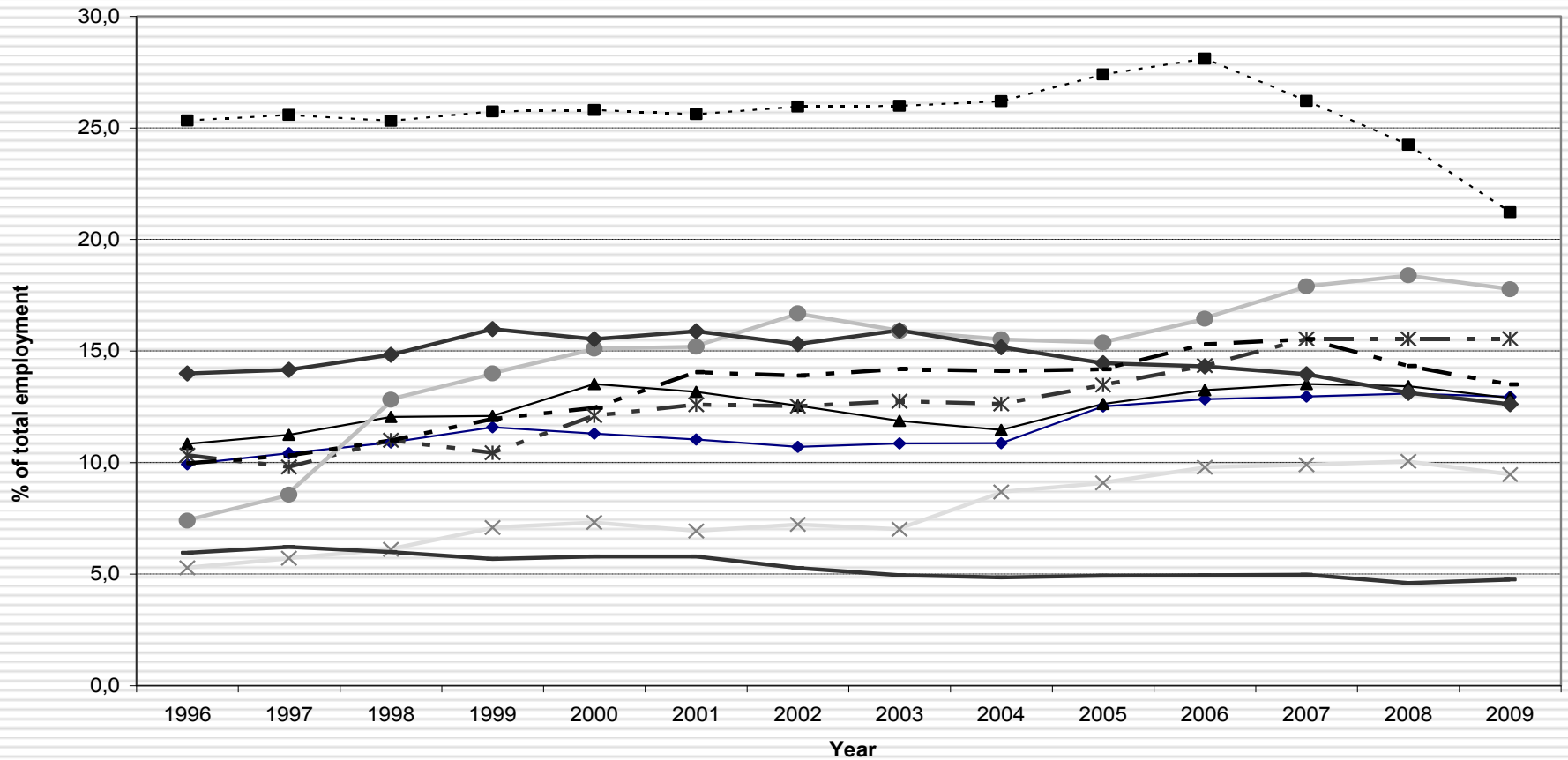
- **Despite the key advantage – stability - standard employment with unlimited-term labor contract has its own restrictions. Such as hiring/firing costs for the employer what makes it more difficult for the employer to adopt to the labor market changes. That is why flexible labor relations are preferable for employers.**
- **On the other hand, non-standard employment is usually associated with low qualified work, lower wages, lack of social benefits and guarantees as well as with the feeling of inferiority and uncertainty in the future. It mean that people experience instability, uncertainty and social exclusion. We assume that this affects the life satisfaction and health and social well-being as a whole.**
- **While non-standard employment grows in the country there will be decrease in social well-being indexes.**

Research Questions

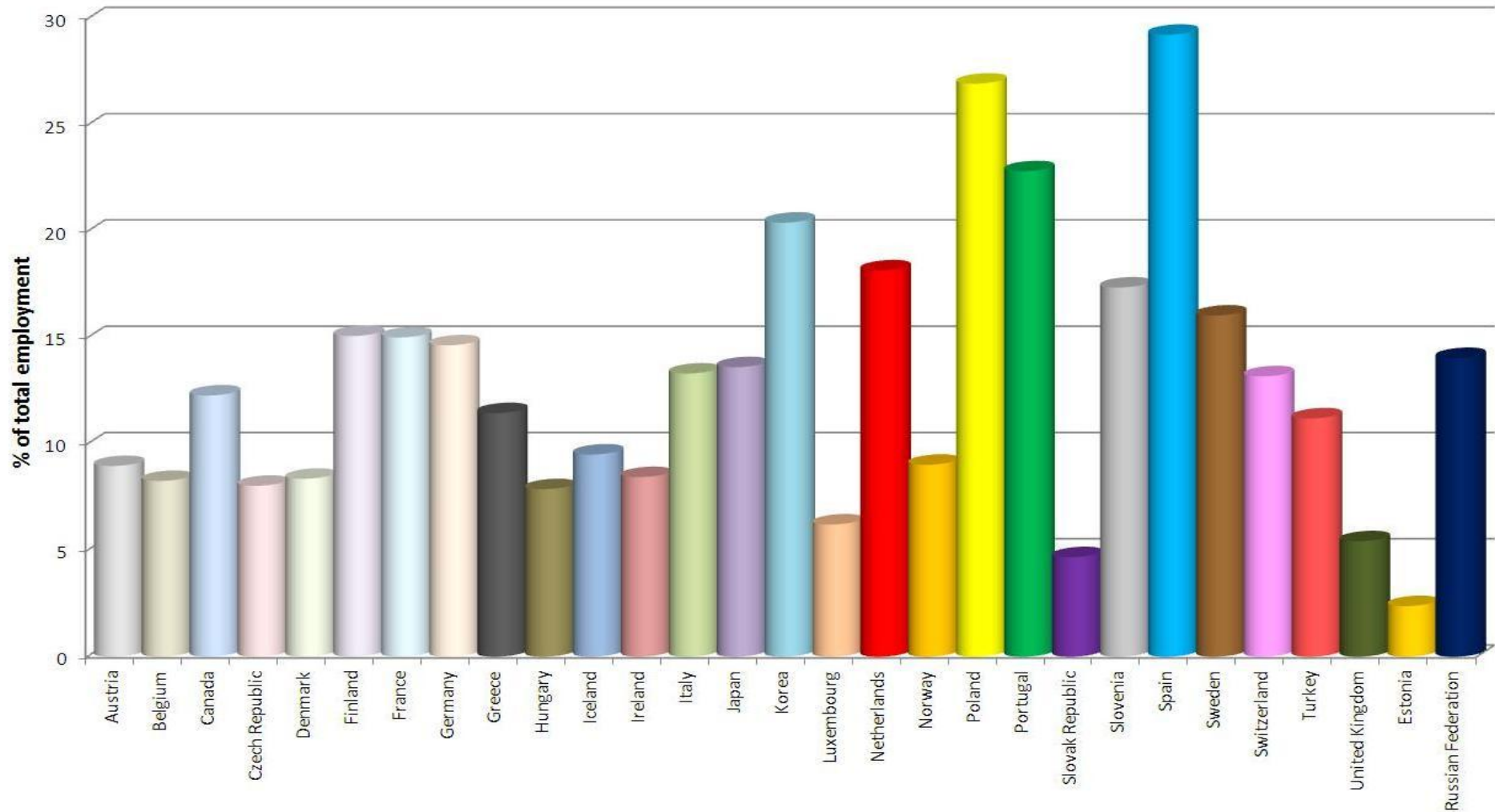
- ❑ How much are non-standard workers satisfied with their jobs?
- ❑ How does it affect life satisfaction and well-being?
- ❑ Are they more happy and healthy than those on stable formal labor contracts?
- ❑ What is the difference between the countries and what explains this difference?

What is going on in the world?

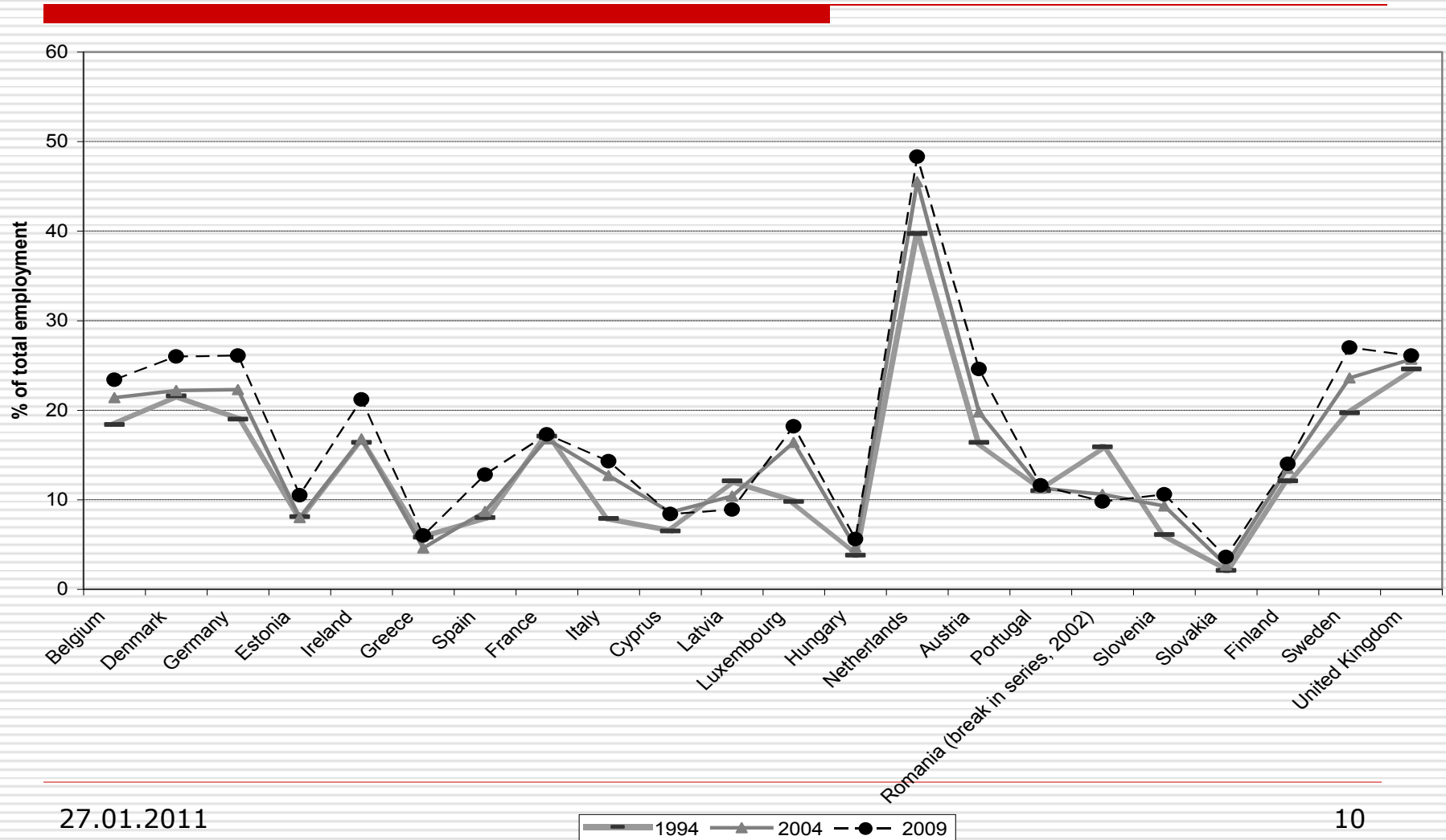
The Dynamics of Temporary Employment in Europe, 1996-2009 (% of total employment), Eurostat data



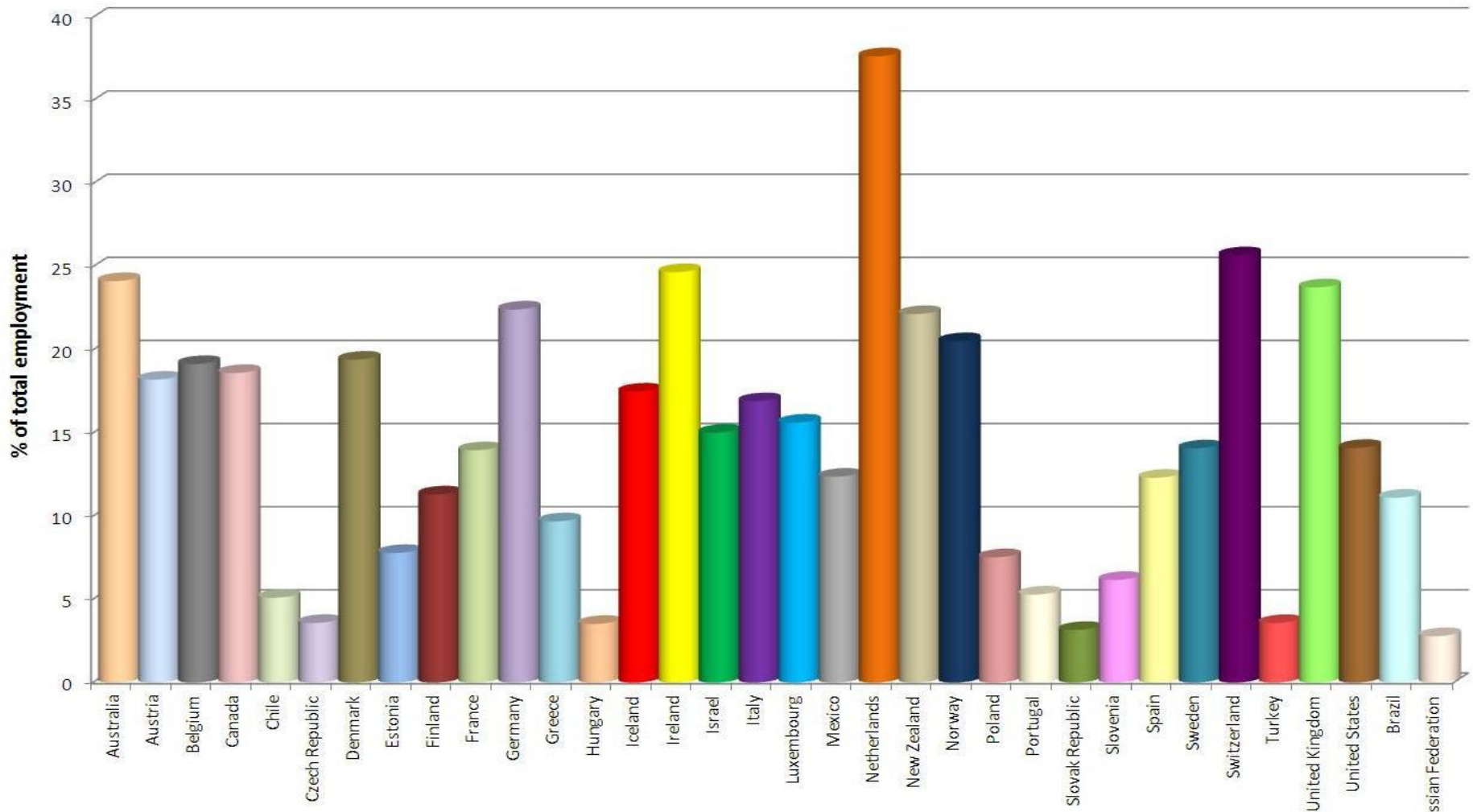
Temporary Employment in OECD Countries in 2008, % of total employment, OECD statistics



Part-time Employment in Europe, 1994, 2004, 2009 (% of total employment), Eurostat data

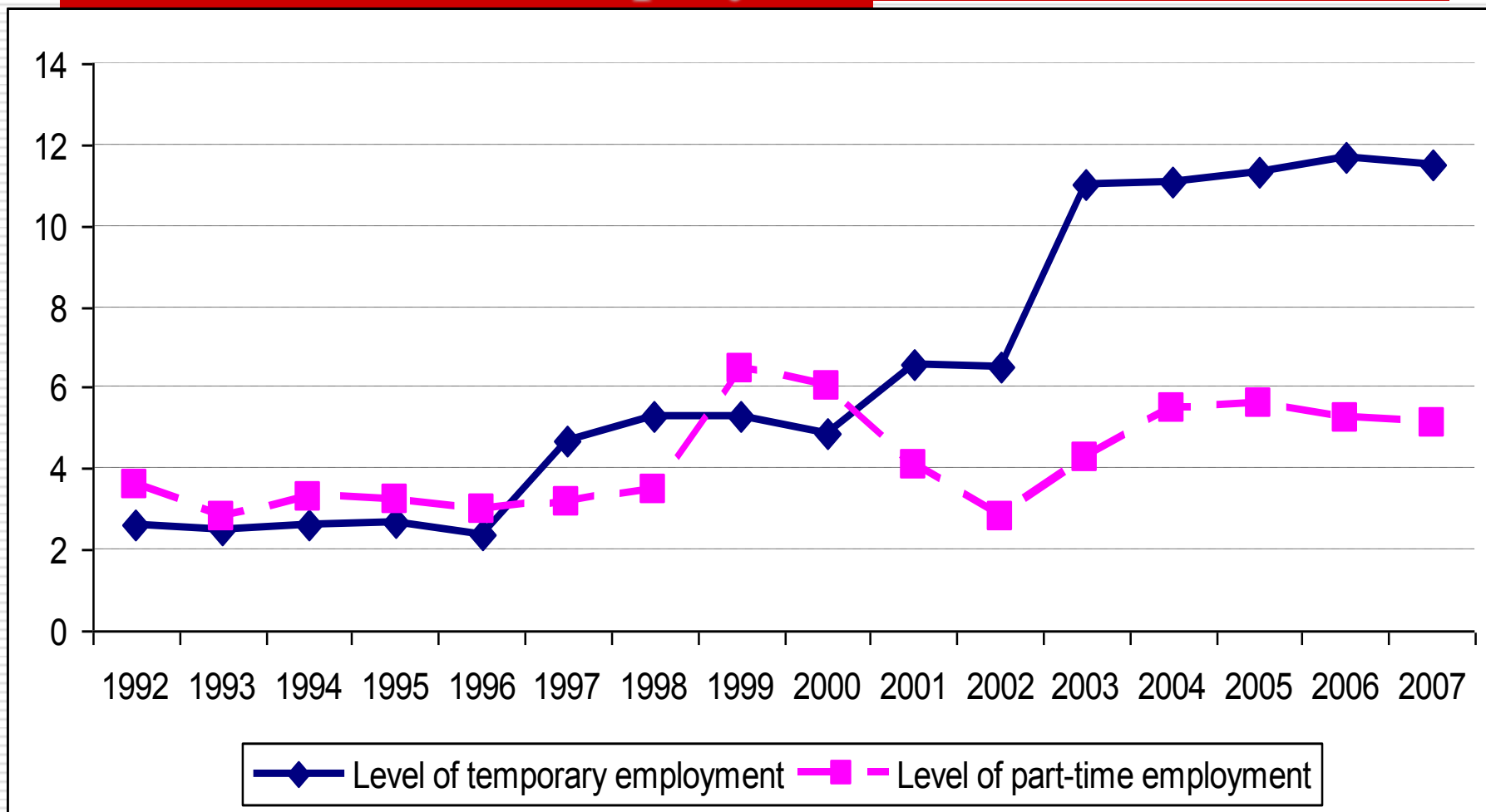


Part-time Employment in OECD Countries in 2009, % of total employment, OECD statistics



What do we have in Russia?

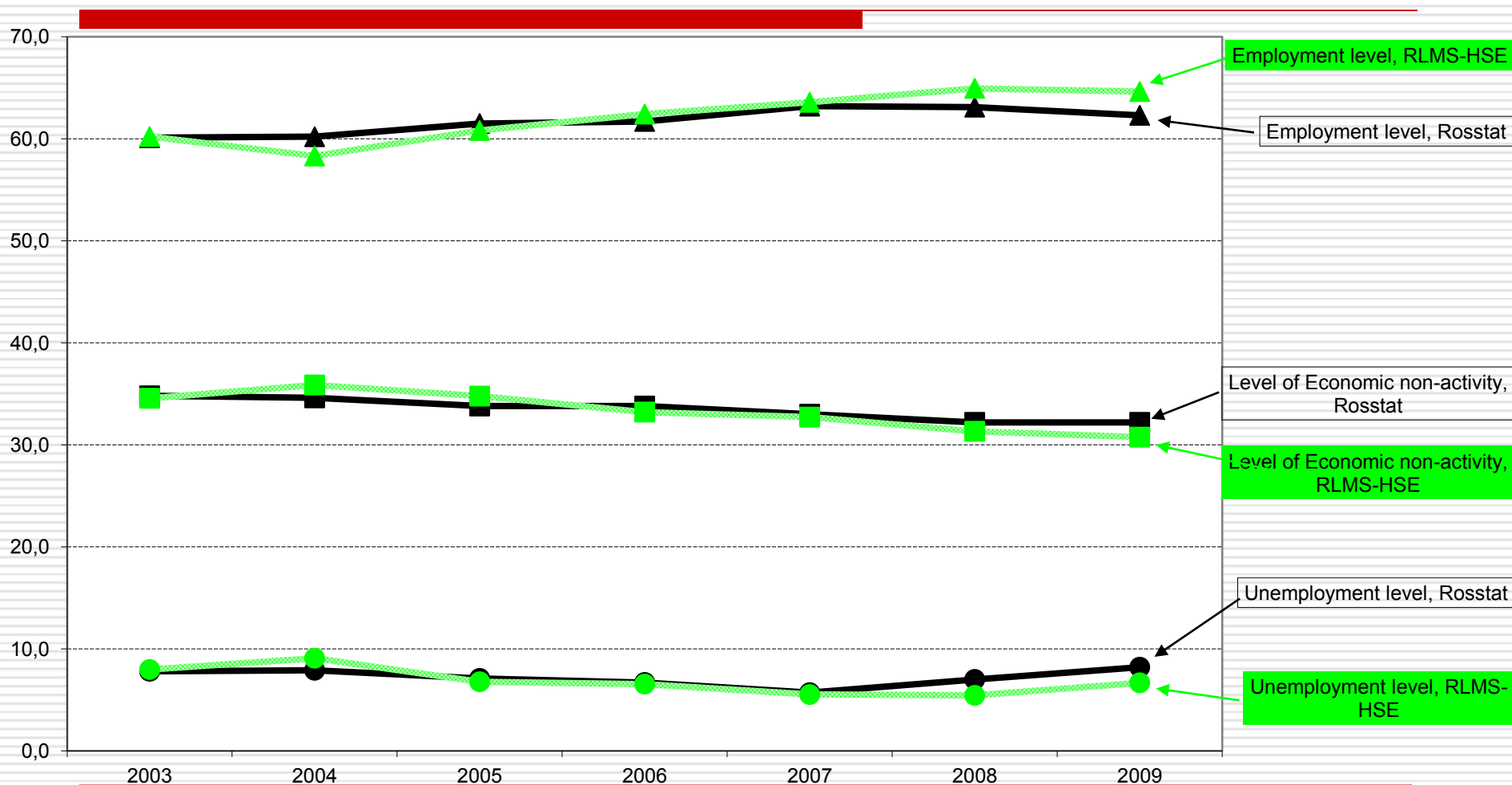
The Dynamics of Temporary and Part-time Employment in Russia, 1992-2007, % of total employment, ROSSTAT



Data in Russia

	Labor Force Survey (by RSC)	RLMS
Representative for Russia	+	+
Related questions for the identification of non-standard employment	+	+
Panel survey	-	+
Questions about wages	-	+
Any retrospective information about job	-	-
Free access to data	-	+

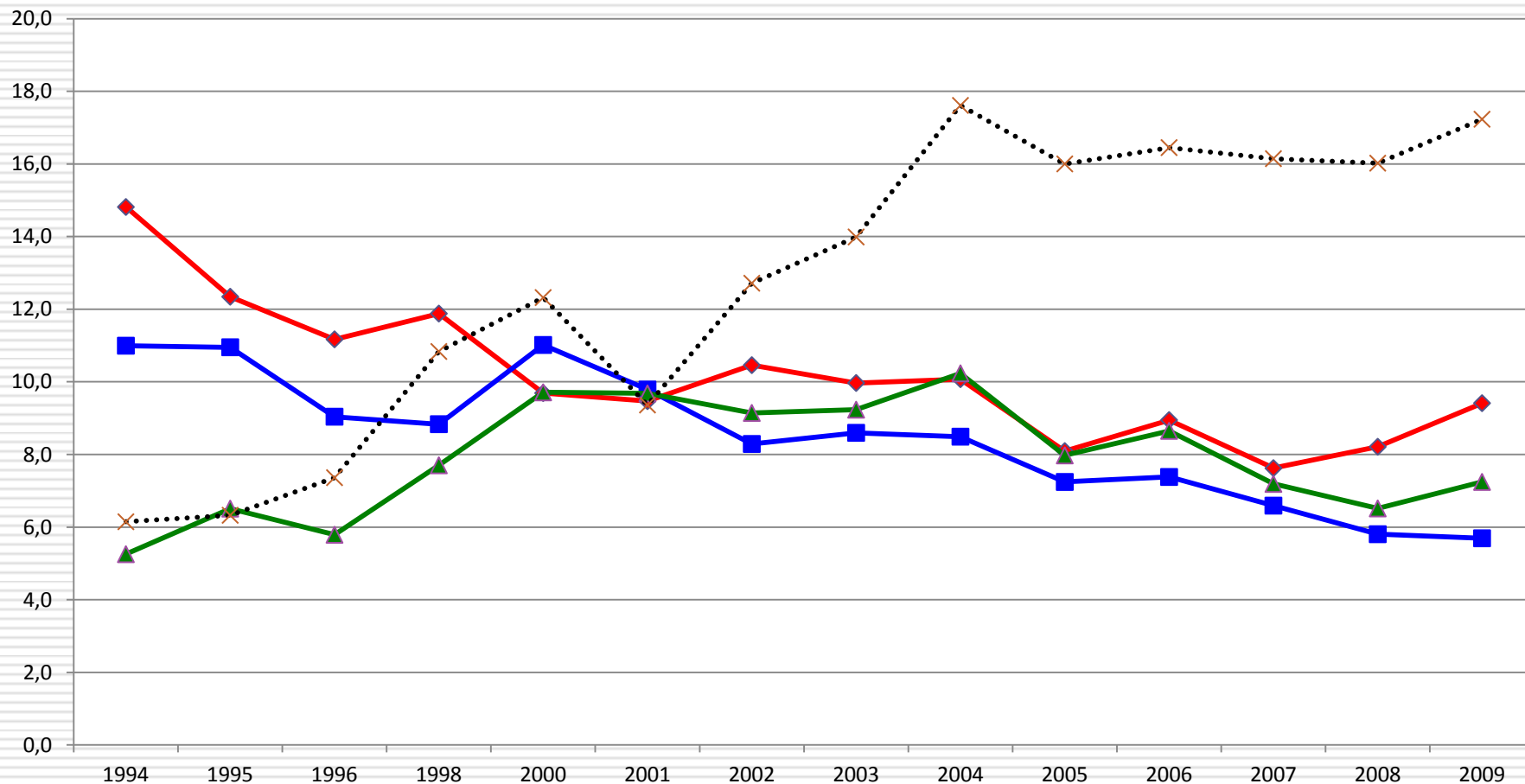
RLMS-HSE vs. ROSSTAT



Identification in RLMS-HSE

- ❑ *Employed* according to ILO definition (at least one hour work per week for payment)
- ❑ *Part-timers* (less than 30 hours per week), less than 120 hours per month.
- ❑ RLMS doesn't allow to identify temporary employees, but we could pick up casual workers. A person can be defined as a *casual worker* if he **does not have any** permanent job and at the same time, he produces any occasional services.
- ❑ We make restriction to the *informal employees*, counting them only if people have no written contracts, working on oral agreements. Formal employed are those with written contract.
- ❑ *Secondary job* was defined in case a person answered “yes” to the question about his main job and “yes” about his additional job.

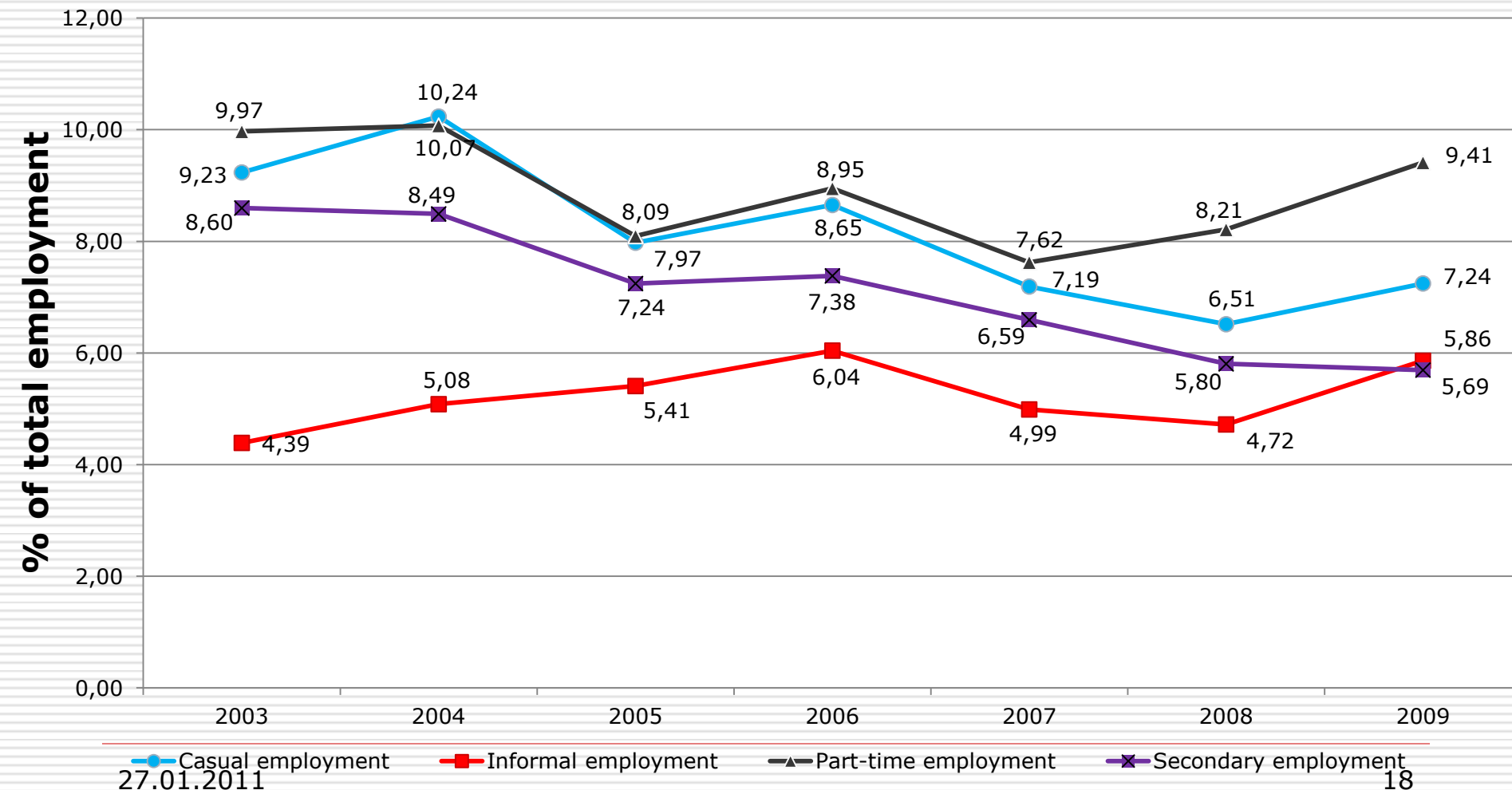
Dynamics of Non-standard Employment in Russia, % of total employment, RLMS data



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◆ Part-time employment (% of all employed) ■ Secondary job (% of all employed)
▲ Casual employment (% of all employed) ●× Informal employment (% of all employed)

Types of Employment by RLMS-HSE

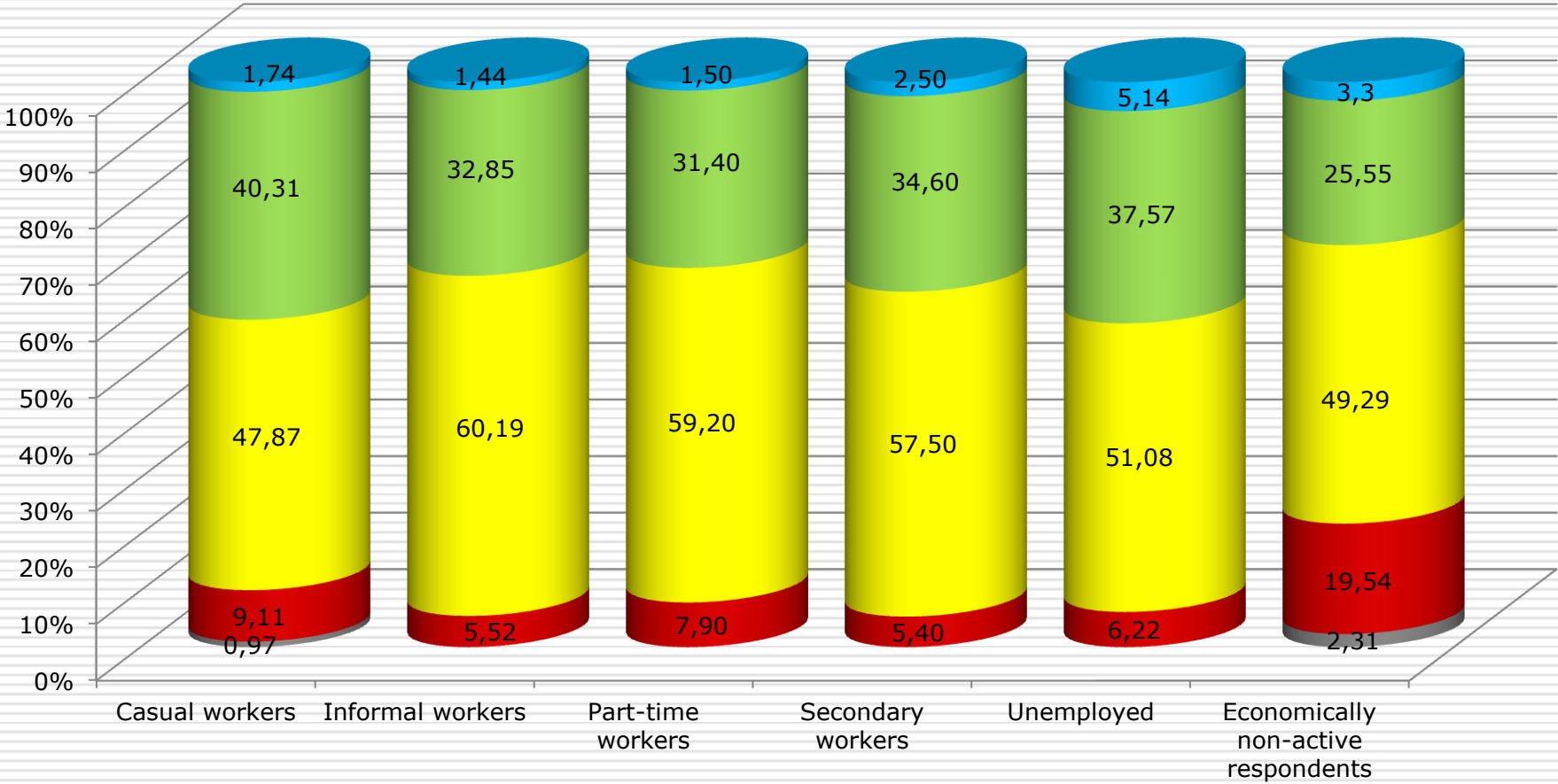


Who are those non-standard workers?

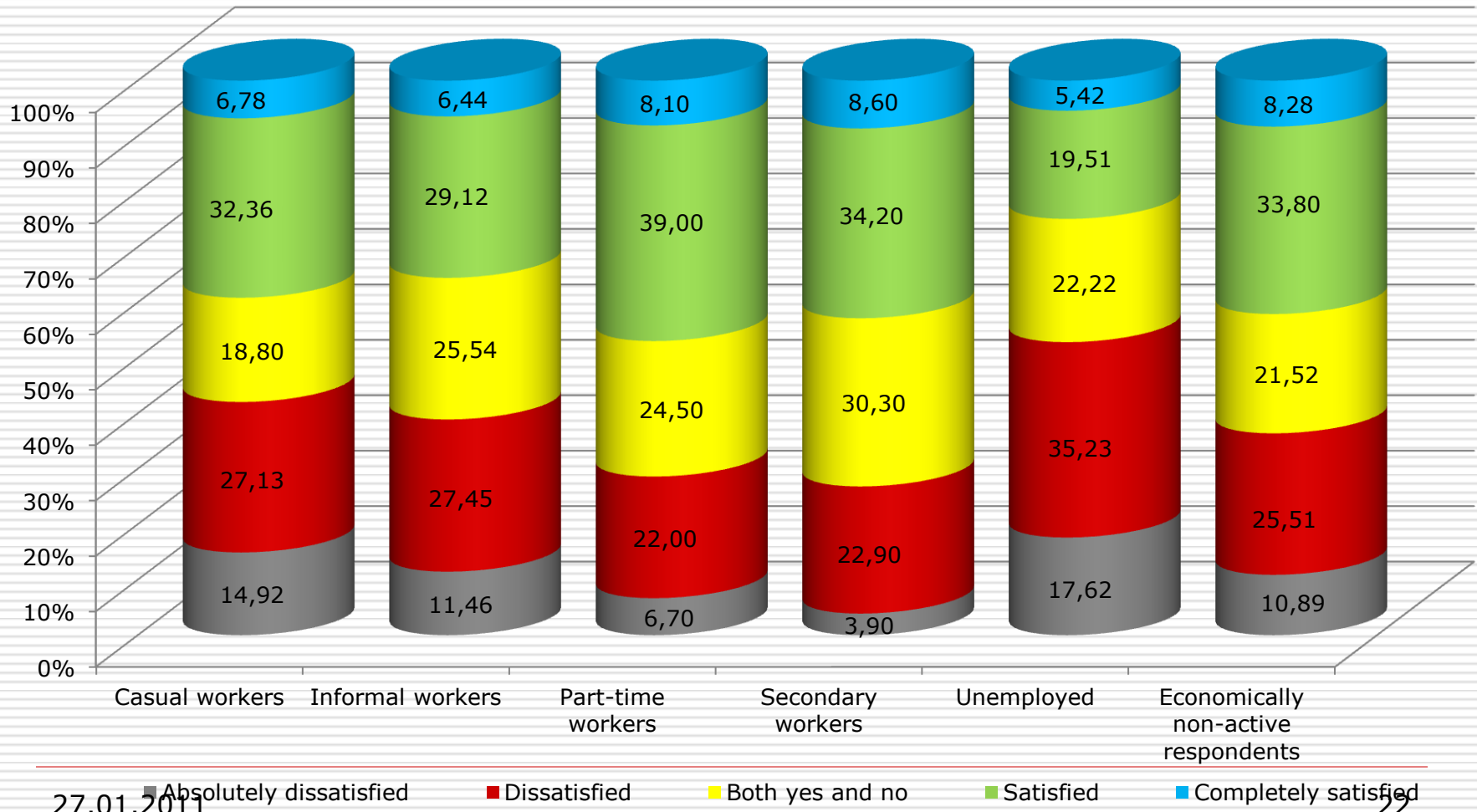
The Level of Non-standard Employment by Socio-demographic Characteristics, RLMS data

	Casual		Part-time		Informal		Secondary	
	2003	2009	2003	2009	2003	2009	2003	2009
Female	6,8	5,68	13,24	14,92	4,08	5,05	8,57	6,91
Male	12,08	9,06	6,49	8,03	4,73	6,8	8,8	5,8
15-25	13,91	11,37	11,26	14,3	9,46	9,75	8,14	5,81
26-35	8,83	5,09	9,69	10,87	4,54	5,89	9,56	6,32
36-45	7,4	7,35	8,57	11	3,21	4,94	8,7	6,75
46-65	8,33	6,64	10,55	11,28	2,34	4,46	8,21	5,87
66-72	16,13	14,29	15,05	23,23	2,15	8,27	7,53	3,51
Primary	19,02	13,48	6,45	9,15	10,02	9,63	4,41	4,81
Secondary	9,34	9,17	7,35	8,65	6,61	7,36	7,31	4
Secondary professional	6,06	6,22	8,18	9,96	4,79	5,6	6,97	6,41
Tertiary	3,28	3,31	10,14	10,18	2,19	2,68	8,68	7,35

Subjective Evaluation of Health of Non-standard Workers, 2009, RLMS data



Life Satisfaction of Non-standard Workers, 2009, RLMS data



The Portrait of Non-standard Workers in Russia, RLMS-HSE

- **Typical casual worker in Russia is a single man about pension age with lower secondary education. He believes that he has good health, but he isn't very satisfied with his life, probably because he makes elementary occupations and can not fulfill himself in any area in full.**
- **The average informal employee is a single young man from 15 to 25 years old with low level of education. He is employed in the sphere of trade, domestic service and community facilities. In general he is quite satisfied with his life and considers his physical condition as satisfactory.**
- **Portrait of an individual with a part-time job could be the following. It is a woman of pension age with tertiary education, belonging to the occupational group of qualified specialists, or she makes elementary occupations at a state enterprise. She is more satisfied with her life, but considers her health worse, than unemployed women of her group.**
- **People who have additional jobs, are both women and men of rather young age 26 and 35 years. Usually they are professionals with the tertiary education at a state organization. By 2009 their life satisfaction has improved comparing with 2003. They consider their health as average - not too bad, but not very good.**

What are the factors of non-standard employment?

What Affects Non-standard Employment?

1. Global tendencies, changes and technological progress (Mills and Blosfeld, 2005; Auer, 2005)
2. Institutional background of the country:
 - Labour legislation (Scarpetta, 1996; Cahuk and Postel-Vinay, 2001; Olsen and Kalleberg, 2004; Kahn 2007; Lindbeck, Snower, 2002)
 - Trade unions (Uzzi and Barsness, 1998; Olsen and Kalleberg, 2004; Salladerre and Hlaimi 2007)
3. Labour demand factors (Housman, 2001; Employment Outlook, 2002, Uzzi and Barsness, 1998)
 - Employers benefit from lower labour costs
 - Adaptation to the market changes

What Affects Non-standard Employment?

4. Labour supply factors:

- Temporary workers are usually young and less educated people with lack of working experience (Polivka, 1996; Russo, Gorter, Molenaar, 1997; Booth, Francesconi, Frank, 2000; Hipple, 2001; Employment outlook, 2002, Valenzuela, 2003)
- Women are more frequently associated with all this kind of flexible labour relations (Hipple, 2001; Employment outlook, 2002; Boeri, Casey, Alach, 2004; Del Boca and Pissarides, 2005; Salladerre and Hlaimi 2007)
- Men prefer to have any type of employment to earn money in order to support the family or temp work could be a chance to get a permanent job. Motivation for women is often links to small children, family problems, and a wish to work part-time (Del Boca and Pissarides, 2005)

Lack of research in Russia: V. Gimpelson (2004, 2006, 2007, 2011) and R. Kapelyushnikov (2001, 2006)

Model Specification:

$$\Pr(Y_i = 1) = F(a + X_i * b + K_i * h + Z_i * c + U_i * d + e),$$

- a, h, b, c, d – vectors of coefficients,
- X_i – set of personal characteristics of the respondent:
 - Sex (males -1; females -0)
 - dummies for six age groups of 10 years,
 - dummies for four educational groups;
- K_i – set of family characteristics:
 - marital status (have a spouse -1; do not have a spouse- 0);
 - number of children (under 15 years old)
- Z_i – set of work place characteristics (optional):
 - dummies for professional occupation (7)
 - type of enterprise's ownership (private or state)
- U_i – set of the local labour market characteristics:
 - type of the settlement (urban or rural);
 - level of regional unemployment
 - dummies for federal region

Determinants of Non-standard Employment (coefficients of probit regression)

	Casual/non-casual	Part-time/full-time	Informal/formal	Secondary/single
Males	+***	-***	+*	-
15-24 years old	-**	+***	+**	-*
25-34 years old	-***	+**	+**	+**
35-44 years old	-**	-**	-	+**
45-54 years old	-**	-**	+	-*
Primary	+***	-**	+***	-*
Secondary	+***	-**	+**	-
Secondary professional	+**	-	-	-
Have a spouse	-**	+**	-**	+***
Having children	+**	+***	-**	+***
Living in the city	-**	-**	+**	+**
Unemployment in the region	+***	+***	+**	+

How does non-standard employment affect life satisfaction and health?

Dependent Variables

- **Life satisfaction** (positive evaluation -1, negative evaluation -0)
- **Subjective health** (positive evaluation -1, negative evaluation -0)

The Impact of Non-standard Employment on Social Well-being

- **1 step:** probit regression
- **2 step:** Heckman correction
- **3 step:** ordinal probit regression
- **4 step:** regression analysis separately for men and women

Model Specification of Being Satisfied with Life:

$$\Pr(Y_i = 1) = F(a + X_i * b + K_i * h + Z_i * c + U_i * d + e),$$

- **a, h, b, c, d** – vectors of coefficients,
 - **X_i** – set of personal characteristics of the respondent:
 - Sex (males -1; females -0)
 - dummies for six age groups of 10 years,
 - dummies for four educational groups;
 - **K_i** – set of family characteristics:
 - marital status (have a spouse -1; do not have a spouse- 0);
 - number of children (under 15 years old)
 - Family income per person
 - **Z_i** – set of employment characteristics:
 - Wage
 - Job satisfaction
 - Casual work (1 –yes, 0 – no)
 - Informal employment (1 – yes, 0 –no)
 - Part-time job (1 yes. 0-no)
 - Secondary job (1-yes, 0-no)
 - **U_i** – set of the local regional characteristics:
 - type of the settlement (urban or rural);
 - level of regional unemployment
 - dummies for federal region
-

Preliminary Results

(coefficients of probit regression)

	Life satisfaction	Subjective health
Casual/non-casual	-.**	+*
Part-time/full-time	-	-.***
Informal/formal	-.***	-
Secondary/single	-.*	-.***
Age	-.**	-.**
Males	+	+
Education	-.*	+*
Have a spouse	+***	-
Number of children	+	+**
Family income per person	+***	+***
Living in the city	+**	+**
Unemployment in the region	-.**	Not included

Future Project on WVS

The main idea: to disclose differences between the countries on their people social well-being depending on the type of employment

Identification of Non-standard Employees on WVS

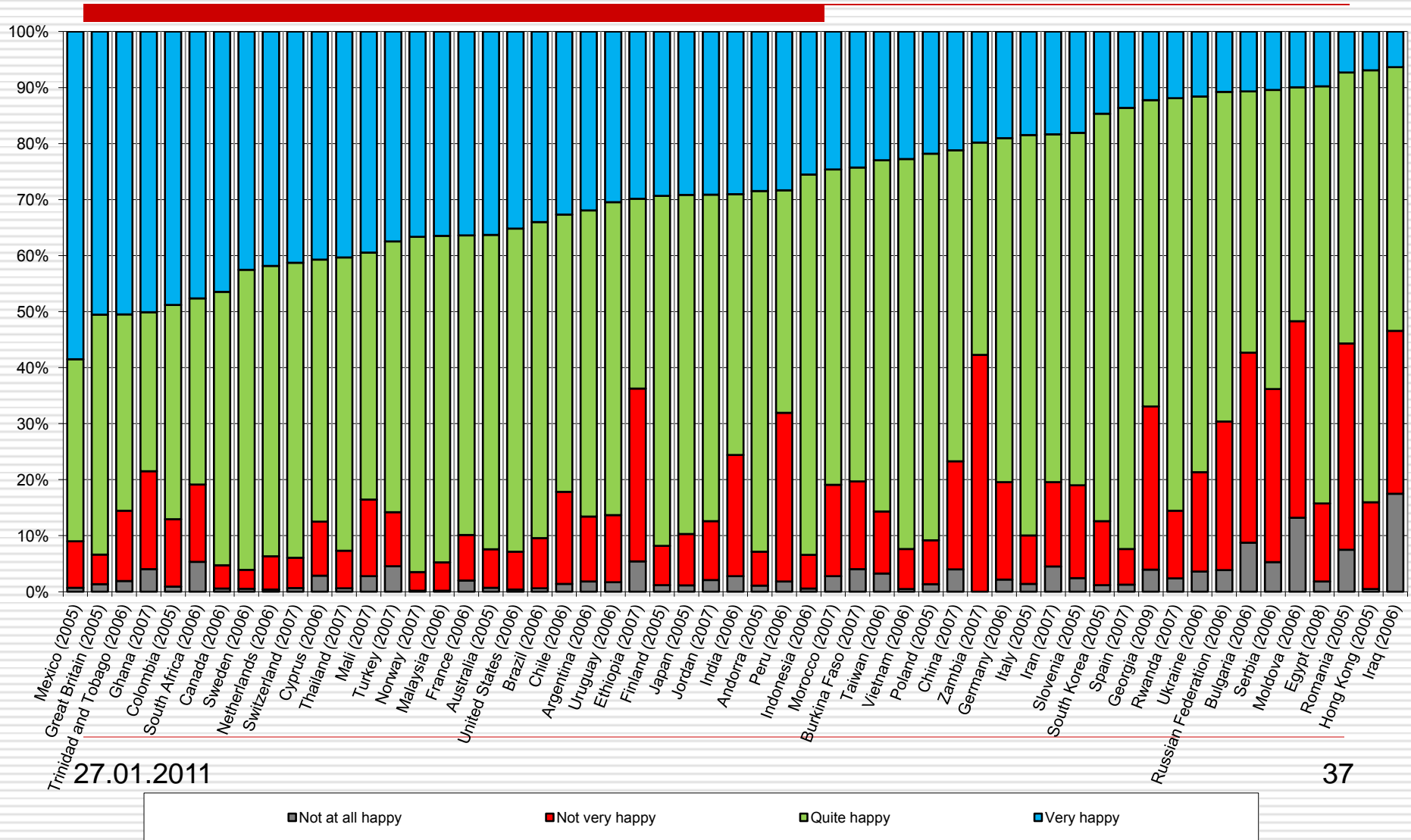
X028 - Employment status:

- Full time
- Part time
- Self employed
- Retired
- Housewife
- Students
- Unemployed
- Other

Measurement of Social Well-being on WVS

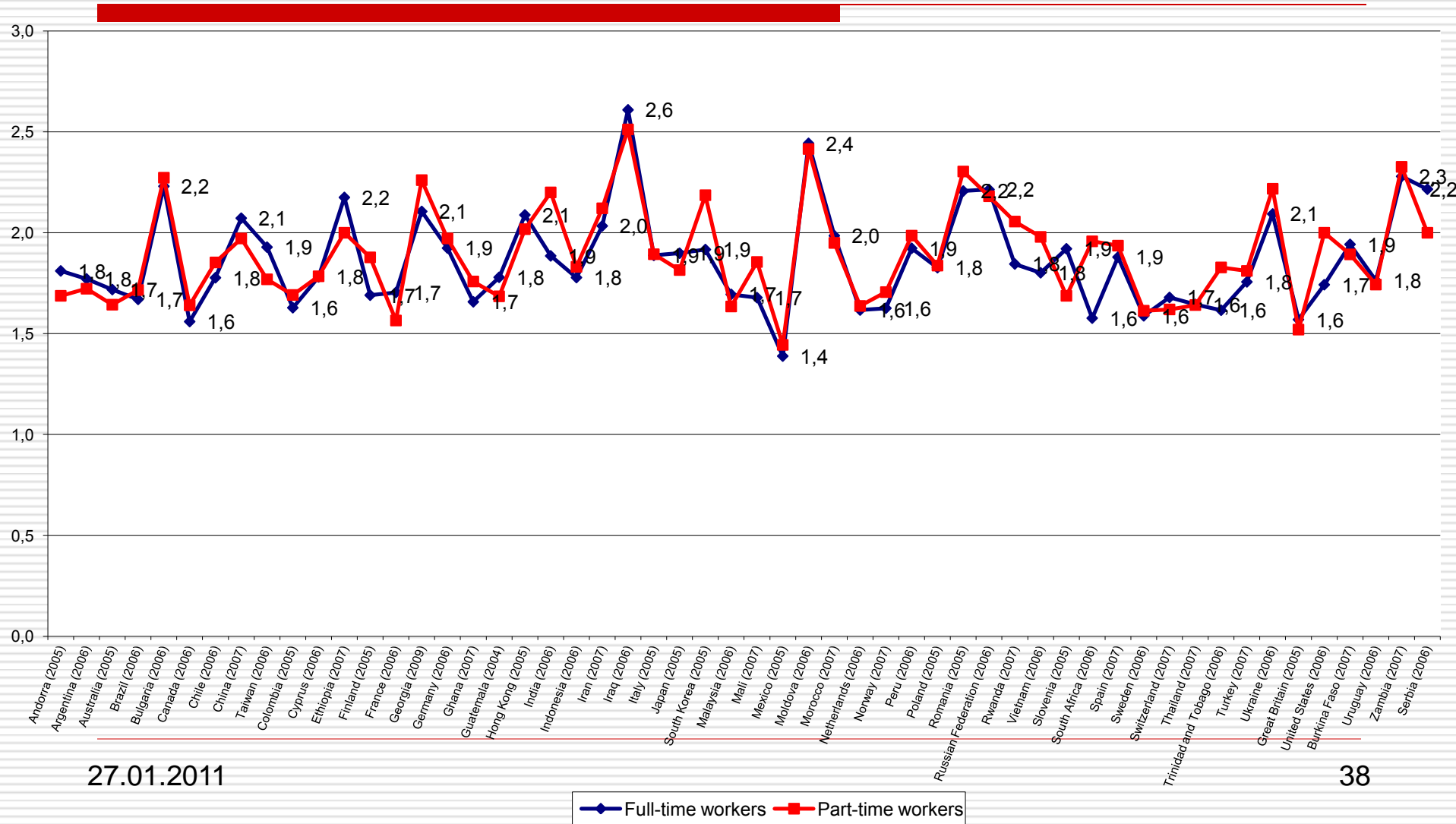
- ❑ **Happiness** (inverse 4 point scale)
- ❑ **Life satisfaction** (10 point scale)
- ❑ **Job satisfaction** (10 point scale)
- ❑ **Financial satisfaction** (10 point scale)
- ❑ **Subjective health** (inverse 4 point scale)

Preliminary descriptive statistics on WVS: Happiness

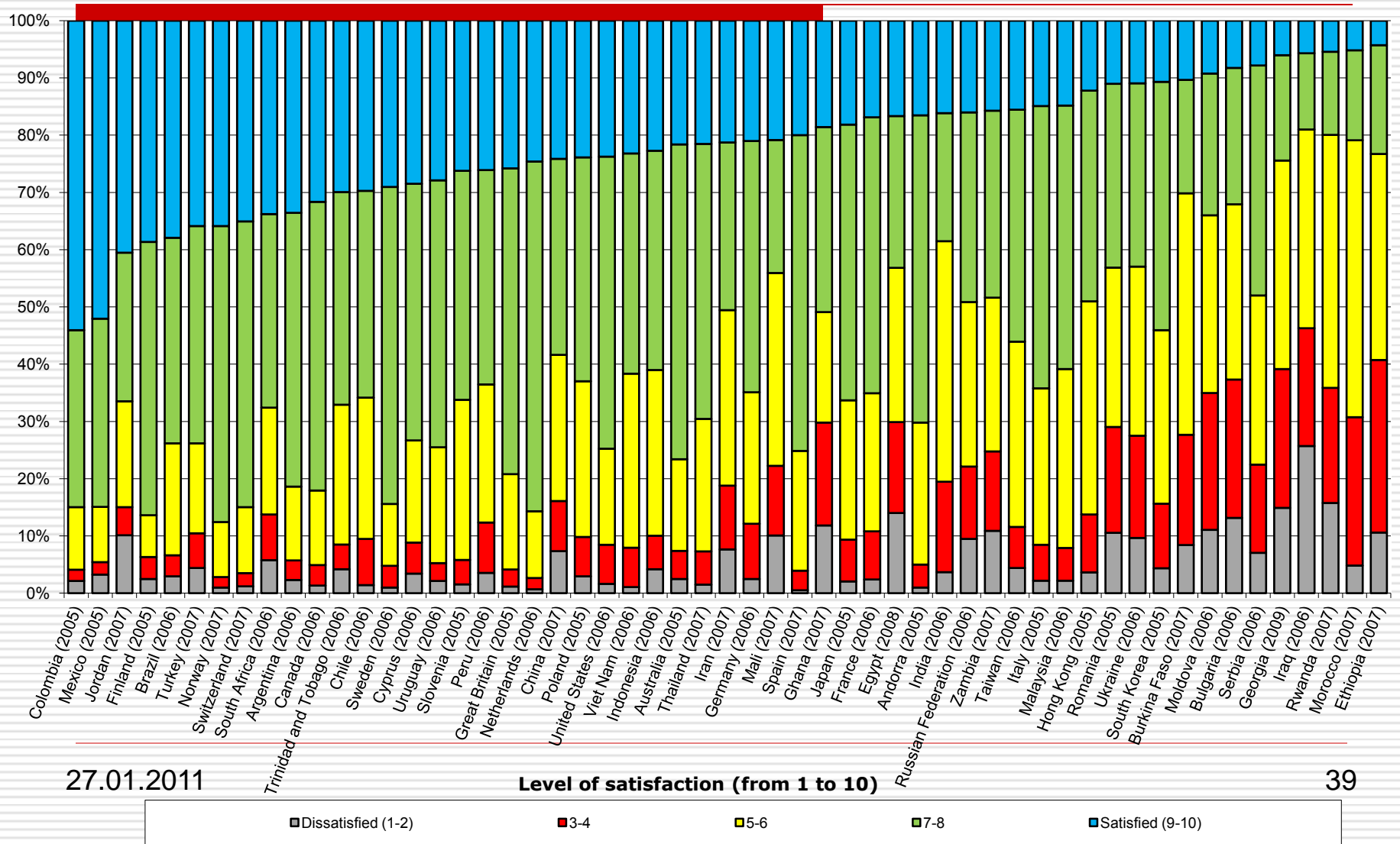


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Preliminary descriptive statistics on WVS: Average Evaluation of Happiness (full-time vs. part-time workers)



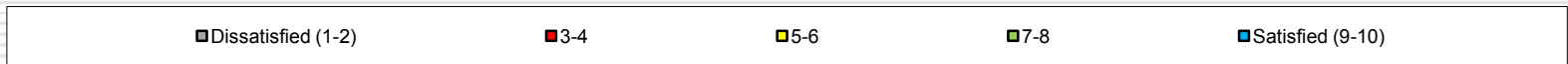
Preliminary descriptive statistics on WVS: Life Satisfaction



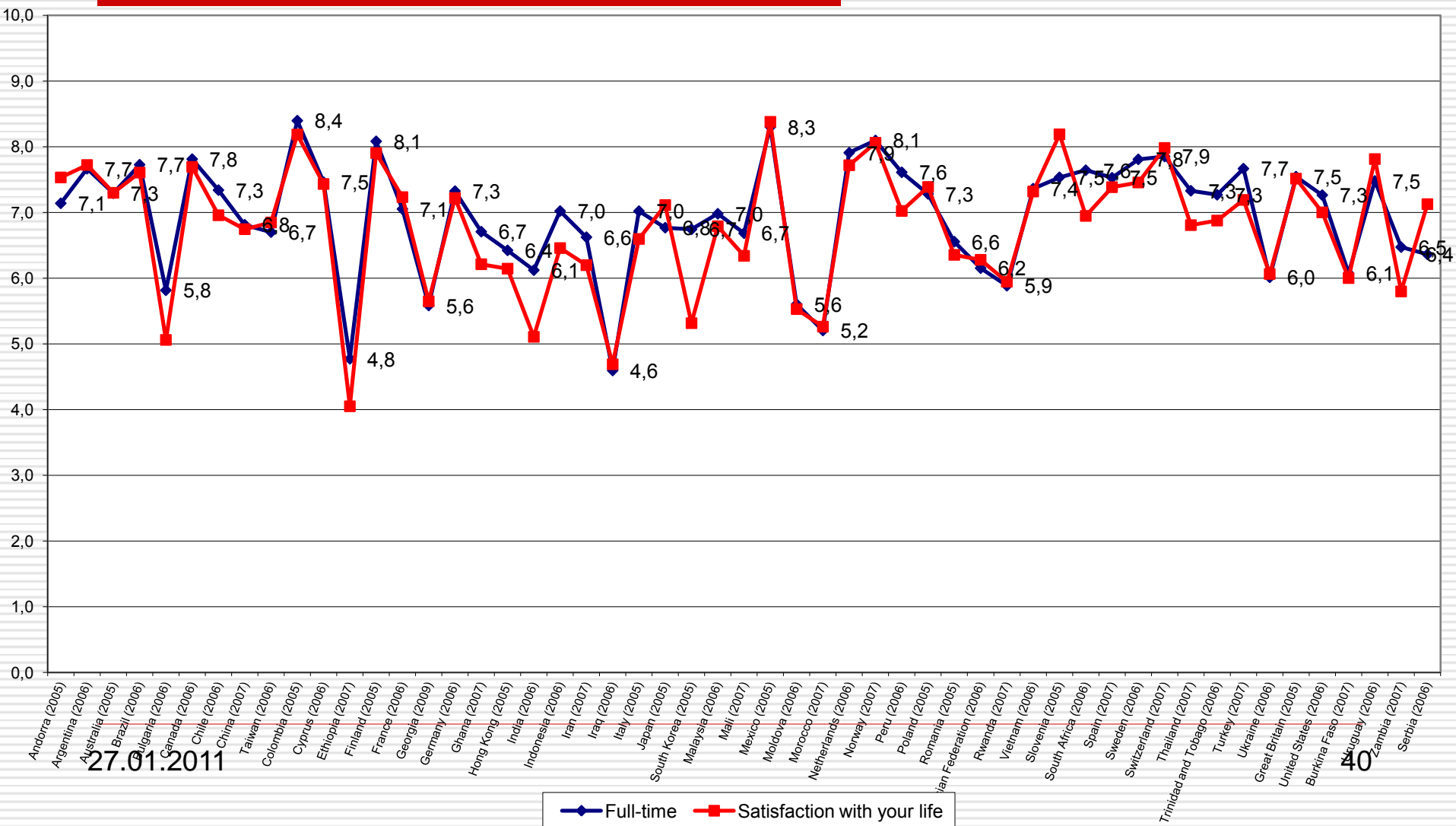
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Level of satisfaction (from 1 to 10)

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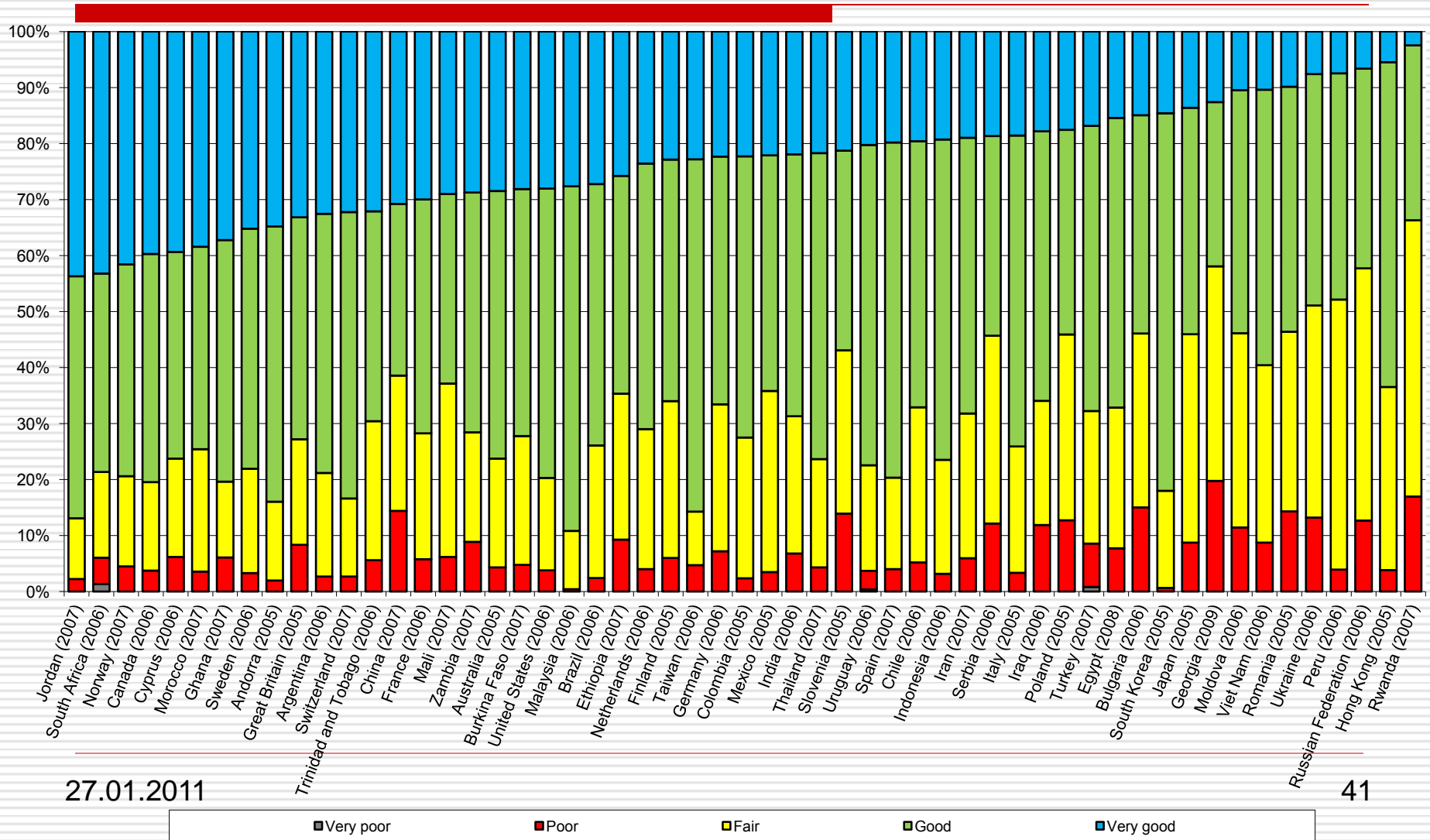
Preliminary descriptive statistics on WVS: Average Evaluation of Life Satisfaction (full-time vs. part-time workers)



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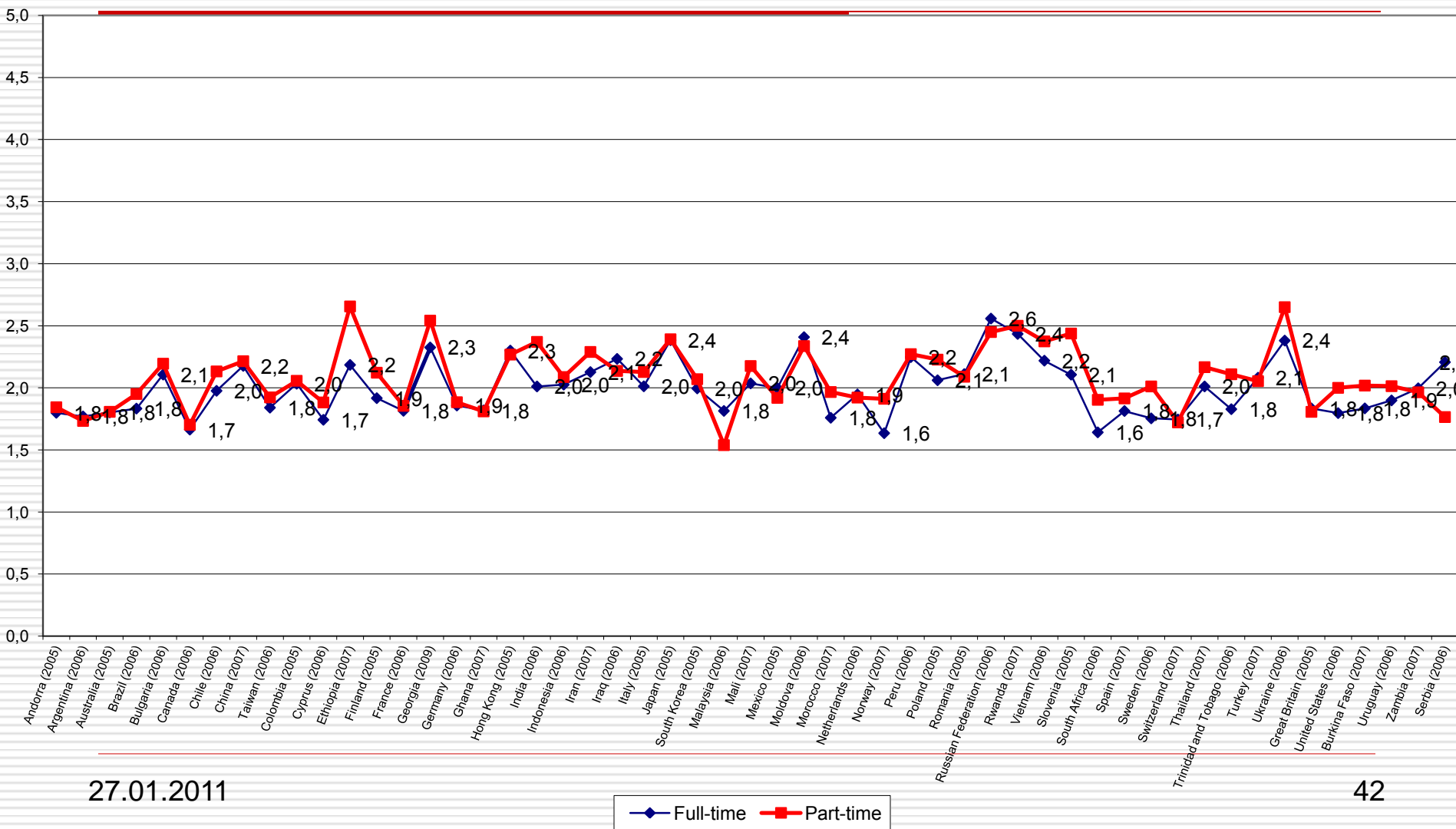
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Preliminary descriptive statistics on WVS: Subjective Evaluation of Health



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Preliminary descriptive statistics on WVS: Average Subjective Evaluation of Health (full-time vs. part-time workers)



**Thank you for
your attention!**

Any comments?