

# Chapter 1

## Changing Life Trajectories, Employment Challenges and Worker Health in Global Perspective

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### 1.1 A Cascade of Global Changes

We are experiencing a cascade of global, economic, technological and political forces that are influencing the life course and health of workers all over the world (Pelfrene et al. 2003; Price et al. 1998). The globalization of work and economic transactions is providing economic mobility motivating populations to migrate to other countries (Castles et al. 2005). The movement of Asian workers to the Middle East and African workers to the European Union provides two examples. Firms once only operating within their own national borders now operate like small states by themselves, controlling vast economic resources as well as corporate cultures and attitudes toward work, health and the meaning of what constitutes the good life (Rifkin 1995; Price 2006; Price and Burgard 2008).

While these global forces are moving inexorably forward, the nature of jobs themselves is changing dramatically. The idea of a job, invented at the beginning of the Industrial Revolution (Bridges 1995), promised a regular number of hours of predictable work in exchange for a regular paycheck, and more recently health insurance, a pension and other benefits. That conception of what constitutes a “job” is now changing in dramatic ways.

Beginning after World War II but accelerating in the last decades of the twentieth century increasing amounts of organizational downsizing and technological change is producing layoffs and the emergence of nonstandard part time and contract work. Job insecurity is on the rise with resulting stress and increased economic uncertainty. The internet, emerging technologies, and the transformation of work itself with its movement from the manufacturing to the service sector in developed economies is changing the demands for skills making some workers redundant (Kalleberg 2000;

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Friedland and Price 2003). In the United States for example the Internet has eliminated traditional jobs and factories closed suddenly. Workers who had earned a solid living working with their hands found themselves out of work (VinoKur 1997) and with few job prospects.

At the same time, the shifting demographics of populations in some countries are producing changes of their own that influence work and health. In industrialized economies like the United States and Western Europe workforces are aging (Anderson and Hussey 2000). In Japan and other parts of the world an aging workforce was creating labor shortages in some sectors and placing economic demands on older workers that they often found it difficult to meet (Leibold and Voelpel 2007).

Macroeconomic changes in some countries have led to rapid changes in the job market. In Ireland a boom in banking and real estate made the country one of the great economic successes of Europe at the turn of the twenty-first century. But as the boom ended, suddenly Irish workers were out of a job wondering whether their jobs were ever going to return (Barry 2005). In China, with the rise of the market economy workers Chinese workers in state owned enterprises were laid off and forced to “leap into the sea” in search for work in a society where jobs used to be assigned by the government, but now suddenly were a prized resource (Price and Fang 2002; Price et al. 2006).

This bewildering series of changes requires that we understand how they influence the health and wellbeing of workers and their families (Quinlan et al. 2001; Sparks et al. 2001). There is a need for theory and empirical research to consider ways to suggest policy efforts to support the working life, careers and health of workers whose lives are affected by these transformations. New theory can provide more than simple insight. It can also provide ideas for more responsive programs and policies aimed at supporting workers and their families.

*Changes in Working Life Influence Health* Figure 1.1 describes how these technological, political and economic forces have begun to influence both national supports for work and how policies and practices have in turn influenced the work and well-being of individual workers and their families. The combined effect of all of these changes is also to influence the nature of work transitions that affect worker well-being and health. For example, in countries where older workers are retaining their jobs and job growth does not accommodate the entry of young workers the transition from school to work may be more difficult (O’Higgins 2001).

In still other situations rapid increases in job loss are influencing worker health and well-being in a variety of ways (Price et al. 2002; Vinokur 1997). As a consequence of economic downturns accompanying all this turbulence are demographic changes such as the entry of women into the workforce in western industrialized countries beginning in the 1960s (Price 2006). Changes in industries influence career changes for workers.

At the same time of many firms are beginning to discover that they can fragment traditional full-time jobs with health benefits and job security into part-time work without benefits (Kalleberg 2000). For example, full time jobs are now frequently

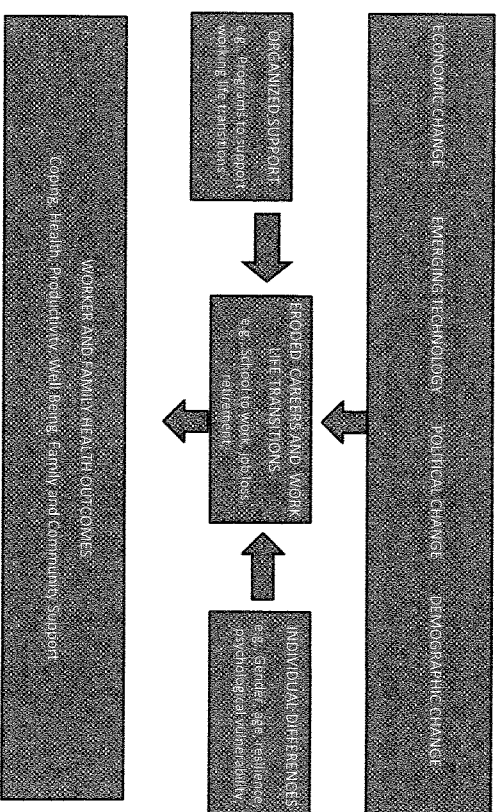


Fig. 1.1 Global changes, work life transitions and their impacts on work and health

made into “contingent work” where workers can be laid off at will. Some workers then must manage multiple part time jobs and stresses for individuals and their families as they juggle several jobs with changing schedules, disrupted family life and uncertain child care arrangements (Disler et al. 2005; Kivimäki et al. 2003).

Beyond all of these changes, the timing of retirement is changing from traditional age benchmarks to early retirement on the one hand or delayed retirement for those who either wish to or must continue work. How these transitions actually influence workers health and well-being depends not only on individual differences in gender, education, ethnicity, psychological resilience and social support, but also on how effectively a particular set of national policies has provided an organized support system for workers to deal with the work transitions they face (Benach et al. 2000).

In some cases training programs or programs for support of work transitions are available (Liu et al. 2014; Vinokur et al. 1995, 2000; Vuori et al. 2002, 2005, 2012; Vuori and Price 2006). The individual differences that people bring to a particular work transition and the organized social support that they can take advantage of all also have substantial effects on how individuals and families respond to the work transitions they face. At the individual level, coping demanded by changing jobs or by labor market search increase stress and create threats to health (Caplan et al. 1989; Dooley and Prause 2004).

Within families themselves, tasks that have traditionally been undertaken by particular family members must be redistributed to fit new circumstances at work and changes in roles also produce increased levels of stress and demands for effective coping (Geurts and Demerouti 2003). Within communities, plant closings or shifts

in economic resources produce changes in personal relationships and in some cases force migration. This complex and multilayered picture of economic and social change produces major challenges for policymakers and practitioners concerned with supporting the health and well-being of workers.

*Three Pathways of Influence of Work on Health* While there have been on a great many studies of how working life influences health, three major pathways can be identified that are areas of policy debate and have potential for program development (Price and Burgard 2008). First, the *physical environment* of the workplace can influence health in a number of different ways and has been a major starting place for much of the public health and policy development concerning worker health (Institute of Medicine, Panel on Musculoskeletal Disorders and the Workplace 2001).

The physical environment as it influences worker health is probably the most widely studied pathway and the most carefully regulated in most industrial societies (Venables 2013). Most industrialized countries have some form of governmental regulation that oversees the physical conditions of work to protect worker health. Policy standards to assure worker safety, to limit exposure to physical hazards and dangerous chemicals, are typical forms of regulation (Fleming 2001). But as some of the following chapters in this volume suggest, government agencies that attempt to effectively control these workplace hazards to health can be extremely variable in their effectiveness and in some developing countries still either function poorly or are entirely absent.

A second pathway, the *demanding nature of work activities and tasks* has been a major area of research and development. This approach to understanding the links between work and health most often involves understanding the nature of work stressors associated with either too little control over work or high levels of demand (Karasek and Theorell 1990). Both of these influences can have biological consequences as individuals respond to the stressful demands of work (Frankenhauser 1991; Kahn 1981; Taylor and Repetti 1997).

Job demands that influence worker health range from influences on such things as work shift changes that can influence circadian rhythms to repetitive high paced jobs, to jobs with high psychological demand that increase stress and in turn negatively influence health. Taylor and Repetti (1997), Kahn (1981) and Karasek and Theorell (1990) have shown that high levels of demand and low control are particularly likely to produce chronic stress and health problems. Taylor and Repetti (1997) have begun to describe the possible mechanism as for example, how anxiety and anger associated with poor working conditions can influence cardiac illness by influencing the sympathetic adrenal medullary system and the hypothalamic pituitary adrenocortical axis. McEwen (2002) has described the biological processes associated with coping demands such as these in detail.

While the demanding nature of the work tasks themselves confronting workers has clear influences on health and well-being, there is now compelling evidence that the social working environment can also produce powerful influences on health and well-being. For example, evidence is now growing rapidly to show the relationships between incivility and harassment in the workplace and subsequent health and well-

being (Cortina et al. 2001; Lim and Cortina 2005; Varita 1996). At the same time, there is strong evidence making it clear that supportive relationships at work can moderate the health endangering influences of workplace stress resulting both from the demands of work itself and the sometimes stressful influences of relationships with coworkers (House et al. 1988; Johnson and Hall 1988; Kahn 1994). And while harassment and incivility can compromise health and well-being and social support may those same risks, there is also an emerging body of evidence suggesting that both stressful relationships and social support may be influenced by the larger organizational culture at work (Denison 1990; Wilson et al. 2004).

Most recently we have come to recognize a third pathway of importance in understanding the influences of working life on health. This pathway implicates the *contractual nature of jobs* (Rousseau 1995). Pioneering research on the health promising influences of contractual work was conducted by Dwyer (1991). Later contributions have documented the influence on health and safety (Quinlan 1999) and how precarious employment arrangements can influence health and well-being (Bohle et al. 2004).

Here the focus is on the employment contract, either implicit or explicit, between employer and employee about the conditions of work including the availability of benefits such as health insurance and pensions as well as agreements about pay, full time versus part time work and finally, job security (Kalleberg 2000).

This third pathway between working conditions and health has come to be recognized as important because of the dramatically changing employment contract offered by employers to workers (Rousseau 1995). Over the last 30 years regular predictable and secure long term full time jobs with the expectation of regular increases in pay, available health and retirement benefits as a regular part of employment agreement has eroded dramatically especially in developed countries. What has replaced it is a new employment contract in which employers hire workers often on a part-time nonstandard basis, without the health benefits or other working benefits such as pensions and without any guarantee of job security.

The dramatic change in the nature of jobs that has resulted is influenced in part by the globalization of work and the deregulation of working conditions (Benavides et al. 2000). This change in the nature of the employment contract has produced greater uncertainty for workers and their families and new sources of stress quite different from the more familiar physical hazards and task demands that have previously been studied by researchers concerned with the links between employment and health (Institute of Medicine 2001).

Ironically improvements in technology to support more efficient and effective work have also reduced job security (Rifkin 1995). At the same time, reduction in union membership particularly in the United States has meant reduced benefits for workers in many countries (Bardasi and Francesconi 2004). Downsizing in the manufacturing sector as well as globalization and the "offshoring" of jobs has not only increased job insecurity but also increased also layoffs and increased the number of part-time, temporary and nonstandard jobs (Baunol et al. 2003; Vinokur et al. 1996; Kalleberg 2000).

We are only beginning to understand how these changes in the contractual nature of work accompanied by changes in health protective benefits has changed the health and well-being of workers (Ferre et al. 2001; Kalleberg 2000; Rousseau 1995; Strandh and Nordlund 2008). Employee-employer relationships have changed from long-term in formal relationship oriented arrangements to shorter-term contract based relationships. While these contractual shifts in the nature of arrangements between employers and employees is much more dramatic in the United States than in some other countries, it appears that this shift in the contractual nature of work is changing in other industrialized countries as well (Virtanen et al. 2003). The impact of these changing contractual work relationships and their impact on health is even less well understood in emerging economies.

## 1.2 Taking a Life Course Perspective on the Changing Nature of Work and Health

While it is important to understand how hazardous physical exposure, changing work demands and changes in the terms of the employment contract all can “get under the skin” to produce health and mental health problems for workers, we also require an understanding of how these shifting conditions of work influence workers at different points in their lives and careers. The life course theoretical perspective (Elder 1995) is an approach to understanding the sustainability of careers and health over the life course that can help complete the picture.

The life course conceptual framework suggests that the life course is comprised of *multiple interdependent “careers”* including the work career, the family career, the health career, the volunteer career, and perhaps other aspects of life activity that unfold over time (Elder 1995). Because careers are both multiple and interdependent, they introduce considerable complexity into the way people encounter changes in their working life and how those changes influence health and well-being. For example, at certain points in life one kind of career may predominate such as work in midlife and may also intermingle in complex ways with the family career. A second key concept in the life course perspective is the idea of *life transitions*. Each of the work, family and health careers that we described is interrupted by a variety of life transitions (Elder and O’Rand 2002). Some of these transitions are expected and normative such as entering work for the first time and retirement. But others are unexpected such as involuntary job loss or unexpected illness.

These transitions are times of elevated health and psychological risks (Elder and O’Rand 2002). Because they are times of disruption and change they can trigger cascades of other life events and have the effect of disrupting the coping capacities of individuals and their families (Allen et al. 2000) as well as interfering with the flow of supportive resources needed to carry on life activities. For example, an unplanned transition such as job loss can produce losses in needed income, economic hardship, loss of access to health care, and can increase stress within

the family. The cascade of events and stressors continues with the effort to gain reemployment that can increase family tension, undermining the quality of parenting and spousal relationships (Vimokur et al. 1996). Similarly a return to work after physical or depression can present major challenges for workers and employers (Brenninkmeijer et al. 2008). While serious work accidents have declined over the last century in industrialized countries, they still take a substantial economic toll (Davies and Teasdale 1994) and influence health and well-being (Milczarek and Najmiec 2004) and the course of recovery is importantly influenced by organizational and insurance factors (Franche and Krause 2002).

Even planned life transitions such as entering the workforce for the first time can produce new demands for coping with unfamiliar circumstances, increase anxiety, produce confusion, personal withdrawal and even depression in young people not adequately prepared to cope with the new demands of the workplace (Elder and O’Rand 2002; Hodgkinson et al. 2013). This is particularly true if supportive structures within the workplace are not available to bring in new workers and to socialize them to respond effectively to the demands that are required.

To take a third example, retirement for some may mean relief and only the loss of stressful work (Wang and Shultz 2010). On the one hand for others it can mean the loss a valued friendships and colleagues, the loss of the source of meaning in life (Jahoda 1982; Shultz and Wang 2011). For still others the end of working life can mean inadequate income and a cascade of economic stressors associated with economic deprivation (Institute of Medicine 2001; Shultz and Wang 2011).

## 1.3 Mobilizing Effective Support for Working Lives in a Changing World

But transitions are not only times of elevated risk, they also times of opportunity for effective intervention. Transitions provide an opportunity for policy and program initiatives to prevent problems and engage in various kinds of risk reduction for people facing both predictable and unexpected transitions (Semmer 2003, 2004). A number of chapters in this volume offer creative approaches to developing new policy and program initiatives that can transform moments of transition into opportunities for health protection and illness prevention.

A major challenge to program and policy initiatives in the area of work and health is described by Riley et al. (1994) as “the mismatch problem”. They argue that the needed changes in social institutions almost invariably lag behind the changes that are actually occurring in people’s lives. For example in some countries baby boomers are approaching retirement in large numbers and yet social policy is unready to respond. In these circumstances adequate retirement income may not available and health institutions may not be ready to respond to the increasing health needs of an aging population. In addition many employers may be unready or

unwilling to hire older workers who may wish to work part-time or to work for extended periods after retirement to supplement their income.

The emergence of part time and nonstandard work illustrates yet another kind of mismatch problem. Jobs as we conventionally understand them are disappearing and along with them are being replaced by more insecure part-time work without health and other benefits to support workers (Houseman 2001). Many policies to support work and family life are still stuck in the mid-twentieth century and not responsive to the current economic and labor market or the likely future realities confronting workers and their families (Allen et al. 2000; Baker et al. 2001). The cost of this mismatch between current market reality and policies and programs will be high both for workers and their families and also costly in the long term for employers and for governments.

It is probably inevitable that social policy will always be reactive and not quickly respond to changes in working life that are driven by changes in technology, economic circumstances or political systems. Demographic social and economic changes emerge only slowly and political systems respond even more slowly. Nevertheless researchers concerned with improving social systems aimed at supporting workers need not wait until the political opportunity is available or the crisis is necessarily imminent.

Opportunities for innovation in working life are widely available and can be treated as a chance to experiment and develop new methods of supporting the workers experiencing the demands of return to work after illness or psychological difficulties (Blonk et al. 2006; van der Klink et al. 2003). Sometimes these opportunities will emerge from new government initiatives but perhaps even more often they will emerge from partnerships between employers on the one hand and researchers on the other concerned not only with worker well-being but also with organizational effectiveness and productivity.

These potential “win-win” situations are places where collaborative research and demonstration projects can be mounted and evaluated so that they can both inspire possible later social policy initiatives and be available when political will is finally inclined to support them. Taking a life course perspective to examine where interdependent careers can be supported or where planned or unplanned transitions can disrupt working life provides us with a conceptual map. Consider the following examples.

One clear example of the interdependence of multiple careers has to do with the conflict between working life on the one hand and childbearing on the other (Allen et al. 2000; Geurts and Demerouti 2003). Economic and social change has shifted both family relations and working life. Women have been entering the workplace in increasing numbers and wish to continue both their working careers and their roles in child bearing and motherhood. Mothers must somehow negotiate their individual jobs and the additional job of care giving for their infants and young children. The programmatic challenge involves finding ways to support both mother and family before the time of childbirth and immediately thereafter. And also requires finding accommodations for the mother to reenter the workforce.

Previously this has meant that mothers and families had few choices. For mothers it often meant that they were unable to easily reenter their jobs when they were ready to do so. Now new programs are being developed that help mothers and family members during the critical transition to parenthood and at the same time creating the circumstances for mothers to reenter the workforce when they are ready (Toppinen-Tanner et al. 2013). Supportive programs to negotiate the transition for both mother and child and other family members require coordination between employers, families and existing social policies. Because the interests of all these groups are not always aligned, program design and development must not only be sensitive to the circumstances of family members, but also alert to the critical costs and benefits for employers and the public sector.

The transition from school to work represents a second example of a transition in the life course where changing economic circumstances, labor markets and demographics all may influence success or failure. The transition from school to work is critical because for young people having difficulty entering the labor market it can mean years of delay in establishing a firm career track, increase the likelihood drifting from job to job, and increasing dependence on public sector support. For young people caught in these circumstances it can mean discouragement and social drift (Hodkinson et al. 2013; Kiuru et al. 2007). Building a strong link between schools and potential employers and at the same time strengthening the capacity of young people to enter the workforce is the key to supporting this transition. Here again, the development of new model programs in secondary schools strengthen youth ability enter into the workforce (Vuori et al. 2008) can begin to close the mismatch between social circumstances, changing labor markets on the one hand and social policy on the other.

Still a third example has to do with the transition back to work after illness. Smoothing the transition back to work after an unplanned disability physical or psychological illness (Brenninkmeijer et al. 2008) has not always been a priority for employers, government agencies or for workers themselves. Employers may be reluctant to welcome workers back into the workforce after an illness because they may be unsure about worker productivity. Government agencies are often more concerned about providing minimum income during the period of illness or fearfulness. The workers themselves may have lost confidence in their own abilities or fearful about meeting the demands associated with reentry into full-time work. Workers who remain out of the workforce and dependent on disability support may not only be costly to taxpayers in the short term but also costly in the long-term as workers lose their ability and motivation to reenter the workforce. Here again a gap exists between current patterns of policy for support for disabled workers and programmatic efforts to help workers reenter the workforce. Fortunately programs are now emerging to help workers regain confidence in their abilities to resume their working lives (Blonk et al. 2006). Programs of this sort are likely not only to improve the psychological well-being of individual workers, but also reduce economic dependence on public sources of support.

In all three of these examples one can see that the interplay of multiple conflicting work and family careers across the life course. Changing economic circumstances

can make even planned transitions such as such as childbearing and entry into the workforce after school challenging. Transitions back to work triggered by unplanned life events like illness also require support. Innovative evidence based programs can provide models that can encourage new policies that reduce the gap between the changed circumstances in the lives of workers and their families and policies to support them.

## 1.4 Conclusion

The interplay of work and health over the life course described here amply illustrates that changes in economic conditions, emergent technologies, national demographic changes and political reform will produce changes in working conditions that will in turn influence worker health. To understand more deeply how those large scale changes influence the health of workers and their families we must, at the same time, examine how they influence the life course of workers and particularly their multiple careers as workers, parents, and members of their communities. Only then can we begin to design policies and programs that are both humane and productive for both the workers and their employers.

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## Chapter 2

# Informal Employment and Vulnerability in Less Developed Markets

Simo Mannila

## 2.1 Less Developed Markets and the Informal Economy

### 2.1.1 Less Developed Markets and Labor Market Segmentation

Less developed markets usually refer to markets in developing countries or countries with emerging markets that contain market imperfections. Some labor market segmentation is typical for all countries, and even many developed markets may contain labor market segments that are less developed. The division of formal vs. informal employment is a form of labor market segmentation, which is linked to a wide set of vulnerabilities for those who work informally. These vulnerabilities appear in less developed markets in proportion to the scale of informal employment and the social policy regime. They are most relevant also in developed markets due to the international migration and its links with informal work.

In this Chap. 1 describe informal employment conceptually and empirically, show its links with various vulnerabilities and illustrate the situation by five short country cases representing different types of markets. The chapter ends with comments on policies and research.

### 2.1.2 Informal Employment and Informal Sector

Informal employment was not significantly addressed until the 1970s (Bangasser 2000), and major conceptual as well as data gathering problems still remain, a situation that hampers policy making (e.g. Bernabe 2002).

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