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## **Employment Precarisation in the Contemporary Economy**

### **Introduction**

As early as 1983 Wassily Leontief paid attention to the decreasing role of people in the production process (Leontief 1983). Jeremy Ryfkin (2001) took one step further because at the end of the 20<sup>th</sup> century he warned that employment would disappear. Although these authors made incomplete and hasty prognoses, we can agree that employment will end soon. However, it does not refer to employment as such, but to traditional forms of employment, which seemed obvious a few years ago. As new challenges and solutions for the economy are appearing, it is necessary to ask questions about employment in the nearest future. Will innovations and enterprises crossing borders between sectors and branches of the economy, business ideas and the search for profit begin to undermine the traditional view of employment? Will it be possible to guarantee employment security according to workers' expectations?

It is very difficult to answer these questions. However, we can see that in the 21<sup>st</sup> century more and more people all over the world feel insecure about their employment. Enterprises are increasingly often characterised by strategic concepts rather than natural persons, whereas atypical forms of employment begin to emerge. In consequence of digitalisation and progress in technology some branches and sectors are disappearing from the market, although we can see the emergence of new ones, which require different skills and lesser involvement of the human factor. The changes which have been occurring in the labour market in recent years cause the evolution of the relationship between employers and employees. Although these changes may cause economic and social development, simultaneously they favour increasing employment precariousness. Traditional employment is changing (Zielinska-Chmielewska et al. 2016; Krumplyte, Samule-

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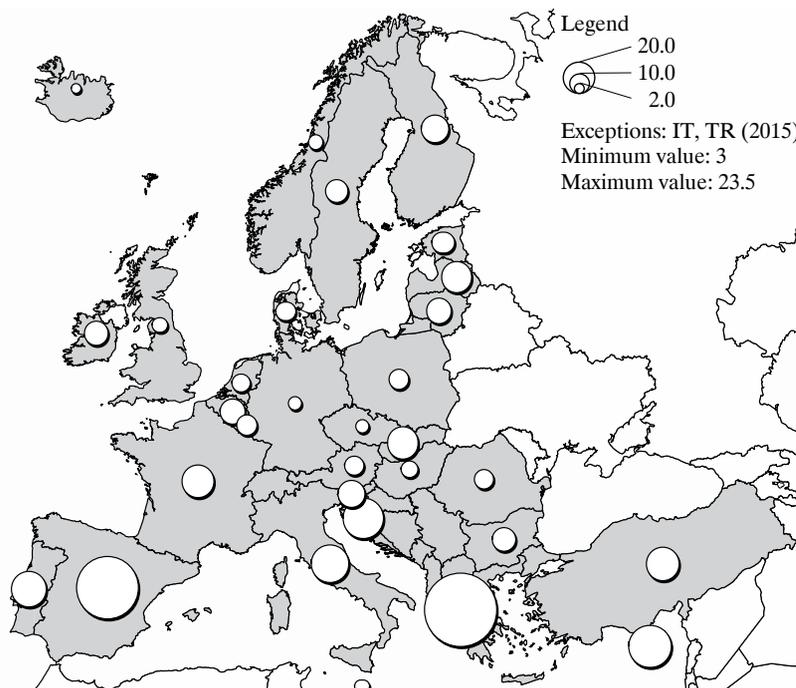
vicius 2010), but it is not disappearing, contrary to Ryfkin’s prognosis. It is undergoing considerable transformations, which will be increasing in the nearest years.

The aim of the article is to indicate changes occurring in the labour market, including growing employment precariousness, and to join the discussion about the labour market precarisation due to decreasing permanent employment security. Another aim of the study is to define challenges and threats caused by uberisation of the economy.

## 1. The EU labour market

According to Eurostat, in 2016 the unemployment rate in the EU was 8.5% (in 28 countries). In spite of considerable differences between the countries (Fig. 1) the decreasing trend has been observed for a relatively long period of time (Tab. 1). The decreasing unemployment rate may indicate improvement in the socioeconomic situation in the EU and gradual recovery from the economic crisis, which was observed a few years ago. However, interpreting data only through the prism of the unemployment rate does not give a full view of the labour market. Incomplete analyses may lead to a wrong employment policy and lesser concern about real activation of people.

**Figure 1**  
**The unemployment rate in 2016 in the EU countries**



Source: own calculations based on Eurostat (2018), SILC: Income and living conditions, online data code ilc\_iw01.

**Table 1**  
**The total unemployment rate in the EU (2000–2016)**

2000	2001	2002	2003	2004	2005	2006	2007	2008
8.9	8.7	9.0	9.2	9.3	9.0	8.2	7.2	7.0
2009	2010	2011	2012	2013	2014	2015	2016	
9.0	9.6	9.7	10.5	10.9	10.2	9.4	8.5	

Source: own calculations based on Eurostat (2018), SILC: Income and living conditions, online data code ilc\_iw01.

The decreasing unemployment rate and the increasing employment insecurity require consideration how the situation in the labour market should be interpreted. Which indicators can give a reliable view of employees' situation? Information about the unemployment rate is not sufficient, because it only gives the number of the registered unemployed. In order to draw conclusions about the situation in the labour market it is necessary to pay attention to the economic activity rate. When we analyse it, we will see that the number of people without jobs is not decreasing as rapidly as the official unemployment rate. In the third quarter of 2016 only 67.1% of adult EU-28 citizens (aged 15–64 years) were economically active. This means that among 100 adults there were 33 people without jobs or without permanent employment. It is noteworthy that according to European documents, the recommended rate is 75%. The lowest economic activity rates were noted in Greece (53.0%), Italy (57.6%) and Croatia (58.4%), whereas the highest rates were observed in Iceland (88.0%, outside the EU), Sweden (77.3%), the Netherlands (75.3%) and Denmark (75.2%). Apart from these countries, the economic activity rate was greater than 70% in Germany, the United Kingdom, Estonia, Austria, the Czech Republic, Finland and Lithuania. These countries have different social policies, but their labour markets are characterised by greater flexibility than in Poland (Rollnik-Sadowska 2015; Kobylińska et al. 2016).

**Table 2**  
**The employment rate in the EU (%)**

Country	Rate (%)						
EU28	67.1	IE	65.4	LT	70.0	RO	63.1
EA19	65.9	EL	53.0	LU	65.1	SI	66.4
BE	62.2	ES	60.2	HU	67.1	SK	65.1
BG	64.2	FR	64.6	MT	66.5	FI	70.5
CZ	72.2	HR	58.4	NL	75.3	SE	77.3
DK	75.2	IT	57.6	AT	72.6	UK	73.7
DE	75.0	CY	64.0	PL	64.9		
EE	73.2	LV	68.9	PT	66.0		

Source: own calculations based on Eurostat (2018), SILC: Income and living conditions, online data code ilc\_iw01.

**Table 3**  
**Temporary employment, part-time employment**  
**and precarious employment in 2015 (by sex)**

Country	Temporary employees as percentage of total employment, by sex (%)			Part-time employment as percentage of total employment, by sex (%)			Precarious employment by sex (%)		
	Total	Males	Females	Total	Males	Females	Total	Males	Females
EU28	14.1	13.8	14.5	19.6	8.9	32.1	22.0	23.2	20.7
EA19	15.4	15.1	15.8	21.6	9.3	36.0	24.2	25.7	22.7
BE	9.0	8.3	9.7	24.3	9.3	41.4	36.0	42.0	30.7
BG	4.4	4.7	4.1	2.2	1.9	2.5	17.1	19.7	14.0
CZ	10.0	8.4	11.9	5.3	2.2	9.3	4.7	4.6	4.8
DK	8.7	7.9	9.4	24.7	15.6	34.7	10.4	11.2	9.6
DE	13.2	13.1	13.2	26.8	9.3	46.6	3.7	3.8	3.7
EE	3.4	3.9	3.0	9.5	6.0	13.4	34.4	29.1	41.5
IE	8.7	8.7	8.6	22.2	12.2	33.8	8.4	8.6	8.1
EL	11.9	11.4	12.6	9.4	6.7	13.1	14.4	18.8	9.8
ES	25.2	25.1	25.3	15.6	7.8	25.1	56.8	58.5	55.0
FR	16.0	15.4	16.6	18.4	7.4	30.1	29.0	32.5	25.8
HR	20.3	20.5	20.0	5.9	4.7	7.3	33.1	34.1	32.1
IT	14.1	13.6	14.6	18.3	8.0	32.4	20.6	22.0	19.0
CY	18.4	13.2	23.4	13.0	10.3	15.8	4.3	5.4	3.6
LV	3.8	4.6	3.0	7.2	4.5	10.0	45.3	44.7	46.1
LT	2.1	2.4	1.8	7.6	5.5	9.7	45.8	42.6	49.7
LU	10.2	10.2	10.2	18.5	5.6	34.2	19.4	20.0	18.6
HU	11.4	11.6	11.1	5.7	4.0	7.7	31.3	32.3	30.2
MT	7.4	6.5	8.7	14.5	6.3	27.3	12.3	11.5	13.2
NL	20.0	18.8	21.2	50.0	26.5	76.9	5.9	5.8	6.1
AT	9.1	9.1	9.1	27.3	9.8	46.8	10.9	9.7	12.1
PL	28.0	28.0	27.9	6.8	4.2	9.9	16.9	17.4	16.3
PT	22.0	22.4	21.5	9.8	7.1	12.5	14.8	15.8	13.7
RO	1.4	1.6	1.1	8.8	8.5	9.2	20.0	20.1	–
SI	17.8	17.0	18.7	10.1	7.0	13.7	28.3	29.2	27.3
SK	10.5	9.8	11.3	5.8	4.0	8.0	27.2	28.5	25.9
FI	15.1	12.3	17.8	14.1	9.7	18.7	28.0	29.5	27.1
SE	16.6	14.9	18.3	24.3	13.2	36.3	26.7	26.4	27.0
UK	6.1	5.6	6.5	25.2	11.2	41.0	6.6	7.2	6.1

Source: own calculations based on Eurostat (2018), SILC: Income and living conditions, online data code ilc\_iw01.

**Table 4**  
**Types of employment in selected countries**

Type of employment	Percentage	Main risks	Overall risk level	Countries/sectors most affected
Open-ended full-time contract	59% of total EU employment. Decreasing trend	Low pay and in-work poverty Stress and health Career development and training	Low	Greece, Poland, Hungary, Latvia, Lithuania Personal service workers, sales personnel, plant and machine operators and elementary occupations
Part-time work, involuntary part-time work, marginal part-time work	7% of EU employment. Involuntary part-time work amounts to about 25% of part-time work. Marginal part-time work amounts to 9%. Increasing trend in all types of part-time work	Low pay and in-work poverty Social security Career development and training	Low (open-ended part-time work) Medium (marginal part-time work) Medium (involuntary part-time work)	Involuntary part-time employment is high in Greece, Spain, Italy, Bulgaria, Portugal and especially in Cyprus. Marginal part-time employment is the highest in the Netherlands, Germany, Denmark, Ireland, UK and Austria.
Freelancers, self-employment, bogus self-employment	Freelancers amount to 10% of employment. Stable trend. Self-employed persons with at least one employee - 4% of total employment in Europe	Low pay and in-work poverty Social security Labour rights Career development and training	Medium	Romania Risk for bogus self-employed and social security risks for artistic workers

**Table 4 (cont.)**

Type of employment	Percentage	Main risks	Overall risk level	Countries/sectors most affected
Fixed-term contract	7% of EU employment. Stable trend	Low pay, in-work poverty Social security Labour rights	Medium	Casual and seasonal work Agriculture and tourism Labour rights risk UK, Ireland
Temporary agency work	1.5% of total EU employment	Low pay and in-work poverty Labour rights Career development and training Low level of collective rights	Medium/high	Outsourcing, especially in cleaning, catering, services and ICT Netherlands and Slovenia Young people. Limited transitions Countries where collective bargaining coverage and union density is low
Posted work	There were 1.92 million postings in Europe in 2014. Increasing trend	Low pay and in-work poverty Social security Labour rights Career development and training	Medium/high	Those affected by abusive practices. Construction In absolute terms, the main three sending member-states were Poland, Germany and France. The main three receiving member-states were Germany, France and Belgium

Zero-hour contract	About 5% of the workforce in the UK and Austria, 2.6% in Estonia and the Czech Republic and 1% in Malta and Norway	Low pay and in-work poverty Social security Labour rights	High	Austria, Netherlands, UK Retail, hospitality
Internships	46% of 18–35-year-olds have completed at least one internship	Low pay and in-work poverty Social security Labour rights Career development and training	Medium	Young people
Informal/undeclared work	4% of people in the EU admit to carrying out undeclared work in the previous 12 months (Eurobarometer). Stable trend	Low pay and in-work poverty Social security Labour rights Career development and training Low level	High	Estonia, Latvia, Netherlands, Malta Care and domestic services Women and migrant workers

Source: Broughton et al. (2016).

How can we interpret the information that on the one hand, there is a low unemployment rate, but on the other hand, there is a low economic activity rate? We can assume that there is a considerable percentage of people with atypical forms of employment, different than an employment contract based on regulations of the Labour Code. Mostly this is unregistered employment. A.L. Kallenberg (2000) notes that in recent years non-standard forms of employment have become increasingly important (civil law contracts, fixed-term contracts, employee leasing). In 2015 14.1% of people were employed for a fixed period of time. 19.6% were part-time employees. Nearly every fourth person employed in the EU has a precarious job (22.0%). Fixed-term contracts are particularly common in the following countries: Poland (28.0%), Spain (25.2%) and Portugal (22.0%). This form of employment is the least common in Romania, Lithuania, Estonia, Latvia and Bulgaria, where it does not exceed 5%. Part-time contracts are predominant in the Netherlands (50.0%), whereas they are the least common in Bulgaria. It is noteworthy that in the Netherlands three out of four women are employed part-time. The highest percentage (over 40.0%) of part-time women employees can be found in Denmark, the United Kingdom, Austria and Belgium. As far as this study is concerned, it is important to note the percentage of people with precarious employment.

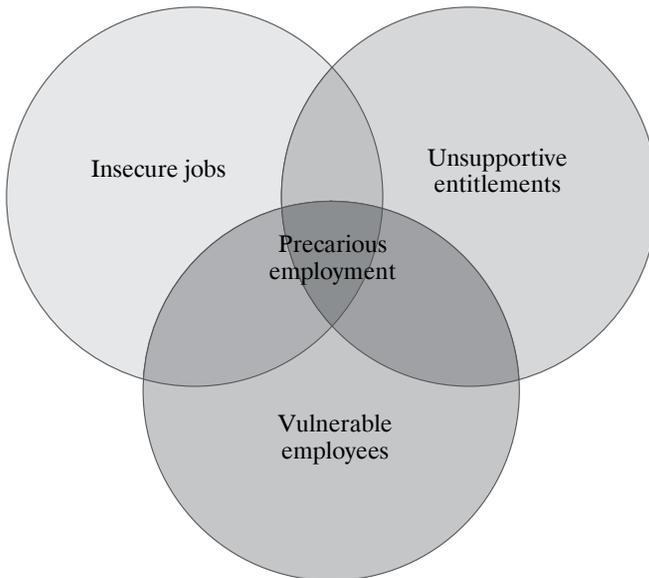
It is noteworthy that there are different problems in individual EU countries (Tab. 4). Although permanent employment contracts are predominant, the number of non-standard forms is growing continuously. As results from the study, Greece, Poland, Estonia, Latvia, Lithuania, Bulgaria and Spain are most endangered by precariousness. As Poland and Lithuania lack well-developed systems of social dialogue and negotiations, there is higher risk of employment precariousness and offering non-standard forms of employment. Lithuania also faces the problem of high percentage of unregistered employment. As results from the study, illegal employees make 5.4% of the total number of employees. The greatest number of illegal employees was noted in the building sector, agriculture and car mechanics (Putnins, Sauka 2015). It is noteworthy that although standard forms of employment reduce the risk, they are not risk-free. Many countries do not have appropriate tools to guarantee employment security.

## **2. Precarious employment**

One of the challenges in the 21<sup>st</sup> century is the systematic increase in precarious employment. First we should define precariousness. Precarious employment does not have a widely accepted definition in European countries, so it is not a precise statistic category. Different member-states face different challenges in the labour market – employment relations, collective agreements, labour market regulations, etc. As a result, it is difficult to make a uniform definition. The concept suggested by Olsthoorn (2014) could be an interesting starting point for the definition. He lists three components of precarious employment – temporary employment,

no security against loss of employment and sensitivity to loss of income (Fig. 2). It is noteworthy that employment precariousness is a disputable problem when we compare it with employment security. The term ‘precariousness’ is applied in consequence of the semantic usage of this word in everyday language, although it is researched in the context of earlier studies by Bourdieu (1963), Pitrou (1978) (after: Waite 2009), Standing (2011) and Kallenberg (2009). When we refer to the study by Rodgers and Rodgers (1989), we can assume that precarious employment is a job that does not ensure minimum dignified living standard. This definition of precariousness also reflects the threats caused by this form of employment. Precariousness can be interpreted in a very broad context – precariousness related with income insufficiency and precariousness concerning employment insecurity. The non-standard character of employment is a strong determinant of its precariousness. Studies on precarious employment mostly concentrate on its multidimensional character and relate it with precariousness, risk and non-standard character of this form of employment (Kalleberg 2011; Rodgers 2016; Tompa et al. 2007; Arnold, Bongiovi 2012; Cambell, Price 2016; Prosser 2016).

**Figure 2**  
**A conceptual framework of precarious employment**



Source: Kalinowski (2015).

Forms of precarious employment may be defined based on the certainty of long-term employment; the degree of control over working conditions; the extent to which the workplace and working conditions are protected by applicable regulations; the ability to exercise one’s rights; and the level of earnings. “The various characteristics and measurement methods of precarity extend over a series of additional features, such as non-fiscal employee benefits; the autonomy

enjoyed by employees in the performance of their tasks; the match between jobs and skills; physical security and health conditions; and the work–family balance (...). According to a slightly different approach (as found in U. Beck’s works, for instance), losing one’s qualifications, deterioration of working conditions, dismissal, and partial or total loss of incomes or representation opportunities etc. are risks characteristic of precarious employment” (Poławski 2012, p. 16).

It is unquestionable that the security and economic stability of the people with precarious employment contracts is endangered. These contracts are commonplace because they are not regulated by specific laws. In many EU countries these contracts are not subject to special protection under the Labour Code. There are no regulations concerning the guaranteed minimum monthly salary or rights concerning holiday, compensation for incapacity for work, severance pay or equivalents for working overtime (cf. Tab. 4). The same things apply to specific task contracts, which are typical contracts of result, where one party is committed to do the task and the other party is committed to pay the compensation agreed. The specific task contract does not give title to insurance except the situation when the contractor provides a service for their employer. It is advantageous for the employer due to taxation, because it is subject to copyright law.

It is not easy to analyse non-standard forms of employment contracts. These contracts can be executed along with another job, as the main or as additional employment. The multi-variety character of respondents’ replies makes it difficult to estimate the scale of the phenomenon. Additionally, some respondents do not admit to this form of employment as they want to avoid stigmatisation. Usually it results from the pejorative approach to these forms of employment in the media, where they are referred to as ‘junk’ contracts. Both among the people with an atypical form of employment as the main job and those for whom it is an additional job there are people affected by the increasingly common uberisation of the economy.

### **3. What is uberisation?**

The term ‘uberisation’ is a neologism developed in consequence of the appearance of services such as Uber and Airbnb, which changed the character of services. The term derives from Uber – the American company which provides an application associating people who offer transport services with their clients. The services can be provided by anyone who has a car, free time and is willing to do so. Thus, uberisation is an opportunity to start one’s own business. It is a chance to earn income for people who do not have a job or their earnings are below their expectations.

In a broader sense uberisation is an element of sharing economy. It consists in receiving income in return for sharing one’s fixed assets, free time, creativity and free financial resources. This term is used to refer to any activity within on-demand economy. It is defined as business micro-activity, which consists in

providing products or services when they are demanded by clients. Uberisation is an element of distributed networks of individuals and communities. Its aim is to blur the border between producers and consumers by promoting interaction between these groups through sharing space, online networks and P2P platforms. Rachel Botsman and R. Rogers (2011) claim that in contrast to centralised institutions, these groups are based on distributed power and trust within a community. Uberisation can be regarded as a form of non-standard employment, which is characterised by precariousness, unpredictability and discontinuity. In this context it is also characterised by the lack of control of one's work and its content, minimal autonomy of action or absence thereof as well as apparent control of working time.

The lack of definition of uberisation results in subjective descriptions and causes difficulties in long-term assessment. Opinions about Web portals and services depend on political approaches. Therefore, it is difficult to analyse them critically. When referring to work, this term is identified with the consequence of low earnings, limited social security, no workers' rights, limited rights which the worker would have in the case of collective employment. Altogether, this can be collectively summed up as low quality jobs.

Note that the differences between the sharing economy and uberisation are not obvious. The focus is primarily on the consumption method of goods or services rather than on what is consumed. The sharing economy could be assumed to be a broader term as it includes both income-generating activities (through paid rental or lease) and activities resulting from a shared use of goods. The objective of the latter is not to generate profits but to share the costs between people in direct contact with each other (these are peer economy, peer-production economy and peer-to-peer economy activities). Conversely, uberisation would be defined solely as activities taken to earn additional income. Therefore, it seems reasonable to ask about the relationship between uberisation and the sharing economy. However, this question is to be answered in next papers.

#### **4. Disruptive innovations**

The uberisation of economy and, in consequence, the uberisation of jobs is caused by disruptive technologies. This term was introduced by Clayton Christensen. He developed the theory of disruptive technologies by observing world giants. Christensen (2006) noted that disruptive innovations created new markets through the products and services which were worse from those available, especially in terms of the existing, predominant value for the client. Disruptive innovations concentrate on the creation of bilateral values (for the company and clients) by limiting the factors which intensify competition (Sus 2013). The development of innovations favours not only improvement in the production technology (Nurvala 2015; Prus, Mejszelis 2003), but it also creates changes in individual markets, including the labour market. Disruptive technologies boomed when the Internet

developed. There are remarkable examples, such as Uber, Airbnb, Blablacar, Handy and Wikipedia.

Disruptive innovations respond to the needs of clients searching for easier, faster and more effective ways to achieve one's needs. They result from the fact that people without big capital search for market niches and their position in the economy. Their advantage consists in considerable egalitarianism and wide availability to different social groups. These requirements made the trend particularly popular in the sector of services, especially among small businesses and microenterprises. However, it is noteworthy that the term 'uberisation' derives from one of the biggest start-ups rather than from small companies.

## **5. The influence of uberisation on the economy and labour market**

The development of services within the sharing economy poses numerous questions about its consequences and dangers, on the one hand, and about opportunities, on the other hand. Does uberisation bring more benefits or dangers to the market? The answer to these questions does not seem to be easy and to a certain extent it results from simplification of reality. Nevertheless, it is good to try to realise the consequences of uberisation.

It is interesting that entities of the sharing economy, such as Uber, Airbnb, Blablacar and Handy do not have real assets, do not produce anything or employ anybody. All assets are provided by users, which reduces the costs of operation of these services. Simultaneously, the state does not receive taxes. Only small fees are transferred abroad. It is not difficult to realise that reduced budget capacity will limit expenses on social needs and development of the state. K. Niklewicz (2016) notes that Uber symbolises the trend undermining economic security. In return for the sense of modernity and the illusion of lower prices clients receiving services from entities of the sharing economy reduce income of the state. Higher competition reduces prices and profits. Prices can be lowered only by cutting costs. As enterprises operating within the sharing economy do not pay taxes or they limit them to minimum amounts, they can reduce prices to a lower level. We cannot speak of fair competition here. Therefore, uberisation may cause a pressure to limit salaries in traditional enterprises.

As entities providing services within the sharing economy do not pay taxes, we can speak of a typical free-rider problem. Uber and Blablacar drivers do not pay any money to maintain the infrastructure, which they use in the same way as public transport companies and taxi corporations.

In the long run uberisation may decrease the number of jobs. The facade of modern business solutions endangers the job security of the people who abide by the rules of fair competition. There is simple logic – the development of uberised companies reduces employment in standard enterprises and causes higher unemployment. Higher unemployment results in unused human resources and

lower domestic demand. Lower demand limits consumption and causes the need to limit production in other sectors. It is a spiral mechanism.

As a result of uberisation, different services can be provided by anybody who has an adequate application in their telephone. On the one hand, this situation gives an opportunity of extra income for the people who do not satisfy their needs sufficiently. On the other hand, the service is not guaranteed and the job is precarious. Providing services whenever and however one likes involves the risk of job discontinuity and unpredictable income in the long perspective. Potential employers will concentrate on the will and ability to adjust to changes, the ability to create innovations, interdisciplinary character of skills and the possibility to adjust one's time to the task that needs to be done.

Changes in the labour market are inevitable and job security is becoming increasingly limited. Employment guaranteed by permanent employment contract is less and less common. We can assume that the percentage of employment does not reflect the situation in the labour market in a particular country. Nevertheless, it is an important determinant of job security in this market.

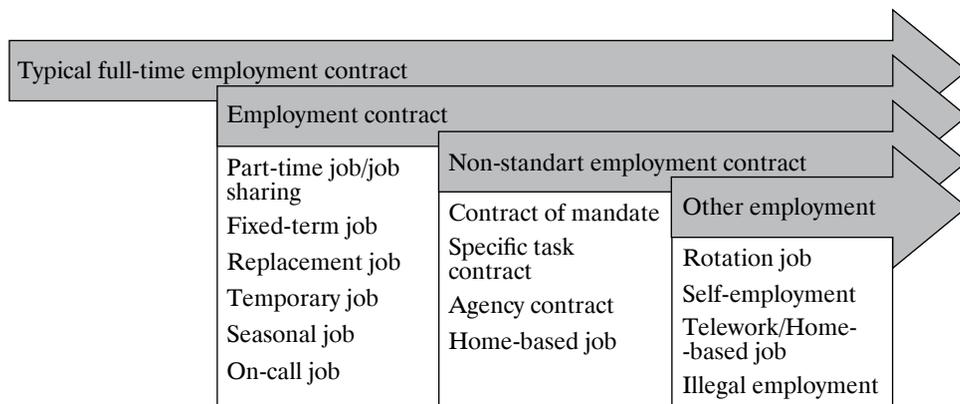
The uberisation of the economy increased the importance of flexible and atypical forms of employment, such as part-time, remote and temporary jobs. Continuous changes as well as the lack of employment stability and continuity reduce the chance for promotion. R. Sennet (2006) indicates that the world of work has changed from a hierarchical system into a system of loose networks. Instead of rising up through the ranks employees make horizontal movements. According to K.W. Frieske (2012), if an atypical job is precarious and it involves the loss of subjectivity and the awareness of unpredictability of one's situation, it cannot be regarded as a specific game with the employer in the job market, where there are possibilities of promotion, pay rise and permanent employment. According to the author, these are two opposing aspects of underemployment. Simultaneously, if contracts generate precariousness and the resulting unpredictability, they reduce security both in the individual and social sense. Therefore, associating a job with the risk it involves is not dangerous only when it becomes precarious and leads to the processes of marginalisation.

Employment insecurity also results from its increasing flexibility. The guarantee of a permanent employment contract becomes replaced by new forms of employment. It is necessary to note that atypical employment does not have a uniform character (Auriga 2003; Szylo-Skoczny 2014) and individual forms of organisation often cross semantic ranges. What joins them is the substandard character, which results in individuals' worse position on the market (Martens et al. 2007; Shen 2014). However, it is noteworthy that the range of precariousness resulting from individual forms of employment is diversified. Attempts to graduate the income guarantee without careful analysis of the job character are not very reliable. However, we can assume that part-time workers are characterised by relatively highest employment security, whereas on-call employment is the least secure. Among all forms of employment, illegal employment is characterised by the lowest income security. It is treated as a special case of substandard employ-

ment, which deprives workers of all rights. In view of the specific character of the labour market we assumed that employment contracts guaranteed greater income security than non-standard forms of employment (Fig. 3).

**Figure 3**

**The gradation of employment relations in the context of employment precariousness**



Source: Kalinowski (2015).

Flexible forms of employment have numerous advantages. They increase the competitiveness of enterprises as employers adjust production to the changing demand, create costs which favour employment and improve adjustment to the needs of the labour market. People who have been unemployed for a long time and those who have dysfunctions can choose their own occupational pathway at the beginning of their career, gain professional experience and competence and establish relations by working for many companies. Flexible forms of employment make it easier for workers to combine work and private life (including childcare) because they can adjust their working time and place of work. However, these forms of employment also cause precariousness, lower salaries and job insecurity. They limit people's opportunities to increase their own capital, have further training and be promoted. They reduce the chances of individuals in the labour market. Therefore, they can be regarded as inferior forms of employment. According to E. Kryńska (2001) flexible forms of employment may create a subpopulation of afflicted people, who are more endangered by negative consequences resulting from their position in the labour market than other groups of people.

Another consequence of uberisation is the limitation of long-term or permanent contracts. The need for continuous adjustment to new jobs may cause further disadvantaging of individuals and groups who cannot meet the requirements of the modern market. Permanent changes of the place of work and the requirement of constant adaptability may cause further precariousness. In the concept of psychological economics precariousness is treated both as a cause and effect of lower competitiveness, which results in social and economic exclusion. These phenomena lead to subordination and economic dependence on the employer

(Wiśniewski 2010). This subordination is also manifested by a shorter notice period or lack of bonus. The lack of permanent employment causes limitation of social packages.

The precariousness of the aforementioned forms of jobs is also caused by employment instability. Employees are exposed to greater stress due to more intense rivalry between co-workers. In consequence, it is more difficult for them to meet the requirements and expectations of the employer and labour market. Additionally, difficulties in the development of one's career are combined with limited possibilities of further training. They result in even greater precariousness, which leads to degradation due to lesser competence. In consequence, some people become unemployable.

Uberisation also causes monopolisation. Competition seems to be illusive when profit does not go to employees but to the company which created the application. Therefore, the repeated belief that these forms of activity increase competitiveness is not true. Low fixed costs combined with low prices eliminate competition. It is not difficult to imagine that a strong market participant will eliminate other competitors. This will result in limited competition and in the long run it may increase prices and cause difficulties for potential new market participants, who may not be able to compete. The development of IT and communication tools, which enable coordination of the company's operation from abroad, also favours monopolisation. Thus, monopolisation may result in the formation of not only domestic monopolies but above all, strong global brands.

The uberisation of the economy causes dispersion of work in time and space. In consequence of this situation the periods of work and rest are closely related. The lack of the sense of stability causes the loss of stability. Changing the character of one's work and the possibility of remote employment may increase the automation of production processes and it may result in the need to make the least useful employees redundant. Usually people with the lowest qualifications, who cannot handle complicated technologies, lose their jobs. Thus, uberisation may be harmful to disadvantaged groups. Some jobs with a low cost recovery rate will be completely marginalised or may be shifted to the informal employment zone. However, it is noteworthy that the liquidation of jobs will also cause the development of other jobs, whose character will be different. We need to answer the question whether all social groups will take advantage of new possibilities offered on the market. This situation may polarise society into the group that can make use of new solutions and the group that is unable to use them. In this context the problem of the working poor appears. E. Polak (2011) includes economically active people with low-paid jobs in this group. Their worse position is manifested by the fact that they have no privileges of the unemployed. However, their income is too low for decent living. The working poor have jobs which do not guarantee development, intensify the sense of social exclusion as well as social and economic instability (Herman 2014).

Uberisation causes the instrumentality and precariousness of jobs. However, these concepts are not identical. If some relational generalizations can be made,

then it can be assumed that precarity is an element of uberization, but it does not constitute collective sets. Precarity is a much broader term which refers to low-paid unstable jobs characterized by the lack of legal protection and the absence of career opportunities (and, therefore, the lack of professional identity). In this respect the aforementioned groups share the characteristics of other groups in the secondary segment of the labour market, e.g. freeters and people with precarious income.

Uberisation also results from the pursuit of profit maximisation. People are employed or their resources are only used without offering employment. This form guarantees maximal profits and simultaneously cuts costs and potential charges. Being without a job, a person only has an apparent choice of employment. The choice of this rather than another form of employment is caused by the need to make income in any way possible. It is a short-sighted approach, which makes people entangled in the spiral of uberisation. On the one hand, the self-degradation of one's employment to receive higher or any income limits one's employability. One's inexperience and skills which do not meet the employer's expectations reduce one's chance for traditional employment. In consequence of uberisation one's guarantee of employment is reduced.

As the importance of precarious forms is growing, whereas the individuals doing these jobs are characterised by relatively lower competitiveness and high risk of social exclusion, the disparity between income and expenses is increasing. The relatively worse situation in the labour market involves not only employment instability but also being pushed to the margin of the labour market. Long-term functioning in this form causes not only unemployability but also deprivation of adequate standards, attitudes and values which are necessary to function in the primary labour market (Poławski 2012).

There is a wide range of questions concerning the uberisation of the economy. Is it a real facility for a large group of consumers or a job trap? Will it result in new jobs? Will the creation of applications cause the development of new jobs, such as individual brand creators, professional tribers (freelance managers), freelance lecturers, experts on individual approach to life, operators of new, intelligent houses, temple chip operators, etc.? However, in order to make the potential for creation of new jobs it is necessary for business to cooperate with universities, where students should be trained for future jobs. This would reduce employment precariousness in the long perspective. It is also necessary to react to the market needs promptly and to create jobs and specialisations which will face the challenges of the new labour market.

## **Conclusions**

It is recommended to consider the uberisation of the economy and employment precarisation through the game theory. The choice of individual employment options (both by the employer and employee) depends on the possible result. The

result depends on the possibility to gain income and its relation to the conditions under which it is gained. It is a form of a non-zero sum game, usually with unilateral subordination, where the preference of choice depends on the possible satisfaction of individuals, on the one hand, and on the objective possibilities of a specific form of employment, on the other hand. If we follow the metaphor of a game, we can see that being pushed to the zone of precarious employment results from the fact that some people are ignorant of the rules of the game and lack the resources which would let them participate in it (insufficient human capital resources). The position of the employment contract, which used to be the most common form of employment for long years, has been systematically weakening. The increasing complexity and dynamism of the labour market results in the growing popularity of civil law contracts of employment or self-employment. Although an atypical form is often desirable, its flexibility is forced. In consequence, the uberisation of the economy leads to the emergence of two social groups – those who can take advantage of the situation and those who become marginalised and deprived of the opportunity to satisfy their needs.

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## EMPLOYMENT PRECARISATION IN THE CONTEMPORARY ECONOMY

### Abstract

The issue of employment insecurity in the perspective of economy uberisation was discussed in the paper. The paper is a contribution to discussion on growing employment insecurity and atypical, substandard forms of employment. It was underlined that growing importance of insecure employment forms, coupled with relatively lower competitiveness of individuals performing this kind of work, lead to a higher income and expenditure disparity and a rising scope of social exclusion. The basic aim of the paper was to indicate the changes occurring on the labour market, including increasing insecurity of employment. The paper defines challenges and threats resulting from uberisation of the economy and increasing employment precariousness.

**Keywords:** employment, employment precariousness, precariat, uberisation

**JEL:** I32, D81, J81, P46

## PREKARYZACJA ZATRUDNIENIA WE WSPÓŁCZESNEJ GOSPODARCE

### Streszczenie

Autor omawia problem niepewności pracy w perspektywie uberyzacji gospodarki. Artykuł stanowi przyczynek do dyskusji na tematy niezmiernie aktualne, takie jak rosnąca niepewność pracy i coraz większa obecność nietypowych, substandardowych form zatrudnienia. Zwrócono w nim uwagę na niebezpieczeństwo coraz większej liczby etatów substandardowych. Podkreślono, że rosnące znaczenie niepewnych form zatrudnienia, w połączeniu z relatywnie niższą konkurencyjnością jednostek wykonujących pracę tego rodzaju sprzyja coraz większemu dysparytetowi dochodów i wydatków oraz rozszerza-

niu się zakresu wykluczenia społecznego. Podstawowym celem artykułu było wskazanie na zmiany zachodzące na rynku pracy, w tym rosnącą niepewność zatrudnienia. Artykuł omawia również wyzwania i zagrożenia wynikające z uberyzacji gospodarki i coraz większej liczby prekaryjnych miejsc pracy.

**Słowa kluczowe:** zatrudnienie, prekaryzacja, uberyzacja

**JEL:** I32, D81, J81, P46

## ПРЕКАРИЗАЦИЯ ЗАНЯТОСТИ В СОВРЕМЕННОЙ ЭКОНОМИКЕ

### Резюме

Автор обсуждает проблему нестабильности трудоустройства в перспективе убериизации экономики. Эта статья – голос в дискуссии на исключительно важные темы, такие как растущая нестабильность трудоустройства и все большее распространение нетипичных, субстандартных форм занятости. Автор говорит об опасности все большего количества субстандартных условий трудоустройства. Было также подчеркнуто, что растущее значение нестабильных форм занятости при одновременной более низкой конкурентоспособностью единиц, выполняющих такого рода работу, способствует все большему диспаритету доходов и расходов, а также расширению диапазона социальной маргинализации. Основная цель статьи – указать на изменения, происходящие на рынке труда, в том числе на растущую неуверенность работников относительно занятости. В статье обсуждаются также вызовы и угрозы, вытекающие из убериизации экономики и все большего количества прекариатных рабочих мест.

**Ключевые слова:** занятость, прекаризация, убериизация

**JEL:** I32, D81, J81, P46