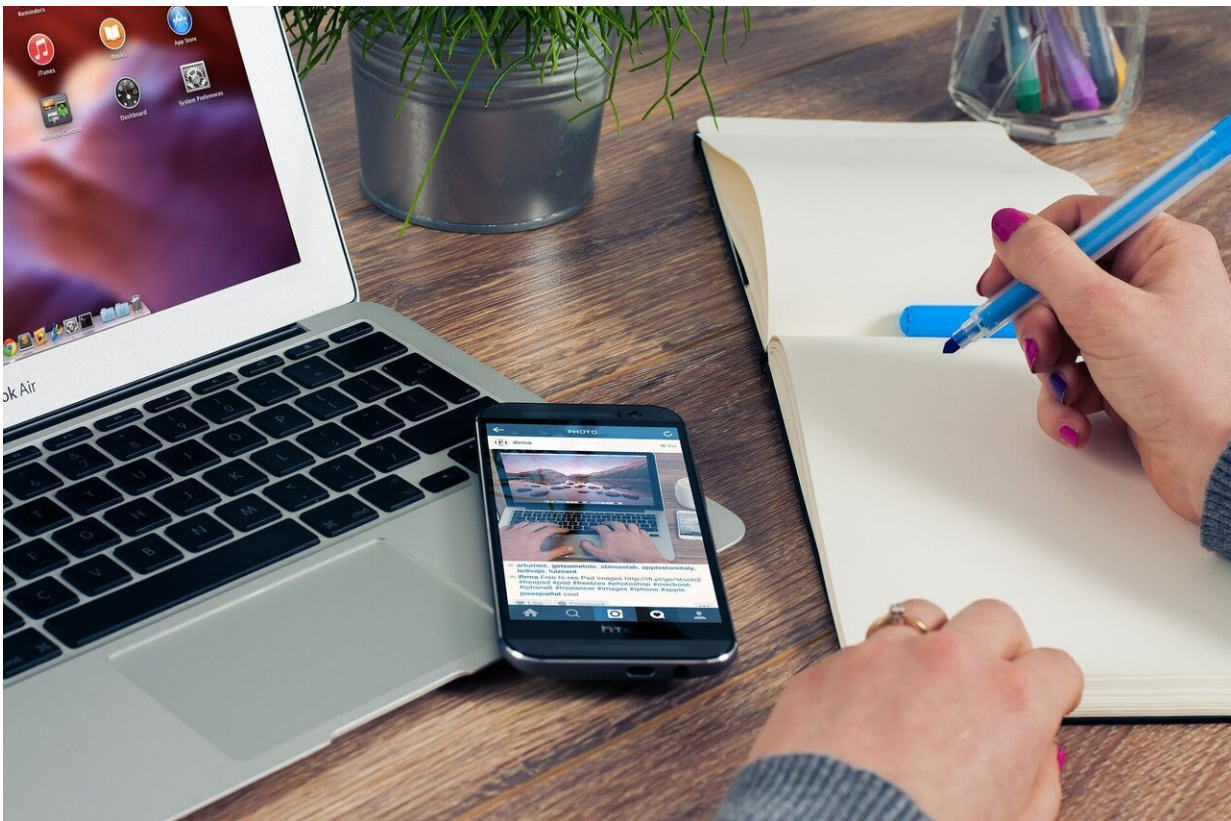


# Many Europeans relatively unhappy with their employment status

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Temporary or informally employed people are less satisfied with their lives than those with a permanent job. The most apparent differences can be seen in countries with strict labour laws. Tatiana Karabchuk and

Natalia Soboleva from HSE University investigated the legislative impact on the social well-being of employed populations in European countries and Russia.

## Limitations and Dependence

In Europe, 72% of people with a permanent job contract evaluate their job as 'stable.' This opinion appears less among those who are temporarily and informally employed: 56% and 44%, respectively.

The stability criterion is not the only difference. Temporary/informal workers usually receive a smaller salary, as well as have limited career growth. Furthermore, they find it hard to access [social care](#) and mention [social isolation](#) as happening more often, along with a lack of social mobility.

All of these factors impact subjective well-being (SWB), i.e., moods, emotions, self-assessment of happiness levels and satisfaction with one's own life.

The share of temporarily and informally employed people is largely determined by employment protection legislation (EPL) in a given country. It can be more or less strict, and thus impact workers' SWB.

The HSE researchers tracked this correlation relying on data from the European Social Survey (ESS), which was conducted in 27 countries in 2004 and 2010. The ESS is held regularly, but only these two waves included a special module with detailed questions about employment characteristics, which are necessary for this particular analysis.

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## **Extremes of Well-Being**

Average national levels of subjective well-being were measured based on the total index of life satisfaction indicators (responses to the "Are you satisfied with your life?" question) and the level of happiness (the "How happy are you?" question).

The worst levels of subjective well-being in 2010 were observed in Greece: 5.82 on a 0 to 10 scale. It was followed by Russia (5.88), Hungary (6.14), Portugal (6.24), and the Czech Republic (6.45).

The countries with maximum indicators were Denmark (8.31), Switzerland (8.1), Norway (7.97), Finland (7.95), and Sweden (7.91).

The levels of subjective well-being among permanently employed in 27 countries varies from 5.67 in Hungary to 8.06 in Switzerland.

Comparison by types of employment demonstrated the following:

- temporary employment, as compared to permanent work, reduces individual SWB by 0.186 points;
- informal employment reduces SWB by 0.096 points.

Such employees are less happy and less satisfied with their lives, the study's authors concluded. The next question concerns the dependence of subjective well-being from EPL.

## **From Strictness to Liberalism**

The level of EPL strictness was calculated using two indicators:

EPL dismissals—laws related to dismissals of permanent employees: notifications, dismissal packages, etc.;

EPL temps—regulation of temporary employment: use of temporary contracts, terms, types of jobs etc.

The lowest levels of EPL (almost no limitations on dismissals, [temporary employment](#) is poorly regulated etc) were observed in Great Britain, Ireland, Iceland, Sweden, Estonia, and Israel.

The highest levels of EPL dismissals were in Portugal, the Czech Republic, the Netherlands, Germany, Greece, and Russia; EPL temps were popular in France, Turkey, Luxembourg, Spain, and Poland.

## **The Stricter the Worse**

Strict employment protection has driven an increase in the numbers of temporary and informal workers. Employers are more willing to hire them, since it is costly to have permanent employees, as well as hard to dismiss them.

In such countries, the total number of vacancies is very limited: unemployed people and recent graduates face great difficulties in finding a job. Unemployment often turns out to be long. The share of temporarily employed is high, which creates instability on the labour market.

In countries with more liberal EPL, the need for temporary contracts or 'shadow' schemes goes down, and it is easier for dismissed workers to find a new job.

"The possibility of losing a job does not seem so horrible; the boundaries between attitudes to temporary and permanent employment blur, since

no one is guaranteed from being fired. At the same time, they can find a new job quickly and painlessly," the researchers say. Their hypothesis is as follows:

The stricter the labour legislation, the stronger the polarization of SWB between permanent and temporary/informal workers.

## **Risk Employment**

The hypothesis has confirmed:

In countries with strongly regulated job markets, happiness and life satisfaction among temporary employed people and workers without contracts decrease by 0.295 - 0.385 points, accordingly.

In countries with low EPL levels, there is no significant difference in the SWBs of permanent and temporary/informal employees.

The effects for males and females, as well as for people with and without a degree, were also assessed:

Women tend to feel the impact at a deeper level. Non-contracted work under strict legislation strongly and negatively correlates with their subjective well-being, which decreases by 0.737 points as compared with those with stable official [employment](#).

Workers without a degree have the highest risks of reduced happiness and SWB due to temporary or informal contracts: their SWB falls by 0.316 - 0.455 points, accordingly. Bearing in mind that that up to 45% of European population has a university degree, this puts more than half of Europe's labour force at risk.

**More information:** Tatiana Karabchuk et al, Temporary Employment,

Informal Work and Subjective Well-Being Across Europe: Does Labor Legislation Matter?, *Journal of Happiness Studies* (2019). [DOI: 10.1007/s10902-019-00152-4](https://doi.org/10.1007/s10902-019-00152-4)

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