

- Oyen, E. (2005). *The Polyscopic landscape of Poverty*. Research Council of Norway Bergen, Norway.
- Pinkston, T. S., & Carroll, A. B. (1994). Corporate citizenship perspectives and foreign direct investment in the US'. *Journal of Business Ethics*, 13(3), 157–169.
- Prahalad, C. K. (2006). *The Fortune at the bottom of the pyramid*. Pearson: Prentice Hall.
- Prieto-Carron, M., Lund-Thomsen, P., Chan, A., Muro, A. N. A., & Bhushan, C. (2006). Critical perspectives on CSR and development: What we know, what we don't know, and what we need to know. *International Affairs*, 82(5), 977–987.
- RISC (Reading International Solidarity Centre). (2004). Retrieved from www.risc.org.uk/readingroom/csr_poverty.pdf
- Rohregger, B. (2006). Corporate social responsibility and poverty reduction- KEF fact sheet 4/06, Austrian Academy of Sciences.
- Sowell, T. (1994). *Race and culture*. New York: Basic Books.
- The Economist. The World according to CSR, 22nd of January, 2005, 374(8410).
- Todaro, M. P. (1981). *Economic development in the third world*. New York: Longman.
- UN (United Nations). (2006). *Millennium development goals report 2006*. Brussels: United Nations.
- UN (United Nations) Development Programme. (2007). <http://un.intnet.mu/undp/html/mauritius/cdpmru.htm>
- United Nations Children's Fund/World Health Organisation. 2009. Diarrhoea: Why children are still dying and what can be done.
- Utting, P. (2007). CSR and equality. *Third World Quarterly*, 28(4), 697–712.
- Visser, W. (2007). Corporate social responsibility in developing countries. Retrieved from http://www.waynevisser.com/chapter_wvisser_csr_dev_countries.pdf
- WEF. (2005). Building on the monterrey consensus: The growing role of Public Private partnerships in mobilizing resources for development. United Nations High level Plenary Meeting on Financing for Development, September, Geneva, p. 5.

Poverty Alleviation

- ▶ [Corporate Governance as a Tool for Alleviating Developmental Issues](#)

Poverty and Social Sustainability

- ▶ [Poverty](#)

PPP – Pro-poor Partnerships

- ▶ [Inclusive Business](#)

Practices and Applications of

- ▶ [Confucian Ethics](#)

Practices and Applications of Altruistic Moral Teachings

- ▶ [Altruistic CSR](#)

Practices and Applications of Blue Ocean Strategy

- ▶ [Blue Ocean Strategy and CSR](#)

Practices and Applications of Christian Moral Teachings, Christian Business Ethics

- ▶ [Christianity and CSR](#)

Precarious Work: Agenda and Implications for CSR

Doris Hanappi
 Swiss National Center of Competence in Research (NCCR LIVES), University of Lausanne, University of Geneva, Lausanne, Switzerland

Synonyms

Insecure; Unsecured and unstable work;
 Vulnerable form of work

Definition

Precarious work, in contrast to regular, permanent wage work, is commonly associated to insecure and unstable, and often poor quality jobs. The concept of precarious work relates either to a socioeconomic group which allows one to refer it to a “*class in itself*,” or as – pursued more recently – to the *precarization process* which results in a growing fragmentation of societal structures. Common to both conceptions is that they refer to the exposition of workers to employment instability, limited access to legal and union protection, socially irresponsible and discriminating employment practices, and social and economic vulnerability in general.

Thinking of work precariousness as a multidimensional construct it is characterized, first, by a low degree of certainty of continuing work, which refers to the shorter time horizon, the irregularity, and the higher risk of job loss. Second, it is associated with a lack of control over work, in other words, workers and employees are more precarious the less they can control working conditions or the process and content of work. The third dimension refers to protection, for instance, through collective organization or through customary practice against discrimination, unacceptable working practices, or unfair dismissal, but also to social protection such as access to social security benefits covering health, pensions, or unemployment insurance. Fourth, it relates to the financial situation in terms of income often associated with poverty.

It is not the existence of one sole aspect, which makes up precarious work, but most commonly a combination of these factors. Such socioeconomic groups in precarious jobs operate as a functional class being part of the economic system. They are not excluded since they are attributed an economic role in the production system. However, what distinguishes them from other groups are two fundamental aspects: The lack of social memory and occupational identity that would raise any moral commitment to a professional group, and the impossibility to build any relations on future reciprocity, since

there is no stronger binding effect of continued occupational relations.

Apart from this perspective, precariousness also represents a danger to the core of society, the elites, and some still relatively well-integrated parts of the wage-earning society. As globalization proceeds, precarization enters also those well-protected groups, the core staff of enterprises and other organizations. The core staff feels the pressure of competitive “atypical workers,” and is thus more inclined to make concessions to maintain its contractual arrangements, and therefore, loses bargaining power. In such a reading, the precarious groups are victims and threats at the same time. For enterprises and organizations, the most notable consequences are that of an erosion of employees’ occupational identity and commitment to the firm. This is argued to result in weaker motivation to adhere to the corporate code of conduct, and in a rise in costs due to increased levels of chronic strain caused by the need to perform often multiple tasks in a flexible manner.

Introduction

In most advanced Western societies, market flexibilization became the organizing principle of managing the employment relationship. At the same time, the notion of precariousness began its ascent in the public debate (Castel and Dörre 2009). It was formerly applied by legislation and social administration, and only later it became a common term pointing to the increased risk and uncertainty associated with the changing employment relationship. The crisis of wage labor has been exacerbated by correspondingly declining wage labor stability. Since then, European scholars have extended the precariousness discourse from the narrow term of a residual phenomenon almost exclusively linked to poverty, employment, and exclusion (e.g., *Unsicherheit des Arbeitsverhältnisses*, *précarité* to refer to precarious employment situations [Formes particulières d’emploi, FPEs], or flexibility), and speak of zones of precariousness (Castel 2003). In the last decade, scholars went one step

further and argued in favor of a generalization of the term as social background present everywhere in society (Boltanski et al. 2007).

Employment instability and uncertainty have become more pervasive in the light of rising unemployment, job insecurity, and changing skill requirements (Gallie and Paugam 2000; Anxo et al. 2007). On average, atypical forms of employment such as limited duration, temporary contracts, work on call, and part-time work have increased significantly with respect to the number of standard employment contracts; the rises in unemployment reflect substantial losses of employment among youth, lower skilled, and older people (European Commission 2010); the proportion of part-time and temporary contracts among these groups has increased disproportionately.

People in precarious jobs often share many sociodemographic and economic characteristics with the unemployed groups: lower credentials and income, women, a migrant background, non-white, denizens (persons who are not full citizens). Most notably, the growth in overall labor force participation has been due to female part-time work in less protected sectors of the economy and due to the entry of younger cohorts into the labor market. Since empirical evidence suggests that these atypical work arrangements among the low-skilled, women, and migrants can be as problematic as traditional forms of unemployment for human and also corporate sustainable development, some of the key concerns will be pointed out in the subsequent section.

Key Issues

There are a number of reasons why CSR researchers, policy makers, and social scientists should be concerned about the growing prevalence of precarious work. Without the attempt of being exhaustive, four key issues related to precarious work will be discussed here which have also entered the international agenda (e.g., ILO-ACTRAV, WHO): (a) its association with well-being and health, (b) its relation with

poverty and effects on power, (c) its link to worker's rights and the role of CSR in enhancing socially responsible business leadership for sustainable human development, and (d) the gender dimension of precariousness.

The academic interest in the last decade has focused on the study of precarious work and its association with *well-being* and *adverse health outcomes* (Benach and Muntaner 2007). Most research looked at flexible work arrangements and perceived employment insecurity, which is defined as the discrepancy between the level of employment security a person experiences and the level he/she might think is appropriate or which he/she prefers. Several studies of self-reported employment insecurity (e.g., after plant closings) showed evidence for significant adverse effects on self-reported physical and mental health, and self-reported morbidity. These findings indicate that precarious work might act as a chronic stressor, which constitutes a substantial cost to enterprises and society as a whole. However, there are variations in the effects of precariousness to different population groups: One has to distinguish between substantial forms of precariousness concerning young labor market entrants (in the literature called "transitory precariousness") and the unskilled, from those "avantgardist" subgroups of the population that work in nonstandard work arrangements (e.g., as consultants, self-employed), are high skilled, and earn above average incomes. The latter group is significantly better prepared to cope with the flexibility pressures exerted on them.

This leads us to the second key issue, its associations with *poverty* and *power*. These aspects may be discussed as stand-alone issues, if one were not to argue from a resource-based perspective. Precarious work becomes problematic when individuals cannot anymore cope with the level of uncertainty irrespective of whether they try hard (e.g., working poor), paralleled by the inability of a society to maintain the overall level of well-being of its people. In such a case, individuals lack fundamental resources such as income that make them resilient to increased market pressures against which society is unable to securitize. Anomie accompanied by a feeling

of passivity originating from despair emerges and destabilizes social cohesion at societal level.

Such turbulence affects organizations from inside and outside: From inside, previously stable groups making up the core in the organization (elites) are afraid to lose what they regard as their privilege – their permanent positions and the status attached to them. Once they fear to become precarious themselves, e.g., being transferred to a position below one's qualifications or being laid off, they are susceptible, vulnerable, and lose bargaining power toward the very few business leaders at the top of the organization. In other words, the core gets weakened, but not the top leadership. From outside, precarious employees complement the core staff, and are directly subject to the fluctuations of supply and demand. They are usually a welcome buffer for organizations – an external flexibility – in times of crises since they play a supporting role in coping with versatile markets. They also function ultimately as a kind of “sieve” socializing employees, some of whom will later be integrated in a stable way. This relationship creates an, all but marginal, systematic “paradox” between the well-integrated and the precarious groups. Main consequence is an increasing competition and thus competitiveness of corporations in the short run, but one that corrodes the basis for a sustainable corporate development in the long run. Corrosion may take the form of overusing resources (mental and physical health of employees), constraining the bargaining power by threatening people's occupational legitimacy, which finally creates an environment of dismantling *worker's* and *employee's* rights.

In this context, what can be the role of corporate social responsibility? There is a general call for CSR to supplement rather than replace labor law, employment protection and collective bargaining. Multi-stakeholder codes of conduct which involve companies, unions, human rights groups, and communitarian organizations are debated as concerns their provisions in monitoring, verification, and certification of firms and factories, and their potential to reinforce mechanisms of compliance and transparency (Compa 2008). CSR can function as a backstop when

national governments fail at adopting and enforcing national and international labor standards or when “external” codes of conduct such as that of the ILO and the OECD have little impact at organizational level.

Apart from intervention measures in the form of internal codes of conduct, organizations may also implement diversity management in order to actively include the disadvantaged granting them access to decent work. In organizations, the *gender dimension* is most prominent in this respect, even though ethnicity is at least as relevant. The economic crisis has affected these groups more than others even if this is not well reflected in official statistics (e.g., unpaid care activities performed by migrant women). Whether cause or effect, women's growing labor force participation has coincided with the rise in precarious work. Women have been disproportionately more likely to have fixed-term contracts or other nonstandard contract types. It is mostly women, who work in low-quality jobs that constrain upward mobility and prevent them from qualifying for alternative positions. In this respect, job dependency and financial vulnerability make their present and future insecure. In advanced Western societies, women very often enter the tertiary sector where union protection is traditionally weaker than in the industry. Moreover, women are underrepresented at all levels of economic decision making and overrepresented in low-earning informal forms of employment. In organization studies, research has found evidence that, even though some women made it into the boards of big companies, they often occupy positions regarded as less advantageous, powerful, or prestigious.

Global estimates of the ILO show that global female unemployment rate increased slightly more than the male rate in the last decade. Although these data suggest less impact of the economic crises on women, these data have to be interpreted against the background of an increased influx of women into the workforce, especially into low-earning and precarious forms of employment that did not grant them access to the full range of rights. Vulnerable female work such as own account work and

contributing family work is prevalent in many developed and developing countries. Occupational segregation and the gender wage gap (i.e., in many advanced Western societies women still earn one third less than their male compatriots) in addition to low-quality part-time work opportunities aggravate gender-specific effects of precarious work. Such gender differentials lead to what has been called the “triple burden,” the expectancy that women do most of the care work for children and the “home,” which also includes care for the elderly, and struggle also against discriminatory and depriving practices of companies and organizations (Standing 2011).

Future Directions

Future directions of research can either take the form of filling research gaps, or that of uncovering novel avenues for future research activities. At policy level, we may think of future policies that aim at socially responsible organizational practices.

Let us start by filling the gaps and recall the argument on well-being outcomes. Despite much research on subjective forms of coping with precarious work and other perceptions of the psychosocial work environment, knowledge on the structural impact of new employment relationships is rather limited. One reason for such unidimensional treatment is the current predominance of epidemiological research, while sociological and socioeconomic analysis – apart from a few studies (e.g., in economics on happiness and satisfaction) – is still rare.

As concerns, in particular the aspect of power, but equally health, the limitations of the approaches mentioned above highlight also the need to develop conceptual alternatives based on the social structure of the organization of work. One valuable alternative relates to an account for regulations that support the “standard employment relationship.” At policy level, such regulations should aim at assuring social equity, more precisely reducing discrimination and gender-based wage differentials, and equality in the form of reducing structural inequalities. This is

relevant in so far as most developed countries undergo major demographic transformations and population aging will reduce the potential of the active working population to secure health and pension systems, in other words to meet the generational contract which is – as it has been designed – based on the ability of the population to replace itself. The more polarized nations are, in terms of, e.g., inegalitarian social policy, the more they will struggle to mitigate the political and social risks of economic crises. These risks will be transferred mainly to the individual who has to cope with its consequences in the form of increased work stress, job insecurity, public service cuts, and reduced consumer power which feeds back into corporate benefit systems and performance outcomes.

Precariousness implies that workers operate under different power relationships, with limited rights at work and unequal access to and control of some primary assets. One of these assets is *economic security*, which the precarious try to attain by undergoing constant evaluation and qualification tests, either to enter an organization or to advance in the internal hierarchy. At policy level, a core proposal has been that of a basic income for every legal resident of a country or community that is sufficient to securitize basic needs. For organizations, it may mean to grant employees a minimum of employment and job security. Such *ex-ante* security, it is argued, diminishes stress and affects the developments of capacities and personal resilience, i.e., the ability to cope with critical life events and transitions. A resilient workforce therefore contributes to a sustainable long-term corporate development. A second crucial factor is *control over time*. Two aspects, which have appeared in the literature, are time quantum and continuity. Declining returns to labor induce people to work more and longer hours, spend more time on work-for-labor (e.g., administrative issues of households) and reproduction (e.g., child care) both of which the precarious people cannot delegate. The second aspect is continuity of time, which has become increasingly important in modern societies that are characterized by discontinuous time regimes. Organizations shrink their core staff

risking a so-called brain drain toward outsourced partners, and employees see their career tracks destabilized and erratic that lower their future prospects to pursue their own career aspirations (Hanappi 2007) and their overall commitment to the firm.

From different configurations of those primary assets precarious work can be analytically considered as being located on a *continuum*, with the standard employment relationship (full-time, year-round, unlimited duration, unrestricted access to rights) at the one end, and a high level of precariousness on the other. Historically, most developing countries were heavily concerned and the international agendas often linked it directly with poverty. In postindustrial societies, however, larger parts of society are confronted with precarious work arrangements leading to social and material deprivation. These dynamics do also spill over to other life spheres, and affect family members and dependants. Such *spillover effects* take, for instance, the form of higher rates of union dissolution and divorce. Indeed, the study of precariousness and its effects on different spheres of life is still in its infancy, as is the conceptualization of its basic dimensions. This requires detailed studies to be conducted. At national level, it requires the inclusion of minority populations into longitudinal surveys. For firms and organizations, this implies collecting quality data on objective and structural social factors related to the internal organization of work and also mental and physical health information. Organizations can actually turn into sites where data on multiple dimensions of precariousness concerning different types of workers can be obtained.

Cross-References

- ▶ Corporate Codes of Conduct
- ▶ Corporate Social Entrepreneurship
- ▶ Corporate Social Responsibility
- ▶ CSR Index
- ▶ Decent Work
- ▶ Definitions of Social Responsibility
- ▶ Diversity

- ▶ Ethical CSR
- ▶ Socially Responsible Enterprise Restructuring

References and Readings

- Anxo, D., Fagan, C., Cebrian, I., & Moreno, G. (2007). Patterns of labour market integration in Europe – a life course perspective on time policies. *Socio-Economic Review*, 5, 233–260.
- Benach, J., & Muntaner, C. (2007). Precarious employment and health: Developing a research agenda. *Journal of Epidemiological Community Health*, 61, 276–277.
- Boltanski, L., Chiapello, E., & Elliott, G. (2007). *The new spirit of capitalism*. London: Verso.
- Castel, R. (2003). *From manual workers to wage laborers. Transformation of the social question*. New Brunswick (U.S.A)/London (U.K.): Transaction Publishers.
- Castel, R., & Dörre, K. (Eds.). (2009). *Prekarität, Abstieg, Ausgrenzung*. Frankfurt/New York: Campus.
- Compa, L. (2008). *Corporate social responsibility and worker's rights* [Electronic version]. *Comparative Labor Law and Policy Journal*, 30(1), 1–10. <http://digitalcommons.ilr.cornell.edu/articles/183/>. Accessed July 2012
- European Commission. (2010). *Demography report 2010*. Luxembourg: Directorate-General for Employment, Social Affairs and Inclusion, EUROSTAT, the Statistical Office of the European Union.
- Gallie, D., & Paugam, S. (2000). *Welfare regimes and the experience of unemployment in Europe*. United States: Oxford University Press.
- Hanappi, D. (2007). *Early careers of managers and young professionals: An integrative approach to contemporary careers*. Munich: Rainer Hampp.
- Paugam, S. (1995). The spiral of precariousness: a multidimensional approach to the process of social disqualification in France. In G. Room (Ed.), *Beyond the threshold. The measurement and analysis of social exclusion* (pp. 49–79). Bristol: Policy Press.
- Standing, G. (2011). *The precariat: The new dangerous class*. London: Bloomsbury.

Preferential Hiring

- ▶ Affirmative Action

Prejudice Against the Old

- ▶ Ageism