

Unemployment isn't anymore what it used to be. Questioning the codification of unemployment

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Séminaire *L'avenir du travail peut-il ressembler à son passé ?*
Université de Liège, 21 mars 2019

Social integration and economic well-being entail increasingly more participation in productive activities, in other words, working. Nevertheless, economic participation takes different forms according to the degrees of individual protection, from formal jobs (be it wage-earning or self-employed) to the most brutal forms of exploitation (slavery, illegal activities). Meanwhile job deprivation is also increasing. And it is obvious that joblessness is currently associated with various forms of employment and more broadly of work (Lefresne, 2008). Therefore, it is relevant to pay attention to the boundaries of unemployment and its connections with employment, work and inactivity. These boundaries are increasingly blurred, since employment deprivation can take a variety of forms at times codified at times imprecise: that of an officially recognized unemployment, sometimes with benefits; that of an aspiration to work more; that of an assembly of job search and more or less informal activities; that of an inoccupation characterized by discouragement and giving up the job search; that of a more or less pronounced withdrawal towards professional inactivity; that of a resourcefulness marked by the flow of heterogeneous activities; that of an exclusion from the sphere of production and economic exchanges, etc. As a result two main aspects deserve close attention: on one hand, the measurement of unemployment levels; on the other hand, the varying nature of unemployment given its blurred and changing frontiers under different contexts of social statuses codification.

1. Measuring the level of unemployment around the world

Researchers in economics and sociology have proposed multiple concepts in order to characterize the margins of unemployment: they evoke a disguised or hidden or latent unemployment; they identify discouraged unemployed, or passive, or permanent; and they describe underemployment, precariousness, and exclusion (Boland, Griffin, 2015). Unemployment is nevertheless measured by a standard method, convenient to compare national macroeconomic performances.

The ILO's concept of unemployment combines three criteria that draw clear boundaries for unemployment: having not perform any work even one hour during the previous week; willing to start immediately if offered a suitable job; searching actively for work. This concept is restrictive since the individual who has worked for a very short period, or has not truly and concretely sought for a job, or has a constraint that makes him temporarily unavailable (illness, child care, etc.) is excluded from the scope of unemployment. Nevertheless this definition has become a worldwide standard. According to ILO, the number of unemployed worldwide in 2014 is estimated to 201.300.000 people, that is a rate of 5.9% (ILO, 2015). More precisely, it appears firstly as an evil specific to Europe (10.2% in 2014), North Africa (12.5%) and the Middle East (11%), whereas other regions in the world are relatively spared such as Asia (3.9% to 4.6% depending on sub-regions) and to a lesser extent the G20 countries, more precisely the emerging economies within the G20 (5%).

Table 1. Unemployment Rates

Regions of the World	Unemployment Rate in 2007	Unemployment Rate in 2014
World Average	5.5	5.9
G20 Economies	5.0	5.6
European Union	7.2	10.2
Central and Eastern Europe	8.2	7.7
Middle East	10.2	11.0
North Africa	11.4	12.5
Sub-Saharan Africa	7.8	7.7
Latin America and the Caribbean	6.9	6.6
East Asia	3.8	4.6
Southeast Asia and the Pacific	5.5	4.3
South Asia	4.0	3.9

Source: ILO 2015

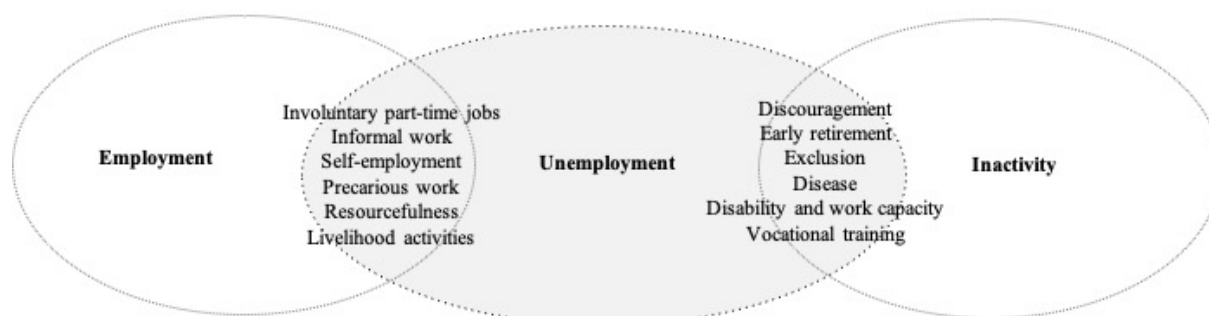
At the country level, the differences between the unemployment rates are further accentuated. Even within relatively integrated regions such as the euro zone, these differences are strong since, in 2014, the unemployment rate stood at 5% in Germany and 26.6% in Greece (OECD, 2015).

In fact, the ILO definition has never captured precisely labor market dynamics in less developed countries where a large part of employment has remained informal and unofficial: in those cases, it would be more accurate to register people who are unable to obtain any paid work or who have a job that pays less than a living wage (MacInnes et al., 2013). Even for developed countries, the ILO concept now appears insufficient. It was most fit-for-purpose during the period that began after the Second World War and ended when the current definition was adopted in 1982, that is before the diversification of the employment forms.

2. Heterogeneities and boundaries of unemployment

The boundaries between unemployment, employment and inactivity are defined differently according to societies. Employment may be (more or less) codified or informal, stable or precarious, salaried or self. Inactivity can be organized by (more or less inclusive) public policies in the domains of schooling, retirement, social security, disability, support to family, to women's work, etc. In this way, unemployment is modified, as it is more or less framed by policies, protected by specific benefits, recognized by people. In sum, its boundaries are vague and fluctuating, as shown in figure 1.

Figure 1: The Boundaries of unemployment



The intermediate situations between unemployment on the one hand, and employment or inactivity on the other hand, are multiple and concern different volumes of population in

accordance with countries. Two typical and polar configurations can be proposed as to organize this range of possibilities:

- Firstly, the social configurations characterized by a strong codification of the statuses concerning work and non-work: work is a formal wage employment, unemployment is a job deprivation compensated and framed by public policies, inactivity is a set of situations potentially supported by social protection. In this case, despite the heterogeneity of welfare regimes, societies at least aim to protect the unemployed against social marginalization and poverty (Ganssmann, 2000).
- Secondly, the social configuration characterized by a weak regulation of statuses encompassing all situations, in and out the labor market: work is informal and unofficial, unemployment means a lack of paid work and is weakly differentiated, and inactivity means the absence of social protection. In such contexts the individuals have the responsibility to mobilize their available social resources to deal with the lack of work and to avoid the more exacerbated forms of exclusion (Demazière et al., 2013).

These two configurations are to be considered as describing ideal-types: weak regulation persists for significant segments of workers and even tends to grow up during the job crisis in developed countries, and workers rights have been improving in some less developed countries and there have been places where expansion of formal jobs occurred under new flexible employment relations. Each country combines the two polar configurations in very disparate proportions.

3. Exploring boundaries under strong codification of social statuses

Unemployment reached its highest level since WWII in the countries where formal employment prevails: 8.4% in 2010 in OECD countries, and still 7,1% in 2015. The unemployment rise has varied according to countries, but it has reached unknown levels overall. Besides, the contemporary unemployment is heterogeneous and is not reduced to its official definition.

Unemployment and risks of exclusion

In order to better understand the heterogeneity of contemporary unemployment we must consider recent employment alterations. Part-time work has expanded, reaching 16.7% of total employment in 2014 within OECD, and 38.5% in the Netherlands or 26.9% in Switzerland. Likewise, temporary employment represents 11.1% of total employment, with 28.4% in Poland and 24% in Spain. Despite the lack of accurate statistics, we know that self-employment, autonomous and yet subordinated to a decision-maker or a client, also increased. These atypical employment statuses combine with unemployment in checkered careers. Thus, more people are underemployed, in the sense that they have a job and they want to work more. While this phenomenon has not been systematically estimated, we do have strong data for involuntary part-time employment (part-time workers who wish to work full-time): it accounted for 4.1% of total employment within OECD in 2014, and 21% of total part-time employment. Getting such kinds of jobs does not mean coming out unemployment.

In parallel, we observe an unprecedented growth in the duration of unemployment. In 2014, long-term unemployment (a period of twelve months or more) represented 50% of unemployment in the European Union against 38.5% five years earlier (ILO, 2015). Here again, regional differences are strong: Greece (73% of the unemployed), Portugal and Italy (over 60%), Spain and Poland (over 53%), as well as France and Germany (over 43%). It is associated with a decline of the employability, defined as the probability of obtaining a job (Koen et al., 2013) as the unemployment queue operates through an inverted model: newcomers are the first

outgoing. Moreover, long-term unemployment often leads to exclusion and marginalization (Gallie, 2004). In broader terms, unemployment is associated with a high risk of poverty and social exclusion (because of lack or exhaustion of unemployment benefits). According to Eurostat, the risk of poverty in the EU was 16.6% for adults (15 or older) in 2013 and 46.6% for those in unemployment. In addition, almost a quarter of these are exposed to risks of poverty and social exclusion (ILO, 2015: 36). Unemployment is also concentrated in the lower tercile of the wage distribution: within this tercile, 14 of 120 observed months have been spent in unemployment, while this period drops to 2 or 1 month for the two upper terciles (OECD, 2015: 204s). Insofar, as unemployment concentrates itself at the lower end of the income distribution, benefits for the unemployed have a direct effect on reducing poverty risks. However, they have little effect in reducing inequality because their values tend to be modest: such benefits differ by country but the general tendency is turned toward the conditionality of benefits and reinforcement of control of job search efforts (Clasen & Clegg, 2006).

Inequalities regarding labor precariousness

The risks of unemployment, long-term unemployment, economic precariousness, and social exclusion are very unevenly distributed. Some population groups are more vulnerable to unemployment, poor quality jobs, and labor market difficulties. Despite variations between countries, these groups tend to be women, immigrants and their descendants, unskilled or low-skilled individuals and some age groups. If international statistics on the matter are still scarce, some findings seem already well established (Table 2).

Table 2. Indicators of Professional Precariousness by Socio-Demographic Categories

	Unemployment Rate	Proportion of Long Term Unemployment	Frequency of Seniority of less than 12 Months in total Employment
Low Level of Education	13,5%	*	*
Medium Level of Education	8,0%	*	*
High Level of Education	5,3%	*	*
Age group 15-24	15,0%	24,8%	48,7%
Age group 25-54	6,7%	38,5%	14,7%
Age group 55 ans	5,2%	44,2%	8,0%
Men	7,5%	35,3%	17,2%
Women	7,6%	35,1%	17,8%
Average	7,5%	35,2%	17,5%

Source: OECD, based on national surveys (OECD, 2015).

* Not available

Unemployment is concentrated among people with no diploma or the less qualified (Hanushek et al. 2015). This correlation is strong. According to OECD, in 2013 the ratio between the unemployment rates of people with at most a complete secondary education and the higher education graduates was 2 to 1 for Spain, 3 to 1 in the United States, and 5 to 1 in Germany. Youth unemployment is even worse among the non-qualified and further intensified by higher job insecurity among the young workers (Eurofound, 2012). In contrast, older workers within most OECD countries are in a special situation: less exposed to unemployment they do have a higher risk of falling into long-term unemployment (Chan, Stevens, 2001). Finally, female unemployment rates which were usually higher than men's, they are now at equivalent levels. However, women occupy significantly more depreciated positions: involuntary part-time (6.1% of active women against 2.5% of active men in 2014 in OECD), more precarious employment statuses, lower wages, slower professional careers, etc. (Maruani, 2013).

4. Exploring boundaries under weak regulation of social statuses

The boundaries of unemployment appear particularly fuzzy when informal work is widespread. The low official unemployment rates (in ILO sense) mainly result from the weight of informal work, which represents over 70% of total employment in India, 40% in Turkey, 30% in Brazil, 15% in urban China (OECD, 2015: 256).

Unemployment and livelihood activities

When employment is informal, when it does not provide any contractual protection and any compensation for job loss, yet work and unemployment and inactivity are more undifferentiated (Williams, Schneider, 2016). These are subsumed in a permanent survival requirement. Then unemployment tends to merge, both in terms of statistical counts as individual experiences, with precariousness, resourcefulness, economic insecurity, idleness, combination of subsistence activities and a lack of social protection. In such a context, unemployment is underestimated because individuals have to survive and so are forced to accept poor quality activities: one of the most striking examples is India, where the unemployment rate is much lower than in OECD (3.6% in 2014) but where more than one third of the active population receives extremely low wages (OECD, 2015: 249). Generally speaking, when informality is high, labor market insecurity tends to be also high, as a consequence of the risk of low wage and low income and not only as a result of the unemployment risk. Besides, social transfers, unemployment benefits or wider social aids do not correct the weakness of labor income. Then the boundaries of unemployment are particularly fuzzy and imprecise. But this is not immutable, because the development of public transfers and active employment policies, may lead to reduce the number of working poor and the share of informal work, as this has been observed in some countries in Latin America during the 2000s (Lustig *et al.*, 2013).

Unemployment then becomes a mix, which often looks like a vicious circle, combining, self-help activities, employment more or less informal, self-employment unregulated, joblessness, etc. It is particularly hard to distinguish analytically these situations, which are often fragile or unstable, and which force people to constantly adjust their lifestyles to survive (de Soto, 1989). Thus, the lower quality of informal employment with regard to formal employment, which is statistically measured in national surveys (see: OECD, 2015) is accentuated by the low quality of unemployment.

Longitudinal data are lacking to measure precisely these containment effects. In countries where such data exist, we notice variable levels of transition between informal and formal sectors (7% in Turkey, 17% in South Africa, 34% in urban China). But these moves often take the form of circulations between informal activities, precarious formal jobs and poorly paid, unemployment and inactivity (OECD, 2015: 258). These data support the idea of a vicious circle that maintains people on the outskirts of the labor market. Furthermore, transitions from informality to inactivity are even more frequent as toward unemployment, be it in South Africa (40% against 11%), urban China (20% against 8%), Colombia (17 % against 10%) or Turkey (10% against 3%). This illustrates indeed the blurred frontier between unemployment and inactivity in the informal labor market, and shows an exclusion process from formal jobs providing social protection and a decent pay.

Inequalities regarding job insecurity

Informal work situations may be considered and experienced as unemployment, inactivity or employment. They are also focused on some categories of population who face severe difficulties to get a formal job. This job insecurity can be described with indicators as the

exposure to informal work, or the risk of unemployment, or the exposure to extremely low wages, or even the chance to get a formal job (Table 3). Then the individuals with the lowest levels of education are in bad positions compared with the more skilled ones. The younger workers, and the older ones in a somewhat lesser extent, are also in a worse position than the intermediate age group. This shows that both ends of working life are particularly vulnerable to unemployment in all its forms.

Table 3. Indicators of Job Insecurity by Socio-Demographic Categories

	Insecurity due to Unemployment	Insecurity due to Low Wages	Access to Employment	Informality of Employment
Low Level of Education	11%	13%	57%	54%
Medium Level of Education	10%	7%	59%	34%
High Level of Education	6%	1%	78%	16%
Age group 15-29	17%	12%	47%	42%
Age group 30-49	6%	7%	73%	36%
Age group 50-64	5%	8%	61%	41%
Men	9%	8%	76%	38%
Women	8%	11%	42%	41%

Averages of twelve emerging countries (South Africa, Argentina, Brazil, Chile, urban China, Colombia, Costa Rica, Russia, India, Indonesia, Mexico, and Turkey). Statistics from OECD based on national surveys (OECD, 2015).

In places where women's work is less legitimate as in South or Southeast Asia, inequalities between men and women are stronger, regarding access to professional activity and qualities (informality and low wages) of jobs (ILO, 2015: 46s). Also, unemployment is just an additional indicator that cannot be considered separately to characterize the poor situation of women within the labor market. In North Africa and the Middle East the difference between the activity rates for men and women is really high (more than 53 points: ILO, 2015: 52): women have little access to formal and visible jobs and they are assigned to unpaid work or to informal activities, situations that are located on the margins of unemployment. Similar imbalances are also observable between generations in countries where the young age classes are numerous, such as in Sub-Saharan Africa in particular. In this case, the situations of out-of-school youth are particularly difficult to be characterized because they mix various forms of marginalization (unemployment, informality, poverty, etc.). Such inequalities also concern ethnic minorities, especially in areas where migrations are important (Western Europe, Latin America, United States, etc.).

Conclusion

The ILO has played a major role in the codification of unemployment, by establishing an international statistical convention. It defines the unemployed as involuntarily taken away from and actively looking for work. It is based on the principle that employment, unemployment and inactivity are distinct categories. Our analysis of the evolution of unemployment and employment, in various settings, puts into question the exclusiveness of these categories. Indeed, unemployment becomes a larger and more composite phenomenon: it is characterized by a lack (or inadequacy) of work paid at a decent level and provider of social protection.

This reflection leads to the necessity to open new debates on the measurement of unemployment, and consequently, on the relevance of public policies against unemployment which focuses exclusively on officially recognized job seekers. Reducing unemployment supposes to fight against the degraded forms of work, which vary between countries and regions: informal work, poorly paid work, self-employment without protection, and all forms

of occupational dependency non codified by legal rules. But to progress in that direction, we need to improve the knowledge and the awareness of the various forms of unemployment, including the less visible ones, and it is necessary to enhance and enrich the statistics. The most interesting perspective should be to publish several measures of unemployment, while maintaining the current official indicator. Such indicators would contribute, in addition to the measurement of underemployment (visible or invisible), to reveal and evaluate the various forms of vulnerability that develop at the borders of unemployment and at its boundaries with inactivity and work, if not employment.

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