

Original Research Article

# Social consequences of employment flexibilisation in the era of post-Fordism/neoliberalism

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**Abstract:** The article presents an analysis of the main causes and social consequences of the transformation of employment in the conditions of the transition of the world economy to post-Fordism/neoliberalism at the end of the 20th century. The author discusses the main methodological approaches to the study of this problem and also dwells in detail on the analysis of such important consequences of the transformation of the labour sphere as the increase in the vulnerability of workers' employment, the growth of inequality, the weakening of the strength of trade unions, etc.

**Keywords:** labour relations; neoliberalism; flexibilisation of employment; non-standard employment

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## 1. Introduction

The transformation of the labour sphere at the end of the twentieth century marked the end of the “golden period of wage labour” and the “glorious post-war 30 years” of capitalism and ushered in the “era of flexible labour” under the dominance of neoliberalism in the economy and all spheres of social development on a global scale.

As a result of the deployment of post-Fordist neoliberal practices, permanent employment was gradually transformed into “flexible” employment, and standard labour relations began to be replaced by non-standard forms of employment.

As is well known, non-standard forms of employment are a collective term that includes forms of employment that differ from standard employment by at least one of several criteria. While standard employment is generally understood to mean indefinite full-time employment, characterised by the relationship of subordination of an employee to an employer, non-standard employment includes temporary (fixed-term) employment, part-time work, temporary loan labour and other multilateral labour relations, as well as disguised labour relations and dependent self-employment. This classification is in line with the conclusions of the ILO Meeting of Experts on Non-Standard Forms of Employment adopted in February 2015. Within these four groups, there are various subgroups of forms of employment, the specifics of which vary depending on the country of residence of the worker, his or her profession, etc.<sup>[1]</sup>

The concept of precarious work is also widely used in the scientific community to describe unstable, insecure, and vulnerable employment. At the same time, although this concept is closely intertwined with the phenomenon of precarious work, it is not identical to it. Precarious work is understood as work (performed

both in the formal and informal economy) characterised by various levels and degrees of objective (legal status) and subjective (perceived) indicators of uncertainty and insecurity<sup>[2]</sup>. To be fair, it should be noted that such employment has occurred before, but nowadays it has turned from an occasional to a mass phenomenon and represents a well-established trend. Moreover, status uncertainty is not limited to the sphere of labour relations but has become an integral characteristic of almost all spheres of people's lives, including their relations with social and political institutions, the state and society, family, profession, and the educational system<sup>[3]</sup>.

According to the American sociologist A. Kalleberg, the key characteristics of precarious employment include: 1) insecurity and uncertainty (insecurity means a high risk of losing a job and the awareness of the impossibility of finding a comparable replacement in such a case; uncertainty indicates the unpredictability of work, for example, its irregularity, the variability of the working schedule, which results from the lack of control over working conditions on the part of the employee); 2) limited economic and social rewards (salary, health insurance, pension provision); 3) limited legally established (labour) rights<sup>[4]</sup>. The precarity of employment is a rather broad concept, the criteria for which can vary greatly depending on the country (region) and other factors. The approach to determining the level and depth of precariousness of labour used in the post-Soviet space is worthy of attention. According to this approach, employment is assessed by seven features (each of which forms a higher degree of precariousness): registration of employment relations without a contract or with a contract for no more than one year; complete mismatch of education and qualifications with the job; constant overwork (more than eight hours); part-time work at one's own or a third-party enterprise (regular or irregular); salary «in an envelope» (systematic or periodic); change of job more than once in the last three years; lack of opportunity to influence decision-making at one's own enterprise<sup>[3]</sup>. In our opinion, this approach to the definition of precarity is also relevant for Ukraine (as one of the post-Soviet economies whose development in the post-Soviet period is different, but the key trends and labour practices in the context of the region's transition to a market economy are mostly similar).

The main reason for the increase in vulnerability and precariousness of employment in recent decades has been the removal of restrictions on the implementation of the main function of capital—the systematic generation and maximisation of profits—and the minimisation of non-productive costs (taxes on social funds, paid leave, pension costs, etc.)<sup>[5]</sup>. In a broader context, precarious work allows employers to shift risks and responsibilities from their shoulders to those of their employees<sup>[2]</sup>.

## **2. Key social impacts of labour flexibilisation**

The transformation of the labour sphere towards greater flexibility has led to significant changes in employment conditions and, as a result, in the quality of working life of workers. According to ILO findings, at the micro level, precarious work is often characterised by lower pay, greater risks, and exploitation, as well as lower levels of labour guarantees and social protection for workers<sup>[1]</sup>. At the macro level, despite the short-term benefits for enterprises or individual workers, the widespread use of precarious work has had a mostly negative impact on the economy, manifested in underinvestment in innovation, slower productivity growth, threats to social security systems, high labour market volatility, and poor economic performance<sup>[1]</sup>. According to the WHO, precarious work is equivalent to unemployment in terms of its negative impact on a person, as it has a severe impact on mental and physical health as a result of high levels of uncertainty and instability. WHO experts emphasise that precarious labour practices do not provide workers with the same level of protection as standard employment, which ultimately leads to a decline in their quality of life<sup>[6]</sup>. It should be added that a significant role in the transformation of labour and employment in the late twentieth century was played by the process of relocation of production, which was implemented by capital owners in search of cheap,

organisationally weak, and non-unionised labour. The relocation of production facilities from industrial centres to less developed parts of their countries (for example, in the United States, from the Midwest and Northeast to the south of the country, the so-called Sun Belt), as well as abroad, opened up ample opportunities for even greater labour savings. In addition to reducing labour costs, the relocation of production to countries with cheap labour in the era of intensifying globalisation has weakened the position of trade unions and contributed to the deterioration of the situation of workers in the metropolitan countries of the global world system, i.e., it is a “double blow” to the hired labour force.

In general, the weakening of the trade union movement, as well as the degradation of other workers’ and people’s organisations that traditionally aim to improve the economic and political rights of workers, is one of the important characteristics of the neoliberal period of the global system. It is well known that the “conquest” of trade unions was one of the first steps of neoliberal politicians. The fight against trade unions has become a kind of calling card for “Iron Lady” M. Thatcher and the policies she has led since she came to power. In general, the period of “Thatcherism” in the history of Great Britain has a clear anti-trade union and anti-worker colouring and represents a turn towards a significant restriction of trade union rights and weakening of their role in society<sup>[7]</sup>. The economist and sociologist G. Florida, analysing the evolution of the trade union movement in the neoliberal period, confirms that attacks on trade unions by corporations and right-wing forces in the neoliberal period and their weakening and reduction of unionisation have caused a decrease in workers’ wages and, as a result, a general deterioration in the situation of workers<sup>[8]</sup>. D. Hartman, a researcher on this issue, also draws attention to this important factor: “Around 1973, corporations abandoned the high wages and contacts with strong trade unions that traditionally existed in large industrial centres. Instead, they moved production to areas where there were no trade unions and where low wages could be paid, i.e., to underdeveloped regions and countries”<sup>[9]</sup>.

It should be noted that the changes in the nature of labour, which have become fully apparent since the abandonment of Keynesianism and the transition to neoliberalism, began to appear and gradually expand under the Fordist regime of capital accumulation. Atkinson, studying the evolution of this process, points out that the emergence of non-standard practices has been recorded since the 1950s of the XX century, when so-called “regular employment” gradually began to be replaced by various forms of non-standard employment, including part-time work or work in several places<sup>[10]</sup>.

In general, the introduction of flexible production regimes into economic practice and the implementation of post-Fordist neoliberal practices are essentially dual in nature. On the one hand, the “flexibilisation” of labour has contributed to economic growth, allowed businesses to maximise profits, and strengthened their positions, while on the other hand, it has resulted in the expansion of vulnerability and precariousness of employment on a global scale, acting as a key reason for the deepening of many social problems of our time. According to experts, the widespread use of precarious labour practices is a threatening phenomenon, primarily because it leads to a decline in the quality of the working life of employees. In addition, it has dysfunctional manifestations and a negative impact on society as a whole. According to G. Standing, it entails social diseases, alcoholism and drug addiction, deterioration of the psycho-emotional state of workers, and the moral climate in society<sup>[11]</sup>.

The loss of stable industrial jobs, precarisation of labour, ruthless corporate strategies aimed at maximising labour savings, and shifting responsibility to workers have become the characteristics of post-Fordist labour and life that have not only worsened the overall employment and life of workers but, as research shows, have also caused deterioration in health and increased mortality among workers. This is convincingly demonstrated by A. Case and A. Deaton in their well-known work, *Deaths of Despair and the Future of*

*Capitalism*. According to the data published in this book, in 2017, deaths from despair (which include deaths from suicide, drug overdose, and alcohol consumption) claimed the lives of 158,000 Americans, which is equivalent to the daily crash of a Boeing 737 aircraft fully filled with passengers for a year. The researchers found that such deaths are unevenly distributed in society, with the largest increase among workers without higher education, i.e., the group that has been most affected by the transformation of the neoliberal labour sphere. Moreover, the authors show that the deindustrialisation of the American Rust Belt as a result of the “export of industry” and the general precarisation of labour in the modern era creates a “space of despair”, into which more and more people are falling every minute and cannot escape. This leads to an increase in acute psychosocial stress and a sense of hopelessness, which eventually leads to mental disorders and other health problems<sup>[12]</sup>.

These findings are highly correlated with the research of Hungarian scientist G. Scheiring, who, using the example of Hungary and a number of post-socialist countries, has shown the extremely negative impact of deindustrialisation and radical economic transformations on public health<sup>[13–15]</sup>. The scientist argues that deindustrialisation is “responsible” for one third of premature male deaths during the “post-socialist mortality crisis” in Hungary, and the economic benefits brought by the TNCs operating in the country today have not led to improved health indicators. According to the scientist, similar negative consequences of deindustrialisation in other countries, including Russia (where 3.26 million premature deaths were recorded between 1990 and 1999), confirm the assumption of a negative psychosocial effect of economic changes caused by deindustrialisation and mass privatisation. In general, the decline in life expectancy of workers and the growth of “deaths from despair” (not only in the United States but also in the UK and post-socialist Europe), according to the scientist, is one of the important signs of the existential crisis of capitalism<sup>[16]</sup>.

### 3. Conclusions

Today, the “space of despair” for a large number of workers is shaped by such characteristics of modern labour as the widespread prevalence of informal and precarious employment, low labour income, unemployment, and lack of good jobs, as well as inequality that continues to deepen<sup>[17]</sup>. Since 2020, these problems have been compounded by the harmful effects of the COVID-19 pandemic, which has contributed to even greater vulnerability and uncertainty of employment in all three worlds of the capitalist world system and led to high humanitarian and economic losses. The significant aggravation of the global political crisis, which has recently manifested itself in the radicalisation of the socio-political agenda in the global and regional dimensions, also plays a detrimental role.

### Conflict of interest

The author declares no conflict of interest.

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