PRECARIOUS WORK IN PANDEMIC COVID-19 - WORK STATUS PERSPECTIVE

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Abstract

The COVID-19 crisis has caused drastic changes in the labor market in almost every country, increasing job insecurity at various levels, both in terms of employment and the type of contract with the employer, as well as working conditions. Under these conditions, the concept of precarious employment takes on a new meaning. The main aim of this study was to evaluate how the COVID-19 pandemic affected the labor market in the Slovak republic with particular emphasis on changes in the work status in the face of the pandemic crisis. The Descriptive Statistic, Student's t-test, and Chi-square Independence Test was used to evaluate data. The results of the realized analysis showed that the changes in the labor market were significant after April 2020. The stabilization of the rate of unemployment occurred in the summer of 2021. The Slovak Republic has introduced many strict measures to prevent the pandemic's spread, but it has caused a significant increase in unemployment with noticeable differences among Slovaks regions. The results of the questionnaire survey confirmed that in the early phase of the pandemic, job changes began to occur, and the number of home-office job offers increased.

Key words:

labor market, Covid-19, employment, work status

JEL Classification: J21, J41, J81

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Introduction

The literature on the work status subject indicates that working conditions are of great importance and therefore should be widely represented in research, theory, and business practice (Blustein et al., 2020).

The COVID-19 pandemic has shattered the global economy. The crisis has hit the labor market particularly hard, both in developed and developing countries. COVID-19 has changed the global economic landscape through the rapid transition to long distance working, but also widespread loss or change in job status (Wang et al., 2021). Losing a job or changing employment status has become unprecedented and job insecurity has begun to renew for the majority of employees, both at the level of employment and deteriorating working conditions. In the United States alone, pandemic-related job losses exceed those lost in the Great Recession (Mack et al., 2021). This underlines the importance of changes, the consequences of which will be visible for many years to come.

This paper has been focused to diagnosis and evaluation of selected aspects of precarious work with particular emphasis on changes in the status of work in face to COVID-19 pandemic crisis in the Slovak Republic. The article consists of the following parts: introduction, review of international literature, research methodology, research results, and conclusions.

Literature review

The pandemic crisis has determined many aspects of people's lives around the world. Most countries have taken various measures to counter the pandemic and slow down the distribution of COVID-19, such as blockades, company closures or restrictions, sanitary regulations and social distancing, school closings and mobility tracking, etc. The consequences of the new reality are changes in working life, both in terms of both short-term and long-term nature. Moreover, the impact of the Covid-19 pandemic may result in not only the temporal disappearance of some workplaces and a huge growth in the others, but also in changes in the

status of some occupations and their value proposition (Editorial, 2020).

Occupational mobility, employment levels and job status are closely linked to economic shocks. Economic shocks can be defined as basically a sudden and unpredictable change in the economy that determines all or a significant part of the economic system, including the labor market, in relation to particular sectors and occupational groups. Shocks can lead to positive and negative changes in the labor market (Bennett, 2015), as well as to a rise or fall of various professional groups. Of course, the degree of layoffs, income declines and levels of job insecurity in the Covid-19 era largely depend on government support measures in each country, as well as existing labor laws that ensure the security of the labor market and workers' rights.

The shock of the COVID-19 pandemic, including the deep and sudden economic recession that followed it, has led to complex health, social, fiscal and political crises, severely impacting work, realizing that employment can change dramatically even in environments previously viewed as relatively stable and predictable. The crisis particularly influenced the increase in non-standard and informal workplaces (Ng et al., 2021), where there is no formal protection and benefits that are usually enjoyed by employees with permanent, full-time positions (Gunn et al., 2022). This change intensifies such negative positions on the labor market as: job insecurity, income inadequacy, and the lack of rights and protection (Voßemer, and Eunicke, 2015). In this context, workers may experience negative changes in employment situation, lower income, as well as unemployment and poverty (Sumner et al., 2020). When focusing on unemployment, it should be noted that it is not only an economic category, as it is of great psychological importance for human life (Wood, Burchell, 2017).

The pandemic crisis caused many changes in the labor market, which in Europe could be described as relatively stable in the previous years. Meanwhile, the pandemic has caused a marked increase in job insecurity in many industries. The concept of "precarious work" took on meaning. In general, precarious employment refers to any type of job of unsatisfactory quality. Such work includes precarious, less-paid work, work with limited benefits or informal work, and work with no prospects for development (Santilli et al., 2021). Precarious work is also characterized by greater difficulties in formulating personal and professional plans for one's future (Luijkx, Wolbers, 2018).

The concept of precarization of employment is analyzed as a mechanism of employee exclusion in at least one of three areas (Weller, 2011). These include, first, lack of access to labor markets, then all forms of exclusion from work (e.g. unemployment), and finally, restrictions on access to high-quality jobs (e.g. informal, part-time, fixed-term contracts). Sehnbruch et al. (2020) emphasize the problem of precarious work, considering such elements as the level of remuneration, job stability (having a contract by the employee) and employment conditions (social and health insurance as part of the contract, working time) (Señoret et al., 2022).

Precarious work refers to uncertain and insecure work with insufficient wages and limited rights and protection (Allan et al., 2021). Employees are afraid of losing their job, but also of changing job conditions, such as loss of working hours and income, or experiencing abuse and harassment in the workplace (Cubrich, 2020). It is an uncomfortable situation for a large group of employees, with professional, psychological and physical consequences. It is indicated here, inter alia, financial insecurity, occupational hazards and discrimination, career retardation. As a result, unstable work in the Covid-19 era generates difficulties in satisfying basic needs and mental stress in employees at various levels of the organizational structure (Allan, Blustein, 2022). Precarious work is also characterized by greater difficulties formulating personal and professional plans and projects for one's future (Luijkx, Wolbers, 2018).

Uncertain work is placed at the center of debates on the future of employment, bearing in mind new socio-economic challenges such as globalization, digitization, changes in employer risk or the expectations of a more heterogeneous workforce (Rubery et al., 2018: 510), which

determine change in the labor market towards more flexible work for the employer, but often more precarious work for the employee. The situation even deepened during the Covid-19 pandemic. The tendency is that an increasing share of the labor force, especially young workers, is employed under degraded conditions - in temporary and low-skilled positions, which will determine their professional careers in the long run (Papadakis et al., 2022).

Methodology

The aim of this study was to evaluate how the COVID-19 pandemic affected the labor market in the Slovak republic with particular emphasis on changes in the status of work in face to pandemic crisis. The study was conducted based on the results of official data of the Statistical office of the Slovak Republic and the results of the preliminary research and pilot test of questionnaire survey related to the research project VEGA No. 1/0718/22 Human resources development in small and medium-

sized enterprises in the context of the 21st century challenges.

The evaluated data in this paper were the rate of unemployment (%), job applicants (persons) and inflow of job vacancies (number). Data were obtained from registries of the Statistical Office of the Slovak Republic and Central Office of Labour, Social Affairs and Family.

Questionnaire survey was conducted one month after the first pandemic measures issued by the Slovak Government (April 2020). Respondents were chosen using the method of random selection and asked by personal to fill out an online questionnaire. In total 150 persons were approached from eight Slovak selfgoverning region. The total number of received questionnaire was 147 (Figure 1), of which 3 questionnaires were filled in by persons who belonged also to employers. The high number of respondents (46.26%) belonged to Trenčín region. 75,51 % of respondents were woman.

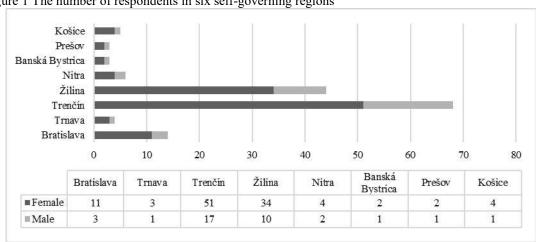


Figure 1 The number of respondents in six self-governing regions

The following claims regarding to aim of this study were formulate:

- C1: The labor market situation in the Slovak Republic was affected by pandemic in the period under review.
- C2: The status of the employees has been maintained in early stages of COVID-19 pandemic.

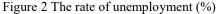
To confirm or reject the claims, descriptive analysis was used. In the interpretation of the results, the Student's t-test to check whether there are statistical significance between the mean values of the unemployment rate in each year compared to 2020 was used. And using the Chi-square Independence Test we verified the assumption, that the status of the employees in the context of COVID-19 pandemic measures

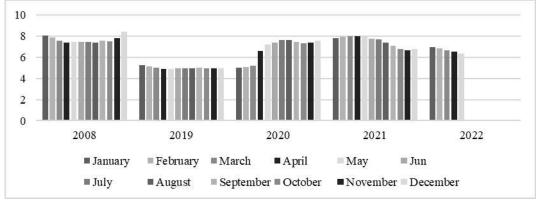
differs among male and female. The hypotheses were tested at the level of significance α =0.05.

Results

The COVID-19 pandemic affected all areas of people's lives be it social, political or, above all, economic changes. The Covid -19 pandemic was reflected in a rapid rise in unemployment on the Slovak labor market. The economic development of the Slovak Republic after financial crisis in 2008 similarly as in other countries was stabilized in the following period with the help of various economic instruments, which also had an impact on the development of

unemployment. The average registered unemployment rate in 2008 was 8,39%, while in the following period a decrease was recorded (Figure 2). In January 2019 compared to January 2008, the registered unemployment rate fell by 34,74%. Its rapid increase can be observed only in April 2020, when it rose by 1,38 percentage points compared to the previous month and 1,59 percentage points compared to the January 2020. In the following period it is possible to observe its variable character. The highest level (8,00%) reached in April 2021. The following period was characterized by a decline of this indicator, from 7,92% in May 2021 to 6,35% to May 2022 (Figure





Source: Central Office of Labour, Social Affairs and Family

This development was affected by measures, which the Government of the Slovak Republic adopted. Social distance, radical measures, and closures were ordered, which had a negative impact on the labor market. To protect human resources from contagion, their economic activity was suspended. This also has an adverse effect on the companies, which suffer financially from losing employment, which is directly linked to jobs. People were thus at risk of losing

their current jobs or having their working hours reduced or non-existent. Unemployed citizens have found it much more difficult to find a new job as recruitment has been suspended.

Figure 3 and Figure 4 present the rate of unemployment in April 2020 in comparison with April 2022 in eight self-governing regions. As we can observe, the highest rate of unemployment has been in observed periods in Košice, Prešov, and Banská Bystrica regions.

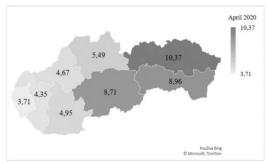


Figure 3 The rate of unemployment (April 2020, %)

Source: Central Office of Labour, Social Affairs and Family

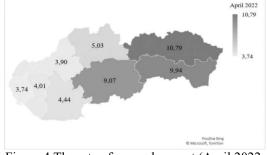


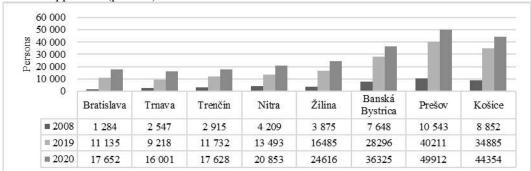
Figure 4 The rate of unemployment (April 2022, %)

Source: Central Office of Labour, Social Affairs and Family

A significant increase in the rate of unemployment is reflected also in an increase in the number of job applicants as we can see in Figure 5. Between years 2019 and 2020, the

number of job applicants increased of 37,40% in the Slovak republic. The highest number of job applicants in 2020 compared to the previous year was recorded in Trnava region (73,58%).

Figure 5 Job applicants (persons)

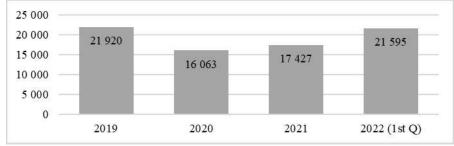


Source: Statistical Office of the Slovak Republic

The average number of vacancies was on a downward trend in 2019-2020 (Figure 6). A year-on-year decline of 26.71% was recorded. In the following year (2021) there was an increase

of 8.42% of this indicator, and in the first quarter of 2022 the number of vacancies returned to the level of 2019.

Figure 6 The average number of job vacancies



Source: Statistical Office of the Slovak Republic

Figure 7 illustrates the relation between job applicants and inflow of job vacancies in the eight Slovak self-governing regions in April 2022. The highest differences between these

indicators were observed in Žilina, Banská Bystrica, Prešov and Košice regions, where the rate of the unemployment reached the highest

50000 4000 40000 3000 30000 2000 20000 1000 10000 Bratislava Trnava Nitra Žilina Trenčín Banská Prešov Košice Bystrica ■inflow of job vacancies ■job applicants

Figure 7 Job applicants (persons) and inflow of job vacancies in the Slovak regions (April 2022)

Source: Central Office of Labour, Social Affairs and Family

Table 1 presents the results of the statistical analysis of the rate of unemployment in the first five month of the observed years in comparison with 2020. The p value of t-test (p=0,00) is lower than the level of significance (p=0,05) between 2021 and 2020, thus it can be stated that the null hypothesis is rejected, respectively, as the average of the year 2021 is not equal to the average of the same period of 2020. We can conclude that there were significant differences between the averages of the rates of the

unemployment, and as can be seen in 2021 there was a greater level of unemployment in comparison with previous year. For the years 2019 and 2022, the null hypothesis was not rejected. Through the results of this analysis, we can consider that the Covid-19 pandemic influenced the labor market reducing the number of employees on the market on average by 2,12 percentage points with significant effects in 2021. We can confirm claim C1 only for year 2021.

Table 1 Statistical analysis of the rate of unemployment in the first five month of the observed years in comparison with 2020

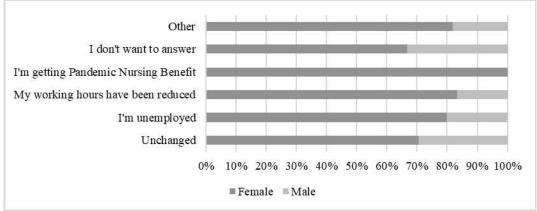
| | 2019 | 2020 | 2020 | 2021 | 2020 | 2022 |
|---------------|--------|-------|--------|-------|--------|-------|
| Mean | 5,046 | 5,798 | 5,798 | 7,922 | 5,798 | 6,676 |
| Standard dev. | 0,164 | 1,020 | 1,020 | 0,075 | 1,020 | 0,245 |
| Observation | 5 | 5 | 5 | 5 | 5 | 5 |
| Difference | -0,752 | | -2,124 | | -0,878 | |
| Df | | 4 | | 4 | | 4 |
| t stat | -1,439 | | -4,796 | | -1,570 | |
| p value | 0,223 | | 0,009 | | 0,192 | |

Source: own processing based on data of the Central Office of Labour, Social Affairs and Family

The results of pilot test of the questionnaire showed, that in 62,59% cases, there were not changes in job position and only 6,80% of respondents lost their job (Figure 8). 12,24% of respondents declared that their working time was reduced. The results of Chi-square Independence

Test (p=0.35) showed, that the null hypothesis is not rejected, and we can conclude that there is no difference between statement of male and female in connection to the first restrictions due to the Covid-19 pandemic measures. The claim C2 was confirmed.

Figure 8 The status of employees after one month of Covid-19 pandemic measures



Source: own research

Thanks to the pandemic, teleworking and home office work have become much more widespread. Before the Covid-19 pandemic, there were very few telecommuting jobs' offers where the employee did not need to visit the workplace at all (Table 2). In 2022, it has been

about 3% of all offers. By comparison, job offers that offered the option to work from home already accounted for about 4% of all offers before the pandemic. Currently, 12% of advertisements offer this option (Macháčová, 2022).

Table 2 Jobs' offers for home office

| Year | Number of jobs' offers for home office | Share of all offers (%) |
|------|--|-------------------------|
| 2017 | 10159 | 4 |
| 2018 | 14964 | 6 |
| 2019 | 19902 | 8 |
| 2020 | 17970 | 10 |
| 2021 | 30181 | 10 |
| 2022 | 14176 | 12 |

Source: Macháčová, 2022

Conclusion

The COVID-19 pandemic generated a global crisis that caused or exacerbated social inequalities. The labor market, in particular, suffered as unemployment increased and the number of working hours fell, which resulted in significant losses in labor income. As a general result of the pandemic in the area of the employment, it is necessary to point out the intensification of problems of job insecurity and income insecurity as well as weaker respect for workers' rights around the world (Gunn et al., 2022; Quinlan et al., 2001).

The COVID-19 pandemic affected the Slovak labor market as well. The registered rate of unemployment rapidly increased in first

month of pandemic measures in 2020 and we can observe the changes in work offer and statement of employees. Nowadays situation The registered rate of getting better. unemployment is below 7% in 2022 and it is gradually declining. However, it varies across regions. The regions with the unemployment rates are still the Banská Bystrica, Prešov, and Košice regions. The lowest rate of unemployment is in the Bratislava region. The results of this study confirm changes in case of jobs' offers for home office and disparities between inflow of job vacancies and job applicants. The limitation of this study is primarily a small research group; therefore the

research should be treated as preliminary research.

Acknowledgments

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