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A sociological perspective**

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The coronavirus crisis reveals blind spots in Nordic labour market data – A sociological perspective

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Abstract

The Nordic countries are renowned for their unique administrative register data that include various aspects of an individual's labour market activities. However, studies of government-led help packages and their effects during the coronavirus crisis in Denmark reveal that the labour market statistics used by government and academics have several blind spots when it comes to some of the most vulnerable groups in the labour market. There are strong signs that we underestimate the scope and depth of atypical work and even lack reliable data. We argue in this piece that the coronavirus crisis is an important lesson for labour market sociology that calls for methodological development.

Keywords

Labour market sociology, atypical work, coronavirus crisis, Nordic register data, help packages

Introduction

The Nordic countries are renowned for their unique administrative register data that include various aspects of an individual's labour market activities. These data are not only used by researchers to advance our understanding of the Nordic labour markets but also by policy-makers for policy development. However, in 2020, when the coronavirus crisis swept across the world, a series of blind spots were revealed in the Nordic register data with severe implications for those operating on the outskirts of the labour markets.

The media was flooded with stories of job loss during the first weeks of the crisis. However, many of those who lost their work and income were not employed in permanent full-time positions; they were atypical workers working via temporary agencies, on temporary contracts or without contracts at all. Often, they worked in hotels and restaurants, retail and the creative industries – sectors that were hit hard by the crisis. Employees without guaranteed hours were the first not to be called in and freelancers did not receive any new bookings.

Help packages and atypical workers

Many national governments have made huge efforts to support workers and companies during the coronavirus crisis. For example, the Danish government developed unprecedented financial help packages that covered not only companies and wage earners but also various forms of atypical workers. More than 30 help packages and billions of Danish kroner (DKK) have been allocated to mitigate the effects of the crisis. Thus, the coronavirus crisis and the government-led help packages created a unique opportunity for labour market sociologists to study the effects of these measures targeting the most vulnerable groups in the labour market. In many ways, it was the extreme case for testing the safety nets of social protection for atypical workers. This inspired us to research the development in Denmark in the Spring of 2020.

The aim of the Danish government-led help packages has been to maintain income security and employment security for as many people as possible, including the atypical workers. However, behind this approach lies an equally important goal of maintaining the social contract and trust-based relations in the Danish society. Citizens are more likely to comply with recommendations from national authorities on safety measures and shutdowns if they know they can uphold a

reasonable income. In so far as, they are left without any income, this could lead to civil disobedience.

During the coronavirus crisis, it came as a surprise to many policy-makers, social partners and citizens how widespread atypical work is in the Danish labour market. Currently, it is estimated to be about a third of all employment in Denmark. Despite the good intentions, many atypical workers were less well covered by the various help packages whereby the Danish government continuously adjusted and expanded the target groups eligible for financial help. At the same time, atypical workers realized their low levels of social and employment protection and voiced their concerns through various media. Words such as ‘zero-hours contract’ and ‘solo self-employed’, which so far primarily had been used in labour market sociology, were suddenly used in the public debate and by the workers themselves; for instance, in Facebook groups such as ‘Corona trouble: Group for those on 0-hour contracts’ and ‘Debate group for solo self-employed, freelancers and micro companies’. Simultaneously, a new business organization was established entitled ‘The Association of Danish Solo-employed’. In sum, the coronavirus crisis meant a growing awareness of atypical work.

Lessons learned to advance our understanding of atypical work

So, what did we learn about atypical work during the coronavirus crisis and what are the lessons for future labour market sociology? Our research suggests that it is harder to help the most vulnerable groups in the labour market, such as atypical workers, than employees in permanent full-time positions.

Atypical workers often combine multiple sources of income – across several different forms of employment. They are often hybrid workers and represent a highly diverse group with regard to age, skill levels, ethnicity, gender and access to social rights. This makes it difficult to develop targeted support to these groups, which has been at the very core of the Danish government’s strategy.

Furthermore, policy developments during the coronavirus crisis have acted as an X-ray of the labour market statistics used by government and academics. There are strong signs that we underestimate several forms of atypical work and even lack reliable data. For instance, there are

no reliable statistics on zero-hours contracts in Denmark, which is one of the most insecure forms of employment in times of crisis. Attempts have been made to collect survey data on such contracts in Finland. However, qualitative research suggests that zero-hours contracts also are widespread within sectors such as hotels and care of the elderly in Denmark.

We also lack a statistical overview of small-scale self-employment (less than DKK 50,000 annually). These self-employed are not required to register as a company with a value-added tax number. If they combine more than two types of employment, they are also not captured by the Labour Force Survey (LFS) conducted by Statistics Denmark, which is the main data source in much labour market policy and research. The LFS measures only primary and secondary employment, and we know from other research that hybrid workers often have a patchwork economy with a multitude of income sources.

In sum, the coronavirus crisis has revealed how existing register data and surveys underestimate the size of atypical work at least in Denmark. Indeed, we lack reliable data that can enhance our understanding of atypical work and serve as input for policy-making. These blind spots call for methodological development in Nordic labour market sociology – either to include these new employment forms into existing data sources or to create new data sources. A way forward could be to develop more qualitative data on zero-hours contracts in specific sectors or to collect digital data on freelancing via digital platforms. Our aim is, together with other researchers, to contribute to this research task in future projects as reliable data are pivotal for developing policy responses that capture all existing groups and even new emerging groups in the labour market.

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