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## EUROPE'S NEW JOBS LACK OLD GUARANTEES – STOKING WORKERS' DISCONTENT

*Unemployment in Europe is at its lowest level in a generation, but workers complain about lack of benefits, security*

By Daniel Michaels in St. Ismier, France and Paul Hannon in London  
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Europe's job market is booming. So why are so many workers so angry?

Unemployment in Europe is at its lowest level in a generation. Ten million more people have jobs today than before the financial crisis a decade ago. Demand for workers remains high, with more job openings than ever before across the European Union. Of the 22 EU countries that have a minimum wage, all but Latvia raised theirs last year.

Yet behind the numbers is a shift that is changing Europe. A growing proportion of new jobs are part-time, temporary or self-employed positions that lack the benefits that European workers have long expected.

By last year, 14.2 percent of European jobs were temporary, compared with just 4 percent in the U.S. – leaving many workers without insurance, a pension or disability benefits.

The result is a surge in the ranks of Europeans who have jobs and still struggle to make ends meet, while watching the lives of many others improve.

"There are jobs being created, but they're garbage jobs," said Victor Gerardo Ponce Arevalo, a Spanish welder who defaulted on his mortgage in 2014, during the euro crisis, and now lives with his two daughters in subsidized public housing.

The share of eurozone workers at risk of poverty rose to 9.2 percent in 2018 (after peaking at 9.5 percent in 2016) from 7.9 percent in 2007.

More than 15 million Europeans face precarious jobs, cuts in unemployment benefits and social programs cut by governments during the financial crisis. In Spain, Italy, Greece and elsewhere in Western Europe, that growing instability has fueled enthusiasm for fringe political movements and drained support for social-democratic parties that represented labor unions for decades.

In France, the yellow-vest protest movement that rattled the government for months was sparked last year by workers' anger over living costs, including a gasoline tax that made commuting more expensive.

"I work only to pay my bills," said Yoann Perrotin, a 25-year-old finance specialist, soon after starting work at a French bank in Lyon in March.

His position – the kind that once would have set him on a stable career path – was arranged through a temp agency, with the risk of termination on short notice. In Europe, such work is rarely a stepping stone to full-time employment, as it can be in the U.S.

"I can't plan," said Mr. Perrotin, who lives in a one-room apartment with his two-year-old son.

Mr. Perrotin's mother, living comfortably in the foothills of the Alps, never expected that her son would struggle to find steady work. She joined the yellow vest protests last year.

Europe's growing job insecurity is changing a continent once known for muscular labor rights and stubbornly high unemployment. For companies, increased hiring flexibility over recent years has helped boost profits or stanch losses. During the financial crisis, for many it was critical to survival. Economists have long called for a more versatile labor market to get Europe's economy growing again.

At the same time, lackluster consumer demand has left the eurozone dependent on exports. After exports began to weaken this year, the European Central Bank decided to restart economic stimulus programs.

The impact of Europe's rise in "atypical" work – temporary, part-time and other legal employment not on a traditional career path – goes deeper than consumer spending. People who bounce among employers or work only a few days each week generally receive less training and fewer promotions than full-time staff with long-term contracts, crimping productivity and earning prospects.

Europe's greater reliance on temporary workers than American businesses highlights structural differences between the economies. Although European governments have lessened obstacles to firing permanent workers, layoffs still often require expensive severance payments, posing a disincentive for European companies to add full-time staff. In the U.S., health insurance is generally tied to employment while in Europe it is universal, meaning American workers have greater incentive to seek permanent work, according to the U.S. Conference Board, a U.S. business think tank.

Western Europe's shift has paralleled a collapse of its six-decade political balance, in which parties slightly to the right and left of center swapped or shared power. It has been replaced in many countries by political flux not seen since the 1930s.

"Workers who lose job security and pensions feel betrayed," said Charles Verhoef, chairman of Zelfstandigen Bouw, a nonprofit organization that helps Dutch construction workers who are pushed off full-time payrolls and become self-employed contractors. "They feel they have nothing to lose and cast protest votes."

Temporary workers often favor small, left-leaning parties that promote programs such as unemployment insurance and day care, said Paul Marx, a professor of political science at Germany's University of Duisberg-Essen.

Temp workers tend to shun established social-democratic parties linked to unions because they focus more on the concerns of full-time workers, such as early retirement, Mr. Marx said.

Europe's shift toward atypical work is a result of moves by governments to relax strict labor laws, and by employers to take advantage of looser rules.

Wealthy northern European countries around the turn of the century cracked open rigid postwar employment rules as globalization hurt their competitiveness. Today, almost 27 percent of employees in Germany and 47 percent in the Netherlands work part-time.

Some Europeans appreciate flexible employment. John Tuerlings worked for 33 years at a Dutch construction firm, starting at age 15, and was frightened a decade ago when his job disappeared.

"I didn't know what comes next," he recalled. Now, he said, he loves the freedom of self-employment. He thrived thanks to "golden hands," he said, holding up meaty, worn fingers. "And I can market myself – a lot of other craftsmen find it hard to get work."

Lacking a company pension, he plans in a few years to sell his large house, buy a smaller one and live off the profit. "My house is my pension," he said.

In France, long one of the world's most worker-friendly countries, companies' use of temp workers rose to 16.2 percent of employees in 2018 from 13 percent in 2009 – enough of an increase that President Emmanuel Macron's government this summer limited companies' reliance on part-timers.

Mr. Macron and other European leaders haven't managed to turn atypical work into full time jobs with benefits. While government responses to Europe's unemployment surge a decade ago varied, a common thread was a relaxation of job-security rules.

The overhauls let companies cut full-time staff and hire part-timers but haven't boosted hiring of permanent staff, as had been hoped. In the Netherlands, the share of workers in temporary employment increased to 20.1 percent in 2018 from 16.4 percent in 2009; in Italy, it rose to 16.5 percent from 10.8 percent.

Poorer southern countries have repeatedly tried to combat relentlessly high unemployment. Spain in 1984 deregulated temporary contracts, seeking to break Franco-era labor unions' chokehold on employment. Temp work surged, especially in booming construction and hospitality sectors.

After the financial crisis hit and Spain plunged into recession in 2008, easy-to-fire temp workers got sidelined. Unemployment soared to almost 27 percent in 2013. Joblessness has since ebbed to 14.2 percent – with the help of contracts of increasingly short duration.

Spain had Europe's highest proportion of temporary workers last year, at 26.4 percent, according to the latest EU data. More than one in four new Spanish employment contracts lasts less than one week and roughly 40 percent last less than one month, according to research led by economist Florentino Felgueroso.

Before the 2008 recession hit, Miriam Suarez would clean 13 Barcelona hotel rooms in an eight-hour day and receive lunch during a 20-minute break. Her nonunion job, arranged through a temp agency, was still covered by a union-negotiated collective agreement that guaranteed an hourly wage and earned her up to €1,300 (\$1,430) a month.

Labor-law changes amid the euro crisis in 2012 freed hotels to drop the collective agreement and set terms. Today, Ms. Suarez says she cleans up to 25 rooms in a five-hour workday, at one euro per room. She gets no lunch or lunch break and earns about €700 monthly.

"Now we don't even have time to drink some water," said Ms. Suarez, who says she suffered arm and back ailments from the work and stress. After taking sick leave she was fired, she said.

Ms. Suarez vented her frustration in April by voting for Spain's far-left fringe party, Podemos, because of its outreach to workers like her. "I don't believe in politicians anymore," she said.

In few places has economic dislocation mixed with political disillusionment more potently than Britain.

The British job market over the past decade looks like a success story. The unemployment rate is near a record low reached earlier this year. The proportion of adults in work hit 76.1 percent in September, the highest since records began in 1971.

Most of that growth was in atypical work, according to the Resolution Foundation, an independent think-tank focused on improving living standards for people with low to middle incomes. Two-thirds of the jobs created in the U.K. since 2008 were atypical, ranging from on-demand workers with contracts but no promise of hours to the self-employed, the Resolution Foundation estimated in January.

Those changes in the jobs market indirectly contributed to the U.K.'s Brexit vote in June 2016, according to Thiemo Fetzer, an economist at the University of Warwick.

Mr. Fetzer said his examination of what drove the Brexit vote shows that less secure and lower paying jobs led to an increase in the number of Britons who relied on state help to make ends meet. They also became more vulnerable to government welfare cuts.

Mr. Fetzer found that support for Brexit rose significantly in those districts that were hit hardest by the cuts, having previously seen their jobs markets weaken.

Union organizers say the rise of precarious work, government spending cuts and decreased support for low-wage workers laid the foundations for the result.

"It is the country saying to Westminster, I have not benefited, I don't care," said Liane Groves, an official at Unite, a union that represents workers in a wide range of occupations.

"You're very powerless in these jobs," said Kristiyan Peev, a 29-year-old cleaner at the University of Nottingham. "You don't have much of a say in anything."

In the current U.K. election campaign, all parties are pushing rollbacks to austerity measures.

In France, Mr. Macron held a series of town hall meetings to hear public grievances, a step that helped to defuse the yellow vest movement.

"We don't live, we survive," said Chantal Perrotin, who joined the movement near Lyon after seeing the travails of her son, Yoann, the bank worker.

Yoann, who studied finance for two years after high school, applied to banks for work, but his only offer came through the temp agency.

He began in March under a short-duration contract, and soon felt finances pinching. His net monthly salary of about €1300 left him with only about €150 after routine expenses such as rent and food for himself, his girlfriend and their son, he said.

Before starting at the bank, Mr. Perrotin had been on unemployment and netted roughly the same amount as his new salary, he said. Employment also carried costs such as suits and car expenses, he said.

Mr. Perrotin said he wanted to buy a house but couldn't get a mortgage. "Banks don't give loans to people in temporary jobs," he said.

Having studied finance, Mr. Perrotin said he understands that companies and employment must evolve. "I'm not interested in having one job for all my life," he said. "The thing is, we have to develop a way for temporary workers to get loans and benefits."

In late September, the temp agency told him his contract wouldn't be renewed. "I always hoped it would lead to a permanent contract," he said. "But I was prepared that it might not be the case." He is now back on unemployment.

- Adrià Calatayud in Barcelona contributed to this article.