

# ***Uncertain Lives. Insights into the Role of Job Precariousness on Family Formation Practices in Italy***

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## **Abstract**

The diffusion of temporary job contracts in contemporary European societies has raised concern that these jobs may constitute a source of insecurity and precariousness for young workers and their families. Little is known about its possible social and demographic consequences, especially as regards family formation. We focused on this knowledge-gap by examining how job precariousness may affect union formation practices in Italy. We study both genders and we combine the empirical evidence from both qualitative and quantitative research. The qualitative research provides an in-depth understanding into the mechanisms of how uncertain forms of employment and atypical jobs may affect the individual decisions on union formation. By means of quantitative analyses we test how strong these mechanisms are in the general population. Our results suggest that cohabitation can be linked to the growing labour market uncertainty while marriage to stability.

## Introduction

In the social landscape of Europe, life has recently become more uncertain in areas such as the labour market and housing market, which have been met by postponing family-related events including leaving the parental home, marrying and childbearing towards higher ages (Kohler et al. 2002; Blossfeld et al.; 2005; Sobotka and Toulemon 2008; Kreyenfeld et al. 2012; Vignoli et al. 2012; Vignoli et al. 2013). Although presented as the remedy against economic problems and unemployment since the 1990s, the expansion of temporary job contracts has raised concern that these jobs may constitute an additional source of insecurity and precariousness for young workers and their families. According to the Stiglitz Commission (2009, p. 198), *“Economic insecurity may be defined as uncertainty about the material conditions that may prevail in the future.”* As regards family formation practices, in this paper we argue that cohabitation can be linked to such growing uncertainty while marriage to stability.

From a theoretical point of view, among disadvantaged groups or in large-scale economic crises there might emerge a “pattern of disadvantage” (Perelli-Harris et al. 2010) or a “general milieu of social disorganization” (Billy and Moore 1992). Social disorganisation or “blocked opportunities” might prevail, and societal norms on the “right” order of the life course lose ground (Bauman 2005). In situations, where individuals are faced with blocked opportunities, they might also prefer cohabitation over marriage due to its lower level of commitment. They might also decide to postpone marriage until their future prospects are more clear (Perelli-Harris et al. 2010).

For instance, empirical research does show that in many societies childbearing in cohabitation is associated with a negative educational gradient where cohabiting women with lower levels of education have a higher risk of first births than their counterparts with higher levels of education. This has been shown both for the US (Rindfuss et al. 1996; Upchurch et al. 2002) as well as for a large number of European countries (Perelli-Harris et al. 2010). A limit on these studies, however, is that they generally focus on education as a valid proxy of labour market characteristics and prospects. However, employment uncertainty is increasingly characterising contemporary labour markets everywhere in Europe irrespective of people educational status. What is more, there is even some evidence that those who are better educated are also those who are the most touched by the rising of precarious forms of employment (Barbieri and Scherer 2009). Another limit of these studies is that they generally focus on women, while in many male breadwinner societies it

is especially the unstable labour market position of male partner that may have a triggering effect on family formation dynamics (Oppenheimer 1999). Overall, these findings have brought forward the need for a more careful investigation on the links between growing economic and employment uncertainty and the diffusion of new family behaviours.

This paper aims at filling these gaps in the knowledge by focusing on the influence of job precariousness on women's and men's decision to enter cohabitation rather than marriage in Italy. We combine the empirical evidence from both qualitative and quantitative research. The qualitative research provides an in-depth understanding into the mechanisms of how uncertain forms of employment and atypical jobs may affect the individual decisions on union formation. By means of quantitative analyses we test how strong these mechanisms are in the general population.

Italy represents a key country for testing the role of employment uncertainty on family-related behaviors. The process of labor market flexibilization began with the introduction of the so-called work-and-training contracts (1983–1984) followed by a weakening of the strict rules for fixed term contracts (L.56/1987), which were subsequently made increasingly convenient for firms (L.451/1994; L.608/1996). The major step in the process of labour market deregulation/segmentation was made in 1997, by the leftist government (Legge Treu n. 196/1997), while the following 'Legge Biagi' (n.30/2003), subsequently introduced by Berlusconi's government, gave further impulse to the spread of atypical forms of employment. "Flexible" forms of work have now become widespread, and they have led to the creation of about fifty new types of contracts (temporary, part-time, linked to specific projects, etc.), all of them far less "protective" for the worker than before, when typically unlimited jobs used to be (Barbieri and Scherer 2009). These contracts are offered almost exclusively to the young, whose traditionally high unemployment, in the meantime, has not declined significantly. The traditional division between "insiders" and "outsiders" in the Italian labor market has therefore been reinforced (Ferrera 1985; 2000; Bettio and Villa 1998). Overall, the growth of employment uncertainty has raised concerns that these flexible (and "atypical") jobs may become a further source of insecurity for workers; in addition, they have increased labour market dualism between workers finding permanent jobs and those failing to do so (Ichino et al. 2005).

Italy is a crucial case-study also from a gender perspective. In Southern Europe, where women are the main caregivers and men act primarily as household providers, the economic well-being of the

household depends mainly on the market performance of the man. When this dwindles, as is more and more frequently the case in contemporary societies, several consequences may ensue, also influencing family formation. In Italy, gender inequality in the labour market is pronounced: women's participation, although on the rise, is still relatively low (the occupation rate for the age range 15-64 is about 47%). At the same time men, especially young men, are today confronted with a worsening of their economic situation due to the increasing diffusion of job precariousness (e.g., Salvini and Ferro 2007).

## **Data and Methods**

### ***Qualitative analysis***

We use qualitative data collected in the recent project "Childbearing Within Cohabitation" coordinated by Brienna Perelli-Harris at University of Southampton. We analyze the data obtained in the Focus Group Interviews (FGIs), which were conducted in February-to-April 2012 in Florence. A focus group is a small group of individuals, generally formed by 6-8 people, that discusses topics organized around a major theme, with the discussion guided by a moderator. Recruitment of the respondents and organization of the focus group interviews were supported by the research agency University of Florence Academic Spin-Off Valmon.srl and the groups took place at its premises. The recruitment has been conducted by the research agency via distribution of brochures and advertisements in cinemas, universities, sport clubs, shopping malls, and so on. The participants incentives amounted to 20 Euros per person.

Respondents were selected according to the following criteria: 25-40 of age, divided into groups by gender and education attainment. The higher level of education included: women and men who received a bachelor's or a master's degree as well as those with a post-tertiary qualification. The lower level of education included: primary, vocational, lower-secondary, and upper-secondary educational attainment. In total, eight FGIs were conducted: two with women of low-medium education (W, Low education), two with women with some tertiary education (W, High education), two with men of low-medium education (M, Low education) and two with men with tertiary degree (M, High education). Those who worked in any kind of social research were excluded from the sampling strategy. Importantly, none of the recruited persons have ever had

any experience in taking part to other FGIs. Altogether 58 respondents participated in the study in Italy.

An importance of complementing quantitative findings with insights from the qualitative research have been recurrently emphasized in the literature – also in the studies on family formation and cohabitation (Hantrais 2005, Smock 2000). In this vein, the goal of the FG interviews was to infer on general norms and perceptions regarding cohabitation and marriage in Italy. The interview guidelines included numerous questions regarding cohabitation and marriage such as (dis)advantages of living together without marriage, motivations for marriage, barriers to marriage. Marriage and cohabitation were also explored in relation with institutions, policies and laws. Importantly, a role of employment uncertainty was explicitly mentioned in the questions.

The qualitative analysis aims at exploring mechanism in which employment uncertainty might be important for individual decision to cohabit or to marry. From a methodological point of view, we identify all passages where motivation to marry or to cohabit was discussed in the transcripts. Within this material, we apply bottom-up coding procedures to identify main themes, appearing in discussions. Special attention was paid to any references to precarious forms of employment and the categories were systematically compared to investigate mechanisms through which employment uncertainty intertwine with the relationship choices. In particular, our research question is the following: How is job precariousness perceived among young adults and how does this perception relate to individual choices of cohabitation and marriage, in a setting where the spread of cohabitations is still limited?

### ***Quantitative analysis***

The quantitative analysis of the paper is based on retrospective data stemming from the 2009 Household Multipurpose Survey Family and Social Subjects (FSS). This survey was conducted by the Italian National Statistical Office (Istat) on a sample of about 24,000 households, corresponding to about 50,000 individuals of all ages. It covers detailed information on men and women's partnership, and employment histories recorded on a monthly basis – including information on the type of contract in each employment spell.

We consider direct entry into marriage and entry into cohabitation to be two distinct processes or competing risks. In this case the occurrence of one event removes the individual from the possibility of experiencing the other (Yamaguchi 1991). Such an approach has been already successfully used by many scholars (e.g., Hoem 1986; Thornton et al. 1995; Berrington and

Diamond 2000). To be sure, the competing risks model assumes that the processes underlying entry into marriage and cohabitation are independent. This is unlikely to be so since there will be unobserved factors, such as unobserved family orientations, which are likely to affect both processes simultaneously. However, a study conducted for the U.S. concluded that, although correlation between unobserved risk factors lead to small bias in the estimated coefficients of entry into marriage and cohabitation, it does not affect their substantive conclusions (Hill et al. 1993).

In particular, we use event history techniques to study the transition to the first union for men and women. The baseline duration is the time elapsed since the age of 16 to marriage or cohabitation, whichever comes first. We censor the remaining observations at the time of the interview (November 2009). Transition to first union is scrutinized for men and women born from 1950 to 1985, namely those who are especially interested by new partnership behaviors compared to older cohorts. In particular, the analytical sample for our analysis consists of 10,304 men and 10,675 women born between 1950 and 1985.

From a technical point of view, assuming the three status under study by way of  $E_0$ =single,  $E_1$ =married,  $E_2$ =cohabiting, the process can be described as:

$$X = (X_t; t \geq 0) \text{ with } X_t \in \{E_0, E_1, E_2\}$$

Obviously, time  $t=0$  corresponds to the beginning of the observation period, when subjects are aged 16. The baseline hazard has a piecewise-constant specification, with constant intervals for two years from the age of 16 to the age of 46 years, and then a single interval after 46, when the risk of entering into the first union is very low and virtually constant. The analysis is stratified by gender.

Our core explanatory (time-varying) variable is the type of employment, which we categorized into “not employed”, “permanent employment”, “self-employment”, “temporary employment” and “atypical job”. Both “temporary employment” and “atypical job” are insecure forms of employment, with the latter being the least protected employment condition (namely jobs linked to specific projects, in *Italian* known as *contratti di Collaborazione Coordinata e Continuativa*, *contratti a progetto*, or *collaborazione occasionale*).

We also controlled our estimates for a set of potential confounders. These are the birth cohort (“1950-1959”, “1960-1969”, “1970-1985”), educational attainment (a time-varying variable

grouped into “in education”, “primary education”, “upper-secondary education”, “tertiary education”, where the last three categories refer to the highest educational level), and calendar time. The latter time-varying variable is aimed to reflect key appointments in the flexibilization of Italian labor market: the entry into force of the Treu Law (Legge n. 196/97) and entry into force of the Biagi Law (Legge n. 30/03). It is well-established that changes in legal regulations may reflect ongoing changes in attitude and behavior when the law-giver recognizes those changes, and a modification in law influences behavior only when it has come into force. Thus, we considered the following categorization of calendar time: more than 3 years before the entry into force of the Treu Law; 3 years before the entry into force of the Treu Law; between the entry into force of the Treu Law and the entry into force of the Biagi Law; 3 years after the entry into force of the Biagi Law; more than 3 years after the entry into force of the Biagi Law.

## **Preliminary Qualitative Findings**

In this section, we present first explorative insights from the qualitative analysis. We explored the content of the Focus Group Interviews (FGIs) to see what kind of references are made when the respondents discuss the role of employment uncertainty for their decision to cohabit or marry. In the narrative material, we found that the respondents agreed that a lack of job stability is a valid, and increasingly common, reason for people to cohabit instead of getting married.

The stability of partners in the labor market is treated as an urgent issue by respondents: when both partners have jobs of unlimited duration, they can get married; alternative combinations, when at least one of the partners has job of limited duration, are associated more with cohabitation than with marriage; within a couple *“it is important to have at least one fix point in life!”*. There is a generalized need for a greater stability, as this male respondent pointed out:

*“I graduated, but I’m currently unemployed, I even accepted to undertake several unpaid training periods ... we are this new generation that lives hoping in God, holding only temporary contracts ... and everything is postponed towards a moment of stability in life...”* (FG 4: M, high education)

Uncertainty in the labor market is associated with uncertainty in the private life, where cohabitation is preferred to a more “stable marriage”. Cohabiting may in fact be seen as a trouble-free opportunity to test the functioning of a relationship and even attract those, especially low educated men, who see living together without a marriage as a low-level commitment. When both

partners reached a permanent employment status, then the “right time” to reach a permanent status also in their relationship seems to follow soon after, in a sort of “time-squeeze”. The following quote is representative of this situation:

*“Stable job for him, stable job for myself, 4 months later we got married, 9 months later I was pregnant... we were ready! I mean: finally we have some protection, we have some rights... we can go!”* (FG 1: W, high education)

Interestingly, respondents also referred to the role of job precariousness when they were asked whether there is any particular moment when a couple should get married. Here many voices claimed that the “right time” to get married is when a stable employment for at least one member of the couple (preferably the male partner) is found. As one respondent clearly stated:

*“If you have a permanent job, then you can also make a permanent choice!”* (FG2: M, high education)

Employment instability and job precariousness that characterize contemporary labor markets increase uncertainty and intensify the difficulties experienced by the young in their transition to adulthood, when they start their labor market careers, try to strengthen their economic position and begin to consider family formation. Another respondent put this very clearly:

*“[The right moment to get married arrived with ] ...A stable job! I’m 32, but I continue to get one-year contracts only ... so we say: [we will marry] when we will have a secure point in our life. In fact, I do not know if the next year I will still live in Florence ... and the fault is of my job.”* (FG1: W, high education)

Overall, our qualitative exploration seem to suggest that marriage is linked with employment stability, while cohabitation is linked with employment uncertainty. In the (following) quantitative analysis we examine to what extent these mechanisms are in fact at play at the population level.

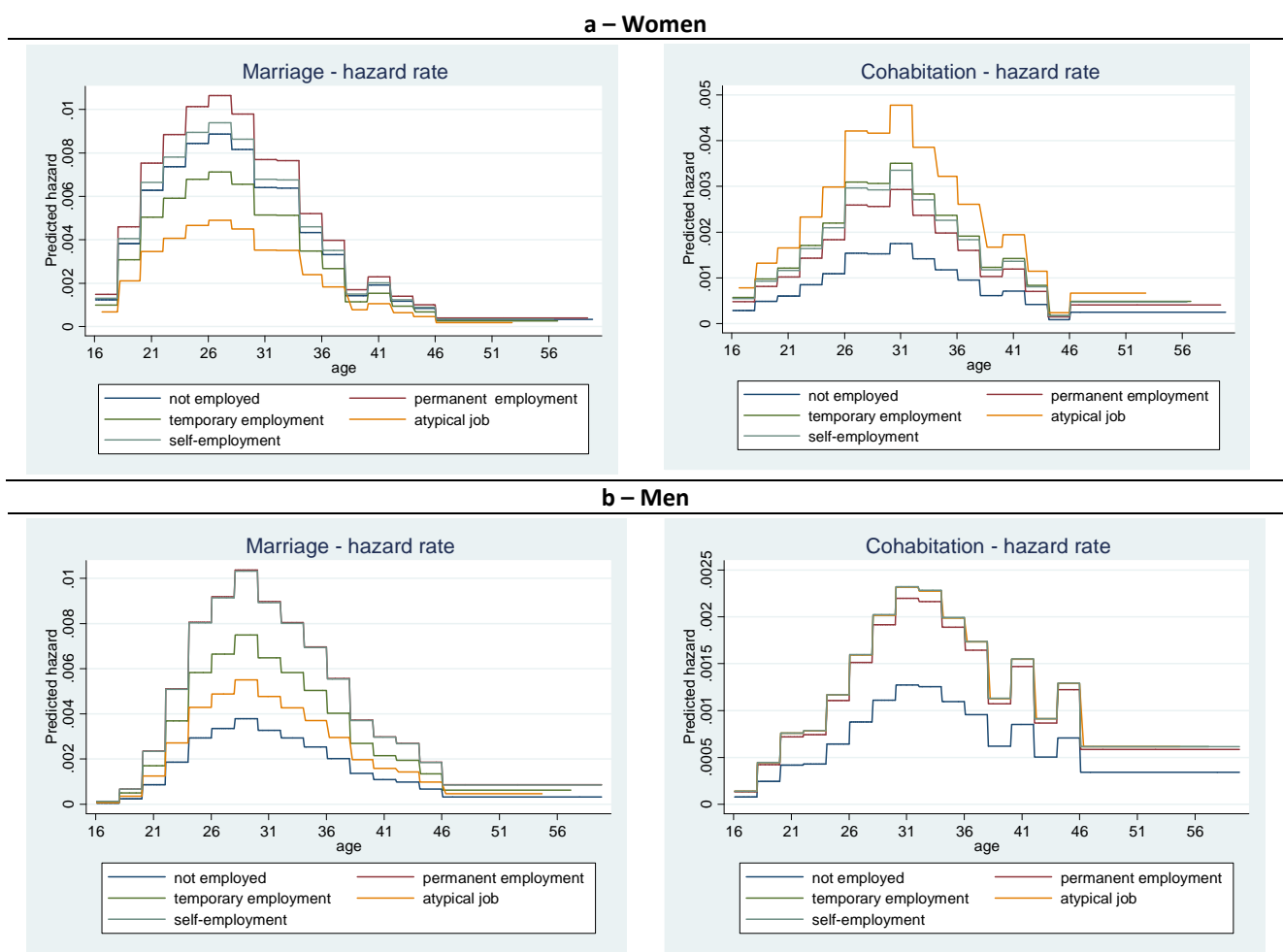
## **Preliminary Quantitative Findings**

Immediately from the first glance at the results, the hypotheses developed through the qualitative analysis – i.e., that marriage is linked with employment stability, while cohabitation is linked with employment uncertainty – are confirmed for the overall population (Figure 1a-b). In fact, the relative risks related to the timing of entry into marriage are the lowest when women are experiencing unstable forms of employment, namely the “atypical jobs”. On the other hand, women holding “atypical jobs” are also those who are characterized by the highest relative risks of entering cohabitation.



A major contribution of this research is that we do not focus on women only, but also on men. Among the male population, a similar situation is recorded. As expected, the lowest relative risks of entering marriage are found for not employed men, followed by men facing with “atypical” work contracts. Men’s relative risks of entering cohabitation do not clearly differ by employment status: any type of employment is associated with an higher cohabitation risk compared to non-employment.

**Figure 1:** Timing of entry into marriage and cohabitation by employment status in Italy for (a) women and (b)men. Results of a piecewise-constant event history competing risk model.



*Note: Own elaborations on FSS 2009 data.*

In the next step, we included into our models also birth cohort, educational attainment, and calendar time (Table 2a-b). Overall, a clear gender-specific difference does emerge. Employed men are always more likely to form a union, either a cohabitation or a marriage, irrespective of their employment characteristics. On the contrary, in line with the male-breadwinner model that

characterise the Italian society, employed women are less likely to marry than those who do not work.

Women holding an atypical contract display a relative risk of entering cohabitation twice as like those who are not employed. In Figure 1 we showed that women performing atypical jobs were those characterised by lowest relative risks to enter marriage compared to their not employed counterparts; however, this effect is no longer significant after controlling our estimates for birth cohort, educational attainment, and calendar time. An explanation for this finding is that such effect is mediated by the birth cohort, that reflects the growing employment uncertainty among the youth, and partly also by the calendar period; in fact, a model where we excluded birth cohort (not shown here) revealed that the impact of an atypical working condition had a significant detrimental effect on marriage risks. Note that women with temporary jobs are characterised by a significantly lower hazards of marriage.

**Table 2:** Relative risks of entry into marriage and cohabitation by employment status in Italy for (a) women and (b)men. Results of a piecewise-constant event history competing risk model.

<b>a – Women</b>						
Covariates	Entry into marriage			Entry into cohabitation		
	hazard ratio	std error	p-value	hazard ratio	std error	p-value
<b>Employment</b>						
Not employed	1.000			1.000		
Permanent employment	0.912	0.024	0.001	1.696	0.111	0.000
Self-employment	0.879	0.049	0.021	1.856	0.202	0.000
Temporary employment	0.721	0.040	0.000	1.853	0.181	0.000
Atypical job	0.769	0.128	0.115	2.126	0.400	0.000
<b>b – Men</b>						
Covariates	Entry into marriage			Entry into cohabitation		
	hazard ratio	std error	p-value	hazard ratio	std error	p-value
<b>Employment</b>						
Not employed	1.000			1.000		
Permanent employment	2.331	0.092	0.000	1.877	0.140	0.000
Self-employment	2.313	0.107	0.000	1.982	0.179	0.000
Temporary employment	1.816	0.113	0.000	1.844	0.207	0.000
Atypical job	1.659	0.291	0.004	1.624	0.446	0.078

*Note: Results are controlled for the time elapsed since age 16, respondent's education, birth cohort, and calendar time.*

Looking at men, the results can be read in a similar fashion. We found, again, that those experiencing unstable employment conditions (fixed-term employment and atypical contractual forms) are significantly more likely to enter marriage than not employed men, but they also have a lower risk compared to men with a permanent job. Namely, relative risk to enter marriage

decreases as employment precariousness increases. In parallel, the lowest hazards of cohabitation can be seen among not employed men; unstable forms of employment increase the risks of cohabitation compared to not employed men, and so do self-employment and permanent employment. Again the role of job precariousness seems to be partly mitigated by the controls on calendar time and birth cohort.

As a final step, we also run a series of interaction terms between birth cohort and type of employment as well as between calendar time and type of employment (results not shown here). For the youngest cohorts and the more recent periods, they illustrate an intensification of the *negative* link between marriage and unstable employment on the one side, and of the *positive* link between cohabitation and unstable employment on the other.

## **Abridged conclusions**

In Italy, there is a vast amount of research on the possible negative consequences of atypical employment for the workers' economic situation and for future occupational and career prospects (e.g., Scherer 2004; Cutuli 2008; Barbieri and Scherer 2009). Much less is known about its possible social and demographic consequences, like family formation (Esping-Andersen 2007).

In our study we focused on this knowledge-gap by examining how job precariousness may affect family formation practices in Italy. A qualitative exploration conducted through focus group research allowed us to rise the hypothesis that cohabitation can be linked to the growing labour market uncertainty while marriage to stability. Then, a careful quantitative analysis provided us with strong support for such hypothesis.

Overall our findings are in line with those who advocate the emergence of a "pattern of disadvantage" (Perelli-Harris et al. 2010), where individuals faced with blocked opportunities, might prefer cohabitation over marriage due to its lower level of commitment. Or they might decide to postpone marriage to periods where their outlook on life is more clear.

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