**A December 2021 update**

We submitted the final version of our original report in April 2020, one month into the first lockdown in the UK. We are grateful to the DLME that they allowed us to write a short update to our report an unprecedented 20 months later.

Since April 2020, two new waves of the USS have been released, permitting the extension of our analysis up until 2020. In the next section, we will update the headline statistics presented in the main report and make some tentative suggestions about the relevance of these findings for a post-pandemic economy.

### *Measuring Precarious Work Up to 2020*

The two new waves allowed us to estimate the share of precarious workers in the UK workforce and population. Using the same measurement model as outlined earlier, our results presented in Table 1/A indicate that in 2018-2019 approximately 8.9% of the workforce remained in precarious work, which amounted to 5% of the UK population. In 2019-2020, however, there has been a slight uptick, with precarious workers making up 9.3% of the UK workforce and 5.2% of the UK population.

| | Precarious workers (% of workforce) | Precarious workers (% of the UK population) |
|---|---|---|
| Wave 1 (2009-2010) | 9.3% | 5.3% |
| Wave 2 (2010-2011) | 8.7% | 4.9% |
| Wave 3 (2011-2012) | 8.8% | 5% |
| Wave 4 (2012-2013) | 8.5% | 4.9% |
| Wave 5 (2013-2014) | 9.3% | 5.4% |
| Wave 6 (2014-2015) | 9.4% | 5.4% |
| Wave 7 (2015-2016) | 9.1% | 5.3% |
| Wave 8 (2016-2017) | 9% | 5.2% |
| Wave 9 (2017-2018) | 8.8% | 5% |
| Wave 10 (2018-2019) | 8.9% | 5% |
| Wave 11 (2019-2020) | 9.3% | 5.1% |
| Wave 11 (2019-2020) | 9.7% | 5.4% |

**Table 1/A:** Precarious workers as a % of workers and % of the UK population

However, as an innovation, Wave 11 of the Understanding Society Survey added a new set of questions on non-traditional work. These questions asked specifically whether a person in the past month made any money using a website, platform, or app, such as carrying passengers, delivering food to people, providing courier service, and so on. These types of activities are clearly associated with the gig economy, which is generally considered non-traditional work. As such, we used these variables as another indicator of non-traditional work, and re-estimated the proportion of precarious workers, leaving the rest of the components in our measurement model unaltered.

Our new estimates, shaded in dark grey at the bottom of Table 1/A, indicate that after considering the gig economy variable, the proportion of people in precarious work increases significantly. Having included this variable, in the UK workforce, close to one in ten people can be considered precarious workers (9.7%) which amounts to 5.4% of the whole population. Compared to our estimate for the same year, this amounts to a 0.4 percentage point increase as the share of the UK workforce and a 0.3 percentage point increase as the share of the whole population.

Even though it is impossible to generalise our findings retroactively, we believe that our results imply that the questions used by the earlier waves of the US survey could not capture everyone in non-traditional work. In other words, this is indicative of an underestimation of the proportion of people in precarious work that was likely to be higher during the study period. These results provide strong support for keeping these new questions on the gig economy in future waves of the US, as this has helped us identify more people in precarious work. Our findings also speak to the difficulties of mapping a changing multi-layered labour market using standard survey questions and calls for further innovations in questionnaires that might help better represent our complex social realities.

We should also comment on the changes in the proportion of precarious workers. It is hard to draw firm conclusion just based on headline numbers, but we believe that there are two noteworthy aspects. First, no matter how we estimated the proportion of precarious work in the whole UK population for the past 11 years, the numbers by and large remained flat and within 0.5 percentage point from each other. This speaks to a potential rigidity of the labour market for which we offered multiple explanations at the end of our report. Second, looking at precarious work as the proportion of the UK workforce, these numbers also did not change much, with a 0.8 percentage point difference between the low and high points, using our initial measurement model. These relatively small differences between earlier estimates make our new measure increase – which includes the questions on the gig economy – even more notable, and highlights the need for tailored questions in labour market surveys.

### *Some Early Thoughts on Post-Pandemic Worker Precarity*

The period since April 2020, when we initially wrote this report, has been highly significant in terms of labour market changes – in particular due to the Covid-19 pandemic, Brexit and the ending of free movement, labour shortages etc. – and it is worth reflecting on these changes, even if evidence is still quite limited. The Covid-19 pandemic, according to the ILO/ OECD (2020), exposed and entrenched existing vulnerabilities and inequalities in the global labour market. Focusing on the UK, lower earners were much more likely to have been working in shutdown sectors and the self-employed experienced a much more dramatic drop in earnings than salaried workers (ILO/ OECD, 2020: 14-15). These are consistent with the analysis in our report, where we found that a large share of people in precarious workers were employed in hospitality and retail, probably the two worst hit sectors.

Furthermore, a paper by Torres et al. (2021) examined the social dynamics of the intensification of precarious work that occurred during the pandemic and identify gender, ethnicity and class as key interlinking variables. As involuntary part-time and involuntary temporary work both grew during the pandemic, for example, this growth appears to have been focused on particular types of worker (women, minorities, low-earners). Alongside gender, ethnicity and class, the ONS (2021) has highlighted the particular issues faced by young people in the pandemic, with 16-24 year-olds concentrated in sectors (like food services) and in employment categories (especially zero hours contracts) that were particularly hard hit. Whilst government support was in place to protect people from the economic impacts of the pandemic, this support did not always reach the most precarious workers. New evidence coming out of the United States, for instance, identifies the barriers precarious workers face in accessing unemployment support; with the gig economy becoming a de facto social safety net during the pandemic for many (Ravenelle et al., 2021).

In the UK, a major issue has centred around the lack of sick pay for insecure workers: according to the TUC 67% of insecure workers say they receive nothing when off sick compared to 7% of secure workers (TUC, 2021). Without access to (sufficient) sick pay and other social supports, many precarious workers will likely have faced difficult choices between self-isolating when infected with or exposed to Covid-19 and continuing to work regardless. Many precarious workers (especially in a sector like social care) also experienced particular risk of exposure to Covid-19 during the pandemic and in some cases PPE was not always up to standard (Duijs et al., 2021) making the issue of sick pay even more salient.

It is also worth mentioning that, at the time of writing, the UK has just experienced its 'biggest ever overnight cut to social security': with the end of the (pandemic-related) temporary uplift to Universal Credit. A reported 21% of all working-age families (with or without children) experienced a £1,040-a-year cut to their incomes in October 2021: a classic example of in-work poverty. Charities, trade unions, politicians and others have warned that the effects are likely to be significant, especially coupled with the end to furlough and rising prices for food, fuel, energy and other essential goods and services (see, e.g. Citizens Advice, 2021; JRF, 2021).

As discussed in detail in our full report, the issues faced by precarious workers during the pandemic exist alongside longer-term structural labour market changes. These were reported on most recently by the Resolution Foundation (2021a), which noted that much (two-thirds) of the post-financial-crisis (post-2008) employment growth in the UK has been accounted for by atypical work (zero hours contract, agency work, temporary work and low-paid self-employment). Significantly, given this finding, they also found that the subjective experiences of work for low earners have deteriorated faster than for those who earn more, and put much of this deterioration down to the increased intensity of work. Thus, even before the pandemic hit, decent work deficits appear to have been growing. A key recent response to the growth in atypical work has been to challenge the legal basis for such work and in the time since we produced the report there have been at least two significant cases (with different outcomes) probing the boundary between self-employed and worker status in the UK: the Uber case at the Supreme Court (February 2021) and the Deliveroo case at the Court of Appeal (June 2021).

Beyond Covid-19 and the longer-term labour market changes, we know that a large share of immigrants in the UK have taken on low-wage precarious work. However, evidence from new National Insurance registrations has highlighted a decline in EU workers entering the UK following the June 2016 Brexit vote (Vargas-Silva and Walsh, 2020). The ending of free movement on 01 January 2021, and the settled status deadline of 30 June 2021 that followed, together marked a further step towards restricting immigration from the EU. This, along with the Covid-19 pandemic, helps explain the exodus of foreign-born workers that the Resolution Foundation has put at 0.5 million (Resolution Foundation, 2021b). The labour shortages of 2021, whilst not entirely the result of Brexit and Covid-19, have certainly been significantly shaped by these two momentous events. A key question for the future, given that precarious work appears to be both growing and becoming less appealing, is who now does such work and/or whether there is scope in the economic model to improve the work offer to stave off further labour supply crises? Further immigration may well be needed to fill precarious work vacancies, and though we know that the public have historically preferred high-wage and high-skilled migrants, we also know that attitudes towards migration have shifted somewhat, mainly in response to those key-workers doing jobs considered essential during the pandemic (Fernández-Reino, 2021).

During these volatile times it is more important than ever to get a good read of labour market precarity. We hope that our report, and this update, can advance our understanding of this opaque topic.

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