Labour Market Insecurity: The Effects of Job, Employment and Income Insecurity on the Mental Well-being of Employees

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Abstract: *This article proposes that the insecurity facing employees in the labour market can be viewed as a multifaceted concept that encompasses job insecurity, employment insecurity and income insecurity, as well as the cognitive and affective dimensions of each of these. The results indicate the validity of using this concept in order to better understand how insecurity relates to mental well-being by affecting both the manifest and latent functions of work.*

Keywords: *insecurity, mental well-being, flexicurity, latent and manifest functions.*

Resumen: *Este artículo propone que la inseguridad que afrontan los empleados en el mercado de trabajo puede ser entendida como un concepto polifacético que enmarca la inseguridad en el trabajo, en el empleo y en el salario, así como las dimensiones cognitivas y afectivas de cada uno de ellos. Los resultados indican la validez del uso de este concepto para entender mejor cómo la inseguridad se relaciona con el bienestar mental afectando las funciones manifiestas y latentes del trabajo.*

Palabras clave: *inseguridad, bienestar mental, «flexiguridad», funciones latentes y manifiestas.*

1. Introduction

Over the last two decades, there has been a scholarly debate regarding the relationship between mental well-being and job insecurity. The issue of job insecurity is considered to be growing in importance due to the fundamental changes affecting the labour markets of industrialised countries (De Witte, 2005). Factors such as a globalised economy, plant closures, company restructuring and the increased use of temporary contracts have changed the labour market since the days of high and sustained growth, and full employment. Many would argue that employment is now much more precarious, with individuals facing a more turbulent work environment in which lifelong security and a career within a single organisation is no longer the norm. In this 'new labour market', a certain level of insecurity may be perceived as an enduring and recurrent aspect of working life (Berntson and Marklund, 2007; Sjöberg, 2010). However, not everyone shares this view or considers the development to be necessarily detrimental for employees.

The issue of insecurity can be related to the discussion of how to balance the need for flexibility and security in the labour market, and the nature of the relationship between its main actors. In general, employers want a flexible and mobile workforce that can be expeditiously relocated to those parts of the labour market that need manpower, or can be downsized in sectors that are in decline. In a European context, improved flexibility is often proposed as being necessary in order to deal with growing competition in the global market. Rigid employment protection legislation and labour laws are considered to be a hindrance to improved flexibility, with flexibility considered crucial for improving production and stimulating the labour market as a whole (Tangian, 2010). Security, on the other hand, is emphasised by employees and unions who want to uphold social safety nets and social integration. These groups consider employment protection legislation and labour laws to be crucial if stable work and secure income are to be guaranteed. Flexibility is often considered as simply another form of deregulation that results in insecure jobs and lower salaries (Ozaki, 1999; Tangian, 2008). Green (2009) claimed that insecurity has become part of a discourse in which employees are encouraged to accept an 'end to jobs for life' and to seek the skills necessary to cope with temporary employments rather than rely on union or government protection of their jobs. However, Green argues that such claims have little to do with the actual job tenures facing most employees today, but rather fulfil an ideological role in promoting skills acquisition and employability over the search for job protection. Not surprisingly, flexibility and security are

often characterised as incompatible and antagonistic needs, where one can only be gained at the expense of the other.

It is in this context that flexicurity as a labour market theory and policy has been introduced. Wilthagen and Tros (2004) argued that a 'win-win' situation between employers and employees can be reached when the needs of both actors can be satisfied by a compromise based on a more nuanced understanding of security and flexibility and the specific trade-offs between them. The present paper is particularly interested in how Wilthagen and Tros divided security into three distinct forms: job security, employment security and income security.[1] One of the main tenets of flexicurity is a shift from job security (being able to keep one's job) to employment security (being able to find a new job) and income security (having a secure level of income during unemployment) with the aim of a high level of mobility in the labour market while also retaining a high level of security among the employed. It is assumed that a higher degree of employment security, coupled with a decent level of income security, will negate the consequences of a lower degree of job security, and that employees will therefore retain a form of security while employers will obtain a more flexible workforce. There is also the implicit assumption that job insecurity will no longer be a source of impaired mental well-being, as employees will feel secure in the knowledge that, although they might lose their job, they will not experience either long-term unemployment or great financial loss. Critics of flexicurity, on the other hand, claim that it is much easier to achieve a more flexible workforce by making workers less secure, and that this increased insecurity would negatively affect the mental well-being of the employees (Burchell, 2009).

It is important to focus on the relationship between insecurity and mental well-being, since research has found that these factors are strongly related. Insecurity can have serious detrimental effects on mental well-being, leading to psychological distress, anxiety and depression, as well as mental, emotional and physical exhaustion (Sjöberg, 2010). From the perspective of the employee, there is a lot at stake when the trade-off suggested by flexicurity advocates could lead to increased insecurity as a result of lower job security.

Whether the above claim is correct or not is an empirical issue. The present paper argues that a more nuanced concept of insecurity is useful when studying how the risk of unemployment affects the subjective mental well-being of employees. As noted above, the relationship between job insecurity and well-being has attracted a certain amount of interest in recent years; in most cases, however, the focus is solely on job insecurity. I will argue that a more detailed

1 Wilthagen and Tros also include a fourth form of security – 'combination security' – that will not be covered in the present paper.

concept of insecurity – firstly divided into job, employment and income security, and secondly taking both the cognitive and affective dimension of insecurity into account – is of greater analytical value. This approach enables a better understanding of how employees perceive and experience insecurity and what aspects of insecurity are actually related to detrimental mental well-being. It can also potentially provide an opportunity to test Wilthagen and Tros's claim that job insecurity is no longer a significant source of impaired mental well-being when counterbalanced by employment security and income security.

The paper starts by discussing the significance and use of the different forms of insecurity, moving from a global view of job insecurity to a multifaceted concept. It then goes on to discuss how mental well-being can be understood and how it is related to insecurity. This is followed by a presentation of data and analytical strategy, after which the results of the study are described. The paper ends with a discussion of the findings and the potential merits of using a more nuanced concept of job insecurity.

2. From a global view of job insecurity to a multifaceted concept

The concept of job insecurity has been defined in various ways and a more definitive definition enjoying widespread acceptance has yet to be provided, although a number of fairly similar definitions have been proposed. Greenhalg and Rosenblatt (1984, p. 438) were among the first to raise the concept of job insecurity, defining it as 'the perceived powerlessness to maintain the desired continuity in a threatened job situation'. Heany, Israel and House (1994, p. 1431) considered job insecurity as 'the perception of a potential threat to the continuity of the current job'. Sverke, Hellgren and Näswall (2002, p. 243) saw job insecurity as 'the subjectively experienced anticipation of a fundamental and involuntary event related to job loss', while De Witte (2005, p. 1) defined it as 'the perceived threat of job loss and the worries related to that threat'. These can all be considered as examples of a global view of job insecurity as an analytical concept, referring to the future continuity of the current job as an overarching concern. Others have considered job insecurity to be a multifaceted concept that distinguishes between and encompasses different forms of job insecurity that face employees in the labour market (De Witte, 1999). Ultimately, the present paper argues in favour of the latter use; however, it is worth noting that, regardless of their overall approach, the authors tend to agree on certain basic components of job insecurity.

First of all, job insecurity is a subjective perception. Different employees may perceive and interpret the same objective situation in different ways. Some will feel insecure even when there is no objective reason to do so, while others may feel secure when their job is in fact threatened. Therefore, job insecurity can be described as a subjectively experienced phenomenon that is caused by the interaction between the objective situation and subjective characteristics (De Witte, 1999, 2005; Sverke and Hellgren, 2002).

Secondly, the subjective conceptualisation of job insecurity is concerned with uncertainty about the future. Employees do not know whether they will lose their current job. This can be compared with the certainty of dismissal. Knowing that one has been given notice enables an employee to use coping strategies and take concrete action to deal with the situation. Employees who feel uncertain have a harder time preparing themselves for the future, since they are unclear whether to take action (De Witte, 1999, 2005). Sjöberg (2010) noted that most of us tend to be risk-averse and that uncertainty in itself is seen as detrimental, partly because uncertainty about the future represents such an unpredictable event that it cannot be transformed into a probability, and therefore a more calculable and manageable risk.

Thirdly, many definitions have also referred to the involuntary nature of job insecurity. Some employees have freely and actively chosen a more insecure job status. This tends to be the case when the employees are either well equipped to deal with the burden of job insecurity or because it suits their present situation. However, most employees do not perceive insecurity as something that they have actively chosen, and they experience a discrepancy between what they are feeling and their preferred level of security (De Witte, 2005).

Finally, many definitions have identified a feeling of powerlessness. The perceived threat to continuity in one's job situation is typically accompanied by a sense of powerlessness in the face of this threat. Some authors have argued that this can be understood as the lack of control and predictability caused by uncertainty. There is a sense among some authors that the lack of control, or the feeling of powerlessness to control or predict one's future, is the key to explaining the harmful impact of uncertainty and insecurity (Anderson and Pontusson, 2007; De Witte, 1999, 2005).

A more multifaceted concept of job insecurity demands the addition of some important components. The early literature on the subject tended to conceptualise job insecurity in purely cognitive terms, while more recent work has argued that an affective understanding of job insecurity is also required (Huang *et alii* 2010). Anderson and Pontusson (2007) defined cognitive job insecurity as 'the

individual's estimate of the probability that he or she will lose their job in the near future', while affective job insecurity refers to worry or anxiety about losing one's job. De Witte (2005) phrased it as the difference between the cognitive probability of losing one's job (for example, 'I think I will be dismissed') and the affective experience thereof (for example, 'I am worried that I will become unemployed'). To me, this differentiation of the insecurity concept seems like a fairly modest development. Given the general consensus that job insecurity is a subjective perception, it appears unproblematic to claim that this subjective position is composed of both a cognitive and an affective dimension and that both dimensions should be the subject of closer study.

Anderson and Pontusson (2007) argued that the basic relationship between the two dimensions of insecurity is that while cognitive job insecurity should be considered a major determinant of affective job insecurity, it should also be made clear that affective insecurity involves more than a perceived threat to one's current job status. Anderson and Pontusson claimed that affective job insecurity is fundamentally a function of two variables: the individual's estimate of the probability that he or she will lose his or her job (cognitive job insecurity) and the individual's perception of the consequences of losing his or her job. Anderson and Pontusson then broke down the expected consequences of losing one's job into two discrete variables: the prospect of finding another (more or less equivalent) job and access to sources of income (livelihood) that do not depend on finding another job. By considering the further consequences of losing one's job, we arrive at the second major component of a multifaceted concept of job insecurity, and the connection to insecurity as it is defined in the flexicurity discourse. Following Wilthagen and Tros (2004), I argue here that the forms of insecurity facing employees in the labour market are not restricted to the uncertainty surrounding whether they will lose their current job. While this is clearly a serious concern, it seems to me that job insecurity contains two further dimensions that need to be more clearly defined in order to avoid the common confusion that poorly defined concepts and improper distinctions have caused in this area of research (Green, 2009). Apart from losing their job, employees must also consider the risk of not getting a new job. Anderson and Pontusson call this 'labour market insecurity'; however, in accordance with Wilthagen and Tros, I feel it is more appropriate to refer to this form of insecurity as 'employment insecurity' (Anderson and Pontusson, 2007; Wilthagen and Tros, 2004). Another problem that employees face is securing an income during a period of unemployment; this is referred to here as 'income insecurity', which, according to Wilthagen and Tros, also includes the employee's financial security

through institutions that provide unemployment insurance. With wage work being fundamental for financial security in industrialised countries, this aspect is a real concern for all employees experiencing insecurity. Economic strain has been shown to be an important determinant of psychological distress (Esser and Olsen, 2010; Nordenmark, Strandh and Layte, 2006; Sjöberg, 2010). To avoid any future confusion regarding the terms, I propose that the multifaceted definition of job insecurity should be termed 'labour market insecurity', which includes job insecurity, employment insecurity and income insecurity.

It could also be claimed that all three aspects of insecurity are latently present in the global definition of job insecurity; however, the more detailed mechanisms of insecurity can be better understood if we use an explicitly multifaceted concept. For example, consider how different age groups seem to respond to different forms of insecurity. Sverke, Hellgren and Näswall (2002) commented on the fact that unemployment appears to be most distressing for people aged between 30 and 50. They argued that one explanation is that people in the middle of their life are more dependent on a steady income since they typically have family responsibilities. This can be understood as meaning that middle-age employees are particularly susceptible to income insecurity, with the combination of an economic shortfall and the extended financial responsibility representing a serious problem. As another example, older employees might experience a different type of insecurity. While most older employees have worked for a long time and, thanks to employment protection legislation, are fairly confident that they are unlikely to be given notice, they may also realise that if they were to be made unemployed, they would be less likely to find an equivalent job because of their advanced age. In other words, older employees might not experience job insecurity, but may experience employment insecurity. The ability to detect these different forms of insecurity, instead of simply referring to job insecurity in a general sense, can result in a more detailed analysis.

The next step is to apply the cognitive and affective dimension to all three forms of insecurity, since it is likely that they all have these two dimensions. This can distinguish among employees in terms of how they cognitively estimate the probability and extent of the consequences, and how they affectively feel as a result. This creates a multifaceted concept of labour market insecurity composed of up to six components, each of which is discussed below.

3. Mental well-being and insecurity

While job insecurity and employment security, as portrayed in the flexicurity debate, can be an important incentive for people to work harder and make investments in their human capital, studies conducted over the last two decades leave little doubt that there is a relationship between insecurity and well-being. Several studies have shown that insecurity has harmful effects on the subjective well-being of employees (De Witte, 2005; Green, 2009; Hellgren and Sverke, 2003; Sjöberg, 2010). The present paper deals with the adverse effects of insecurity, while the shift in focus from security to insecurity also leads to a shift in focus from a motivator to a stressor. Stress theory is based on the idea that the anticipation of a stressful event, especially when the individual lacks or is denied coping strategies, can have consequences that are just as severe as the actual event in itself, if not more so. Consequently, research has indicated that experiencing job insecurity can be as distressing as experiencing actual unemployment (Burchell, 2009; Lazarus and Folkman, 1984; Sjöberg, 2010; Sverke and Hellgren, 2003).

Understanding job insecurity as a stressor places the focus on the individual stress reactions to insecurity. Insecurity as a stress reaction has been shown to be associated with psychological distress, anxiety and depression, as well as mental, emotional and physical exhaustion. Job insecurity also seems to be a chronic stressor that appears to decrease well-being in both the long and short term, with the detrimental effects on well-being becoming more potent as the time of exposure increases. This is especially problematic if employees perceive the various forms of insecurity to be an enduring perceived threat in the labour market (De Witte, 1999, Sjöberg, 2010). Overall, the literature also seems to conclude that job insecurity is more clearly related to mental than physical health, which means that the mental well-being of employees should be a promising area of research when applying a multifaceted concept of labour market insecurity (Hellgren and Sverke, 2003; Sverke, Hellgren and Näswall, 2002).

Research has also found that other facets of insecurity are connected to mental well-being. Berntson and Marklund (2007) found that perceived employability among employees had an important and independent effect on mental well-being. The existing relationship between employment insecurity and mental health was also supported by Strandh, Novo and Hammarström (2010). Regarding income, Ervasti and Venetoklis (2010) concluded that financial stress is crucial for subjective mental well-being, while Nordenmark, Strandh and Layte (2006) found that economic strain is an important determinant of psychological distress. In most cases, this research was conducted mainly to measure the effect

on mental well-being among the unemployed; greater research is needed on the effect stemming from the employed but insecure.

The literature differs somewhat on the means by which insecurity affects mental well-being; however, a large number of authors have referred to the model of latent deprivation outlined by Marie Jahoda (De Witte, 2005; Jahoda, 1984; Nordenmark, Strandh and Layte, 2006; Sjögren, 2010). This theory claims that employment fulfils both a manifest function in the form of generating an income and a number of latent functions that consist of basic human needs. Jahoda identified five such needs: time structure, social contact, sharing of common goals, status and activity. Even though the manifest function does play a part, Jahoda argued that the latent needs explain the main effect on mental well-being. The threat of unemployment implies the frustration and deprivation of these needs, the result of which can have a negative impact on mental well-being (Creed and Bartrum, 2006; Ervasti and Venetoklis, 2010).

David Fryer (1995) proposed an alternative understanding of the relationship between insecurity and mental well-being in his model of agency restriction. Fryer argued that it is important to understand individuals as 'socially embedded agents who are actively striving for purposeful determination, attempting to make sense of, initiate, influence and cope with events in line with personal values, goals, expectations of the future in a context of cultural norm, traditions and past experience' (Fryer, 1995). Fryer's model stresses that interruptions to the agent's plans and strategies sever the individual from a meaningful and planned future, leading to a reduction in mental well-being. Consequently, agents are not able to cope with the insecurity they face. Thus, rather than being anything intrinsic to the work in itself, it is more the frustration of goals, future orientation and planning that causes poor mental well-being. Likewise, it is primarily the manifest function that conducts this relationship rather than the latent functions. Fryer argued that the potential loss of income and the threat of poverty is the main negative consequence of insecurity in the labour market because it makes the agent unable to cope with the current situation or plan for the future. Fryer acknowledged the role of the latent benefits but considered these insufficient to conclusively explain the deterioration in well-being (Burchell, 1994; Creed and Bartrum, 2006; Fryer, 2006).

It is also important to isolate the effect of insecurity from other factors that are known to have a relationship to mental well-being. For this reason, the demand-control model that was developed by Robert Karasek and is frequently used in the field of job stress research will be included as control variables in the regression model. Demand in work acts as a stressor and can have a detrimental

effect on mental well-being, which in turn can be ameliorated by perceived control over tasks and behaviour during the working day. Social support is usually also included in the model as a moderator of the consequences of demands (Berntson and Marklund, 2007; De Witte, 1999; Karasek, 1979; Karasek and Theorell, 1990, Sverke and Hellgren, 2002).

Using a multifaceted concept of insecurity could potentially clarify what seems to be one of the main distinctions among the theories mentioned above; namely, whether the risk of losing either the manifest or latent function of work is the main explanation for deteriorating mental well-being, or whether it is actually the combination of both.

4. Data and method

The data used in this paper is based on a postal survey among Swedish employees conducted in the autumn of 2010. The sample used the ordinary labour force survey (LFS) as a sample frame, targeting employees aged 16 to 64. The response rate was 54 per cent (2023 responses). Individuals under the age of 24 and the temporarily employed are somewhat over-represented among the non-respondents.

A descriptive analysis of the insecurity variables is presented first, in order to provide an overview of the respondents' opinions on insecurity. For the main analysis, an OLS regression is used to estimate the effects of the independent variables. The construction of this analytical model aims to capture the theoretical proposition regarding labour market insecurity, while also trying to gauge the merits of the different theoretical understandings mentioned regarding the relationship between insecurity and mental well-being. The first model includes only the three cognitive forms of insecurity, with the purpose of showing the unique effects of job, employment and income insecurity. The second model includes the variables on affective insecurity, which will make it possible to observe the unique effects of the cognitive and affective components. Comparing the two models will also help illustrate the extent to which the effect of the cognitive variables can be seen as the result of the affective variables. Comparing the effects of job and income insecurity will also illustrate the mechanism in play. The unique effect of affective income insecurity can potentially capture the manifest function of work, while affective job insecurity, when controlling for income and employment insecurity, may capture the latent functions of work. This will provide an opportunity to test the plausibility of Jahoda's and Fryer's theories. The third model includes the control variables, among which are those

concerning demand, control and social support. The other control variables are entered in order to further isolate the unique effect of insecurity. They are selected on the basis of earlier research, where they have been found to influence the relationship between insecurity and mental well-being.

The dependent variable is mental health and for this purpose the questionnaire includes the General Health Questionnaire 12 (GHQ-12).The GHQ-12 is a commonly used measure of individual psychological well-being, including the field of job insecurity. The instrument targets two areas – the inability to carry out normal functions and the appearance of distress – to assess a person's well-being (Goldberg and Williams, 1988; Goldberg and Hillier, 1979). The respondent is asked to indicate how his or her health has been generally over the past few weeks. A Swedish translation of the GHQ-12 was used, and the wording of some questions was updated to avoid them sounding strange or archaic. All 12 items have a four-point Likert scoring system (0-1-2-3). The original English design is intact in the sense that half of the items are positive statements and the other half are negative statements. After sampling, the scoring of the negative statements was reversed so that all the items can be scored in the same direction. However, the design was changed so that all 12 items referred to statements instead of questions, to which the respondents can agree or disagree. The reason for this change is to ease the construction of a single scale and facilitate the process of answering the survey (Sconfienza, 1998). In the English original, the wording of the options depends on the particular nature of the item.

The GHQ-12 is widely used as a unidimensional instrument, and factor analysis shows that all 12 questions work well as a single scale (α= 0.866). Therefore, the GHQ-12 in the Swedish survey can be used as a single variable to measure mental well-being. The scale ranges from 0 to 36, with a low value indicating good mental well-being and a high value indicating poor mental well-being.

For the main independent variables on insecurity, I have used the following questions from the survey, where the answers in a final stage have been turned into a dichotomy. Cognitive job insecurity is based on the question 'How do you assess the risk that you are going to lose your job within the next 12 months?' The answers are on a five-point scale: 'very high', 'quite high', 'neither high nor low', 'quite low' and 'very low'. These answers have been turned into a dichotomy, with the first two response options comprising 'there is a risk' and the latter three options comprising 'there is no risk'.

Affective job insecurity is based on the question ' To what extent do you worry about losing your present job', with the answers being 'I worry a great deal', 'I worry to a certain extent', 'I worry a little bit', and 'I do not worry at all'. These

answers have been turned into a dichotomy, with the first two response options making up 'I worry' and the latter three options comprising 'I do not worry'.

Cognitive employment insecurity derives from the following question: 'In general, what do you think your current chances are of finding another job that is equal to or better than your current job'; the answers were 'very good', 'quite good', neither good nor bad', 'quite bad', and 'very bad'. This variable has been dichotomised as well, with the first three response options making up 'There are good possibilities', and the latter two making up 'There are poor possibilities'.

The survey does not include any questions that could gauge affective employment insecurity. Such questions were omitted because, during the construction of the survey, it was considered too hypothetical for the responding employees to imagine whether they would worry about finding a new and future job.

Cognitive income insecurity is based on the question 'How would you/your household manage economically if you become unemployed and have to rely on unemployment benefits for a period of more than months but less than six months', with answers being 'very well', 'quite well', 'neither well nor badly', 'quite badly' and 'very badly'. These were turned into a dichotomy, with the first three response options comprising 'Will manage fine' and the final two comprising 'Will manage poorly'. It is important to take into account the fact that the responding employee might be sharing his or her financial situation with other people. Regarding the period of time, three to six months seems likely to be long enough to have a serious impact, without being so long that it it is difficult for the employee to imagine the situation.

Finally, affective income insecurity is based on the following question: 'In general, do you worry about your/your household's economy'. The four-point scale answers were 'I worry a great deal', 'I worry to a certain degree', 'I do not worry much' and 'I do not worry at all'. These answers were turned into a dichotomy, with the first two response options comprising 'I worry' and the latter two comprising 'I do not worry'.

The variable 'Demand' is a scale (α=0.684) that ranges from 0 to 16 and constructed from four items, such as 'Does your job demand you to work at a high pace?' Control is a scale (α=0.825) that ranges from 0 to 20 based on five items, asking respondents about the extent to which they feel they can influence aspects such as 'Your working methods?'. 'Social Support' is based on a scale (α=0.737) ranging from 0 to 16, constructed from four items, such as 'Do you usually get help from your co-workers if you are having difficulties at work?' The other control variables include class (ESeC), gender, age category, salary, educational level, number of employees at the work-place, civil status,

children living at home, union membership, member of a union unemployment fund, sector of employment, working hours, contract (permanent or temporary) and job satisfaction. The last of these variables – job satisfaction – is often considered to have a close relationship to job insecurity (De Witte, 2005, Sverke and Hellgren, 2002).

5. Results

Table 1 shows the levels of reported insecurity among employees in Sweden. As far as job insecurity is concerned, fewer than 6 per cent of employees perceive a risk of losing their job, with somewhat more (9 per cent) worrying about losing their job. This illustrates the point that the perception of risk is not always necessary for someone to feel at risk.

Table 1. Frequency table of insecurity variables (per cent)

Cognitive Job Insecurity	
There is a risk	5.4 (n=2026)
Affective Job Insecurity	
I worry	9.1 (n=2081)
Cognitive Employment Insecurity	
There are poor possibilities	36.9 (n=2016)
Cognitive Income Insecurity	
Will manage poorly	27.3 (n=1985)
Affective Income Insecurity	
I worry	20.1 (n=2122)

A large number of employees (37 per cent) consider their chances of finding a new job of equal or better status to be poor. Twenty-seven per cent answered that they would manage badly in an economic sense during unemployment, and 20 per cent worried about such a scenario. These figures indicate that both forms of insecurity are fairly common among these respondents.

In model 1 of the OLS regression (Table 2), a unique significant effect of all three forms of cognitive job insecurity is recorded, with high levels of cognitive insecurity having a negative effect on mental well-being. The perception of insecurity in the labour market clearly seems to have a detrimental impact in this regard and the results point to the merits of dividing insecurity into the three aspects.

The affective variables have been included in model 2. Both affective job insecurity and affective income insecurity have a large significant effect. The affective experience of insecurity now seems to be the main reason why mental well-being is negatively affected. The unique significant effect of cognitive job insecurity has now disappeared and the relationship to mental well-being is now mainly mediated through affective job insecurity (analysis not shown), which acts as an intervening variable (Aneshensel, 2002).This seems to be in line with the theoretical proposition that it is mainly the affective aspect – the actual feeling of insecurity – that leads to poor mental well-being. The effect of cognitive income insecurity has been reduced by more than half and is now also at a lower level of significance. Most of the relationship observed in model 1 is mediated by affective income insecurity, which suggests that it is the feeling of income insecurity more than the cognitive perception in itself that leads to poor mental well-being. Cognitive employment insecurity has been reduced somewhat, but still shows a significant effect in model 2, and the prospect of not becoming reemployed has its own effect on mental well-being. A different picture of the mechanism at work can also be seen. Whereas model 1 showed job insecurity as having the largest unique significant effect, income insecurity has the strongest impact in model 2. This is more in line with Fryer's theory, which gives precedence to the manifest function of work.

Table 2. OLS-regression. Unstandardised b-coefficients for subjective mental well-being

Variables	*Model 1*	*Model 2*	*Model 3*
Cognitive Job Insecurity	3.68***	.92	.82
Cognitive Employment Insecurity	1.44***	1.08**	.92**
Cognitive Income Insecurity	2.17***	.93*	.67*
Affective Job Insecurity		2.84***	2.15***
Affective Income Insecurity		3.71***	2.59***
Demand (α=0,684)			.55***
Control (α=0,825)			-.25***
Social Support (α=0,737)			-.23***
Job satisfaction			-2.85***
Age (55- ref)			
-24			1.33
25-34			.71
35-44			.20
45-54			.09
Civil status (Married ref.)			
Cohabitant			.11

Variables	*Model 1*	*Model 2*	*Model 3*
Single			1.04*
Children at home (No ref.)			.11
Education (Tertiary ref.)			
Primary			1.48*
Secondary			.52
Household Income per year (800,000 SEK or more ref.)			
0 – 200,000 SEK			-1.63
201,000 – 300,000 SEK			.08
301,000 – 400,000 SEK			-.09
401,000 – 500,000 SEK			.15
501,000 – 600,000 SEK			.34
601,000 – 700,000 SEK			.96
701,000 – 800,000 SEK			-.21
Class (Working class ref.)			
Intermediary class			-.01
White collar			.32
Contract type (Temporary ref.)			-.62
Working hours (more than 35 hours a week ref.)			
1-19 hours			1.77
20-34 hours			.45
Number of Employees (500 or more ref.)			
1-10			-.06
11-19			.72
20-49			-.73
50-99			-.46
100-499			.31
Sector (Public ref.)			.51
Member of an Unemployment Fund (Yes ref.)			.01
Union membership (LO/working class union ref.)			
TCO/intermediary class union			.88*
Saco/white collar union			.92
Other			.93
Not a member			.98*
Intercept	8.31	7.98	8.53
R^2_{adj}	.065	.139	.314
n	1373	1373	1373

Levels of significance: *: p< 0.05, **: p<0.01, ***: p<0.001.

The control variables have been added to model 3, but all the insecurity variables from model 2 still show a significant effect. This suggests that, despite the inclusion of a large number of control variables to isolate the effect and

check for potential spurious relationships, the different forms of insecurity have an important and unique effect on mental well-being. Affective job insecurity and affective income insecurity both have a large, if somewhat reduced, effect on mental well-being. It is noteworthy that the effects of both variables are now of more or less the same magnitude, which suggests that the manifest and latent effects of work both play an important role. It is also interesting to note that cognitive income insecurity still has a unique and significant, albeit fairly small, effect. This is curious since affective income insecurity was expected to mediate the effect on mental well-being, as is the case with job insecurity. Still, to a certain extent or for some employees, the knowledge of income insecurity, even when controlling for the affective dimension, seems to affect mental well-being for some employees. This is a question for further research.

Regarding the control variables, we see a large and significant unique effect in demand, control and social support, and job satisfaction. This is as expected, since the variables in the Karasek model are known to have significance for mental well-being, but are not considered to be directly connected to insecurity. This means that it is important to include these in order to properly isolate the effect of labour market insecurity on mental well-being. Job satisfaction does have an effect of its own, but further specification of the regression model also shows that job satisfaction mediates a large part of the effect that disappears from affective job insecurity when going from model 2 to model 3 (analysis not shown). Of the other variables, only marital status, education and union membership have a significant unique effect, which can therefore be considered independent from labour market insecurity.

6. Concluding discussion

The results of this paper point to the usefulness of adopting a multifaceted concept of labour market insecurity when researching the relationship between insecurity and mental well-being. From a theoretical point of view, the results are interesting for the research field of job insecurity. In general, the theory proposed when trying to explain the mechanism between job insecurity and mental well-being is usually Jahoda's latent deprivation theory, which argues that the latent functions of work and the deprivation of the same cause mental well-being to deteriorate, with the manifest functions playing a smaller role. When applying the multifaceted concept of labour market insecurity, however, the results run counter to this theory. The effect of affective income insecurity clearly seems to indicate the presence of manifest deprivation as well. If anything, the effect of

this is greater than the effect of the latent functions. This is more in line with Fryer's theory of agency restriction, which stresses the role of income insecurity when explaining the deterioration in mental well-being. There is an important caveat here as well, since it does not seem valid to downplay the importance of the latent functions, as Fryer's theory does. The results in the present study suggest that both factors have more or less the same magnitude of importance. While slightly different in effect, it does not seem as though either should have a more prominent position as an explanans.

These results are made visible by using a multifaceted concept of insecurity. Taking job, employment and income insecurity into account enables us to better capture both the latent and manifest functions of insecurity. Looking at both the cognitive and affective dimensions seems to provide a better understanding of the process at work, with the affective dimension being the crucial link to mental well-being. Introducing the affective dimension also levels the field between the effect of both manifest and latent functions. If only the cognitive dimension is taken into account, the results seem to favour Jahoda's theory, while the complex model is less clear-cut. These more nuanced results seem to validate the use of a multifaceted concept of insecurity.

The results of the discussion of flexicurity provide a better understanding of what is at stake in the flexicurity proposal concerning the mental well-being of the employed; namely, that an increase in job insecurity will not lead to a significant negative change in mental health if the level of employment and income security is decent. In the final model, affective job insecurity, cognitive employment insecurity and affective income insecurity all show a unique significant effect. This indicates that some aspects of affective job insecurity have a negative effect on mental well-being that cannot be explained by the other forms of insecurity. There seem to be qualities of keeping one's current job – probably what Jahoda considers to constitute the latent functions, even though the specific effects of the five latent needs are not tested in this paper – that, if threatened, lead to poorer mental well-being. Since these qualities fulfil an important need in themselves, the extent to which they will cease to be a source of insecurity and poor mental health if replaced by improved levels of employment and income security is questionable. The results could be interpreted as meaning that it would be hard to counter one form of insecurity with less of another, since they relate to different functions and needs; for example, the threat to social contacts and valued companions is perhaps not easily remedied by the promise of a new job of equal status. The results point to the potential challenges within the flexicurity approach.

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