

THE WORKING POOR: SURVEY STUDY

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Abstract

The aim of this survey study is to define the group of the working poor within the Czech Republic and in the selected countries. Comparison of this group can be a benefit for future research and improvement of the quality of life of the working poor. This survey study is based on articles in the SCOPUS, EBSCO and Google Scholar databases. The data have been processed through the method of the text analysis of documents.

The working poor are currently an inexplicitly defined group of people. Researches show that there are two indicators for evaluation of the working poor. One of them is the so-called poverty level that is set by a certain percentage from the median of income of the particular state (mostly 50% or 60%). The second indicator is a minimum wage. The working poor are often people who work only part-time and whose wages are in the amount of about a minimum wage. Unfortunately, even people working full time often get wages at the poverty level. However, despite this fact, people still more often choose a less stable job with a minimum wage rather than being unemployed. A job provides them with a certain barrier against falling into social exclusion. Of course, the poverty level as well as the minimum wage differ in particular countries. The number of people living under the poverty level also differs.

At present, the only country that explicitly defines this group are the United States of America. Approximately 14% of the population work below the poverty level there. In the whole of Asia it is about 29.5% of the population, and Asia is in one of the top positions among the countries with the biggest level of poverty in the world. The researches done in Europe show similar numbers. In the Czech Republic, the amount of the working poor is about 4% of the population. In Poland the number is about 7%, and in the UK about 8% of the population work below the poverty level. The researches from Eurostat, which have been done within Europe, look more favourable for the Czech Republic than for many other states. In 2014 the Czech Republic was a country that has one of the least dangers of poverty for those who are working.

Key words: *working poor; poor people; employed; minimum wage; low income; low-wage workers*

INTRODUCTION

The working poor

Wójcik-Żołądek (2016) describes in his research the history of the origin of the term and the problems concerning the working poor generally. As he states,

the term originated in the 1970's in the United States of America. 20 years later this term and especially problems of a similar character occurred in Europe, and although this phenomenon did not receive its name until the 20th century, its origins go back to the industrial revolution

between the 18th and 19th centuries. He further describes that in the middle of the 19th century the word “poor” was a synonym for an industrial worker. Although this phenomenon has begun to be an interesting topic for more and more sociologists, it is still missing a comprehensive research study as well as an empirical research. These problems are similarly seen by Strengmann-Kuhn (2002) who writes that the working poor are people whose individual wage is below a certain level. This level can be the poverty level, a minimum wage or percentage of an average wage.

Recently a part-time job and occasional or non-standard work have also been popular. This work can easily become unstable and unpredictable (Standing 2008). Standing (2011) further sees these problems in his more recent book as follows: if a man is forced through his life situation to accept flexible, occasional, part-time work, etc., the particular situation is defined as a precariat because it does not give the particular man any stability or security. In his opinion, these people do not even have any or a very low professional identity because they cannot build their career with such work, they only serve to receive some wage. Vosko (2011) defines this term as work that is unstable, characterized by low wage and limited social benefits. These people do not have an opportunity to build their career, they continue to be deprived and frustrated because they are not secure, and according to Standing (2011) they are even politically exploitable. People will be able to buy food, pay rent, secure the basic necessities of life and survive with a low wage but they will not build a career. They spend all their leisure time searching for another part-time job (Rous 2013). So that even benefits that could follow from part-time work (more leisure time, motivation to self-fulfilment, further education and professional growth) finally become disadvantage (Fiala 2011). Rous (2013) further states that the word “sub-employment” is not a strange one for this group (in the principle “class”) of people. According to Fiala (2011), unfortunately, these depreciated jobs without security become majority jobs in Europe. He states for example that in the Netherlands up to 45% of citizens have such an unusual job. In his opinion, it is about 13–14% in the Czech Republic and this number can be expected to increase.

MATERIALS AND METHODS

This survey study has been carried out on the basis of analysis of the data, which have been obtained from papers available in the SCOPUS, EBSCO databases, we have also used Google Scholar. The criteria of selection have been given by the key words. So a survey study could arise that maps the situation of a group of the working poor in selected countries – the United States of America, Asia and Europe.

Mainly the phrase “the working poor” and “low-wage workers” have been used for searching. During the last four years for example, the SCOPUS database found 620 results with the key words “working poor”. The EBSCO database provided over 1 500 results in the last four years. The latest papers from 2012 to 2016 were chosen. Furthermore the most relevant papers and websites concerning minimum wages were used, however, also older, since approximately 2002, and provided by the database Google Scholar. The data concerning minimum wages were also searched on the websites of the Statistical Office of the European Union – EUROSTAT.

United States of America

The United States of America are in principle the only country in the world with an official definition of the working poor Wójcik-Żołądek (2016). Working poor is defined in the United States of America as a man who has been working 27 or more weeks in the last year, however, their income is below the poverty level, and in 2013 the poverty level was defined as a wage lower than \$342.87 a week (A profile of the Working Poor 2013, 2015). According to the findings of the U.S. Bureau of Labor Statistics, 45.3 million poor people were in the U.S.A in 2013. 10.5 million (23%) of them were the working poor (Working poor reaches 10.5 million in 2013, 2015). The research, a Profile of the Working Poor 2014 (2016), informs on the situation in the U.S.A, in 2014 46.7 million inhabitants lived below the poverty level. Most of these poor were children or the elderly who had not participated in the labour force. However, 9.5 million of them were the working poor. This number has decreased since 2013.

Table 1 shows the working poor rate in 2007–2014, and from that the number of the working living in poverty.

Table 1 – Working poor rate in 2007–2014 and number of the working living in poverty

Characteristics	2007	2008	2009	2010	2011	2012	2013	2014
Working poor rate	146.567	147.838	147.902	146.859	147.475	148.735	149.483	150.319
Number of inhabitants living in poverty	7.521	8.883	10.391	10.512	10.382	10.612	10.450	9.480

Source: Profile of the Working Poor 2014 (2016)

The Center for Poverty Research (What are the characteristics... 2015) states the poverty level as the wage per hour. According to their findings in 2014, 1.3 million inhabitants (over 16 years) worked for a minimum wage of \$7.25 per hour in the U.S.A. Their worse findings are that another 1.7 million inhabitants worked for a lower wage than this amount.

The document, Working Poor in America (2014), offers still another comparison to illustrate the wage that the U.S working poor work for. 30 years ago the ratio of an average wage of a Chief Executive (CEO) to a wage of an average worker was 40 : 1. In 2013 it was already 331 : 1. In 2014 it is 774 : 1. The ratio in the U.S.A is much more dramatic than in most other countries. In Norway, the ratio is 58 : 1, in Germany it is 147 : 1.3. The present federal minimum wage is \$7.25 per hour, which makes \$15.080 per year for full-time. This document includes a proposal for the increase of minimum wage that would help 25 million workers, 9 million of that (one third!) parents with dependent children. Wicks Lim (2012) mentions that in 2010 in the U.S.A, 40% of individuals in productive age could not provide their families and household with an appropriate standard of living, although they worked full-time. Their wages were really only \$7.25 per hour. A solution seems to be to increase minimum federal wages by about 70%, so an hourly rate would be \$12.30.

The Wage Indicator (Minimum Wages around... 2016) can serve well for the comparison of a minimum wage among the states. For illustration the server determines a minimum hour wage for the Czech Republic 58.70 CZK and 9 900 CZK per month. It includes a minimum wage for the disabled. In Germany the minimum wage is €8.50 per hour (approx. CZK229.50). In Botswana it is not even CZK7 per hour. Considering workers with disabilities, a man with any

kind of disability can get less money than the minimum wage (Workers with disabilities, 2016).

Asia

The International Labor Office (2006) has summarized the information from the fourteenth Asian regional meeting in Busano in South Korea, where it was said how work and working conditions changed within the whole of Asia from 1990 until 2015. According to this office:

- in China the number of people living in poverty decreased from 33% to 16% in the period of 1990–2001;
- in India the number of people living in poverty decreased from 42% to 35% in the period of 1990–2001.

Unfortunately, according to them Asia still remains one of the poorest regions in the world and their poverty level is an income of \$1–2 per day. Should the level taken into account be \$2, Asia would have approximately 1.9 billion poor citizens, which makes for approximately three quarters of the poor all over the world.

A research carried out in Hong Kong and mentioned by Chi-Kin Cheung and Chou (2015) has brought information on the working poor in this area:

- In 2013 the government stated the poverty level with a half median of a monthly income per household before taxes.
- The poverty rate was 19.6% there. That is approximately 1.31 million people living in poverty. Workers were 702.1 thousand of it which makes more than a half.
- It has been established that 5% of the working poor were university educated, on the contrary 25% of the university educated were among workers with usual wages.

- The group of the working poor further included 55% of immigrants.

The document of the International Labor Office (2006) provides information on the working poor in most regions of Asia, people work hard there, they are at work for many hours, workplaces are not safe, they have low health standards, and however, such work still enables some families to survive. The Labor Office has stated in the same document the poverty level in Eastern and South Asia as \$2 per day and it has been summarized that 361 427 000 working poor were in Eastern Asia in 2005, which makes 46.5% of all those working. In South Asia the number of the working poor was 496 376 000 in 2005, which made 83.9% of all the employed.

Of course, poverty is connected with other troubles. Rahman (2015) has dealt with the working poor in Bangladesh and he describes development of a group of workers living in poverty although working there. They are not only paid little, but are also deprived of their small income and of an opportunity to participate in the society.

Yokohama (2015) states that the poverty level in Japan is set to a half of the national median income. According to him, 16% of citizens lived below this level in 2014, and instead of decreasing the poverty, it has increased for about 1.3% per year since 1980. He adds that occasional work and part-time work employ almost 40% of Japanese.

Europe

Eurostat defines the working poor as those who are employed for a minimum of 7 months and their income is less than 60% of the median of the household income per one inhabitant (Wójcik-Żołądek 2016).

Zagórski (2008) characterizes in his research in Poland the working poor as a group of people who remain below the poverty level despite the fact that they have income from work. According to the centre for research of public opinion from 2008, the category of the working poor in Poland would include 6.6% of the adult population which makes approx. 2 010 000 of people. The poor are classified according to the income up to ZL1 640 per month (Zagórski 2008). In 2016 the minimum wage increased to ZL1 850 per month (Fric 2016). Wójcik-Żołądek

(2016) further mention that the situation in Poland is unfavourable compared to other EU countries. They even state that the situation in the Czech Republic is better and the working citizens who are endangered with poverty are only 4%. Sirovátka and Mareš (2006) also agree with this statement. They think that the Czech Republic has not reached big numbers in terms of the working poor yet. However, they add that the number of the materially and otherwise deprived has on the contrary increased here. They compare the working poor with the unemployed and mention that the one third of citizens working part-time have a lower income than the unemployed. Despite of this fact, this group continues to work in evidently unstable jobs, because they know that they can earn a small income and that this income is a certain protection against social exclusion.

According to Brázdilová (2016), 9.7% citizens of the Czech Republic lived below the poverty level in 2015 – this level has been determined as CZK10 220 per month net in the Czech Republic. She further mentions that 4.1% of the working are endangered with poverty in the Czech Republic.

Stewart (2004) notifies of a minimum hour wage in the UK that makes £3.70. In 2000, 6.4% of the employees worked below this value that is approximately 1.5 million people. These people have a right to higher wages.

The Eurostat (2016) regularly updates a table with the list of 36 European states and their rate of threat of poverty despite of having a stable job. According to this table, in 2014 the best position is occupied by the Czech Republic with only 3.6 points, further for example Finland (3.7), Iceland (4.6), Belgium (4.8), Denmark (4.9) and Norway (5.0). The worst situation is in Romania (19.6), Serbia (15), Greece (13.4) and Spain (12.5). An older Eurostat table (2012) provides other statistics, namely in percentage. According to these statistics, a share of employees with a low income made 17% within the EU-27 states in 2010. However, differences among particular states are really evident. For example, the most cases have been in Latvia (27.8%) and the least in Sweden (2.5%). The Eurostat (2012) further states that 21% of female employees had a low income, compared to only 13% in men (Table 2).

Table 2 – Summary of the results

	People below the poverty level	The working below the poverty level	The working below the poverty level (%)	The working for a minimum wage or less
GB	10.8 million (approx. 16% of the population)	approx. 5.1 million (50% of people below the poverty level)	8% of the population	1.5 million (2.4% of the population)
Poland	2.8 million (approx. 7.4% of the population)	approx. 2.01 million (72% of people below the poverty level)	6.6% of the population	
CZ	1.02 million (approx. 9.7% of the population)	approx. 422 thousand (42% of people below the poverty level)	4.1% of the population	91 thousand (8.5% of the population)
Hong Kong	1.31 million (approx. 18.8% of the population)	approx. 702 thousand (53.6% of people below the poverty level)	10% of the population	
USA	46.7 million (approx. 14.6% of the population)	approx. 9.5 million (20.3% of people below the poverty level)	3% of the population	3 million (approx. 1% of the population)
Asia	1.9 billion (approx. 43% of the population)	approx. 1.3 billion (68% of people below the poverty level)	29.5% of the population	

CONCLUSION

The aim of this survey study is to refer to differences in the conception of the working poor in different states, as well as to refer to differences in the poverty levels and a minimum wage that are often the scale for the determination of the working poor.

As mentioned by Meyers and Lee (2003), most state policies are rather concerned in solution of problems of poor families and less attention has been paid to those who despite struggling to remain in the labour market, fail to break out of poverty (Stewart 2004, Wójcik-Żołądek 2013, Rahman 2015). Strenghmann-Kuhn (2002) points out the problem of European thinking. Europeans consider as “poor” everybody who does not work – the unemployed etc. Only few European researches have been concerned

with the working poor. It is important that more information on these problems spreads and more experts start dealing with the working poor.

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CONFLICT OF INTEREST

The authors have no conflict of interest to disclose.

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