

## Nonstandard work in advanced economies: Need for measuring both quantity and quality of work

Uma Rani<sup>1</sup>

Nonstandard work, particularly part-time or temporary work has risen over the past decade (1991-2006) by more than seven percentage points in the advanced economies. The change over the long run in the proportion of non-standard jobs signals changes in broader economic and social conditions. The shift to non-standard work arrangements has also been referred as casualisation largely due to the use of casual or contract labor to replace permanent full-time workers. The term has come to include most jobs that tend to offer less security than the standard employment relationship with respect to hours, earnings and benefits. The different data sources capture the quantity of non-standard work, not often completely as some of the categories of work are missed out, which could be further improved. But what seems to be largely lacking in the different data sources is the quality of such work undertaken.

We make a modest attempt in this paper to raise the need for quality measurements so as to have a better understanding of different forms of nonstandard work. The paper is divided into three sections. The first section presents a picture of multiple jobs, which has witnessed a marginal increase in advanced economies and raises the need to capture more indicators related to it to have a better understanding of the quality of these jobs. Section two presents a brief picture of part-time and temporary work, and raises some concerns with regard to defining part-time work as voluntary and the need to improve measurements; and section three raises concerns about lack of indicators to measure the quality of part-time and temporary jobs and presents the limited data available.

### 1. Increasing trends in multiple jobs

There is no doubt a trend towards increasing non-standard work, what is probably interesting to observe is that on an average about 4.1 percent of the workers in the advanced European countries (18 countries) are holding multiple jobs and this proportion has seen a very marginal increase (table 1). The proportion of workers engaged in multiple jobs varies significantly across countries from 1.7 per cent in Italy to 11 percent in Iceland. In seven of these countries the proportions are more than 7 per cent (Iceland, Denmark, Netherlands, Poland, Sweden, Norway and Switzerland). A comparatively higher proportion of female workers seem to be involved in multiple jobs than males and there is a marginal increase in the proportion of female workers holding multiple jobs.

The labour force survey from EUROSTAT provides data on population having a second job by sex and professional status of both jobs. As the majority of the working population in the advanced economies is engaged in salaried employment, we find that about 87 per cent of the workers who hold multiple jobs have their main work status as salaried jobs (table 1). There is an overall increase in the proportion of workers who do two salaried jobs from 41 per cent in 2001 to 46 per cent in 2007. The increase is much more striking among female workers. There is also a marginal increase in workers having two self-employed jobs, with almost a one point increase for male workers indicating the precariousness of such jobs.

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<sup>1</sup> Senior Development Economist, International Institute of Labor Studies, ILO Geneva

**Table 1: Multiple Jobs matrix by Work Status, Proportions in advanced economies, 2001 and 2007**

Work Status 1	Work Status 2	Male		Female		Total	
		2001	2007	2001	2007	2001	2007
Salaried	Salaried	30.8	34.4	55.4	60.1	41.3	46.4
Salaried	Employer	2.7	2.6	1.1	1.4	2.0	2.0
Salaried	Self-Employed	35.6	35.4	20.3	20.1	29.1	28.2
Salaried	Family worker	10.2	6.5	10.7	6.3	10.4	6.4
Employer	Employer	1.4	1.5	0.3	0.4	0.9	0.9
Self-Employed	Self-Employed	6.5	7.5	3.3	3.8	5.2	5.8
Family worker	Family worker	0.3	0.4	0.5	0.7	0.4	0.7
	Others	12.5	11.7	8.4	7.2	10.7	9.6
	<b>All Multiple jobs</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>	<b>4.3</b>	<b>3.8</b>	<b>4.1</b>

Source: EUROSTAT Labor Force Survey.

**Table 2: Proportion of workers in second job by sex and occupation in first job, advanced economies, 2001 and 2007**

	Male		Female		Total	
	2001	2007	2001	2007	2001	2007
Professionals	20.4	22.0	20.8	21.1	20.5	21.6
Technicians and associate professionals	12.9	14.2	17.2	17.6	14.7	15.8
Clerks	5.0	4.8	15.0	13.1	9.3	8.7
Service workers and shop and market sales workers	7.0	7.5	19.4	19.7	12.3	13.2
Skilled agricultural and fishery workers	6.2	5.1	2.9	2.1	4.8	3.7
Craft and related trades workers	18.9	17.1	3.2	2.6	12.2	10.3
Plant and machine operators and assemblers	11.2	10.9	2.5	1.9	7.5	6.7
Elementary occupations	8.0	7.9	14.0	17.0	10.6	12.2
<b>All Multiple jobs</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>	<b>4.3</b>	<b>3.8</b>	<b>4.1</b>

Source: EUROSTAT Labor Force Survey.

The multiple jobs can be further analyzed by looking at the occupational categories of the workers in their main job<sup>2</sup>. Table 2 shows the extent to which the different segments of the

<sup>2</sup> The labor force survey of EUROSTAT provides data on 'population in employment having a second job by sex and occupation in first job'.

labor market are precarious, and whether the precariousness is concentrated in the low end occupations or not. Multiple jobs are witnessed in both the upper segment and lower segment of the occupational categories. The occupations that have witnessed an increase in workers with multiple jobs are professionals; technical and associate professionals; service workers and shop market sales workers and elementary occupations.

There is significant variation in trends across countries with the proportion of people having multiple jobs. The multiple jobs in the higher segment among professionals and technical and associate professionals are substantially high in Italy, Spain, Netherlands, Austria, Finland, Sweden, Denmark, Germany, Italy, Iceland and Switzerland. In the lower segment among service and shop related workers and elementary occupations, the proportion of workers engaged in multiple jobs are high in Denmark, Spain, Finland, Sweden, UK, Iceland, Norway, France and Cyprus. The countries that have a substantial proportion of workforce engaged at both the higher and lower occupation categories are Denmark, Spain, Finland, Sweden, Iceland and Norway.

In the wake of globalization, workers depending upon multiple jobs seem to be gaining importance in advanced economies. The nineties did witness some reference made to multiple jobs based on primary field surveys, but it did not receive much attention. However, multiple jobs are becoming a reality in the present era at both the upper and lower end of occupations in these economies, and the issue need to be explored more deeply..

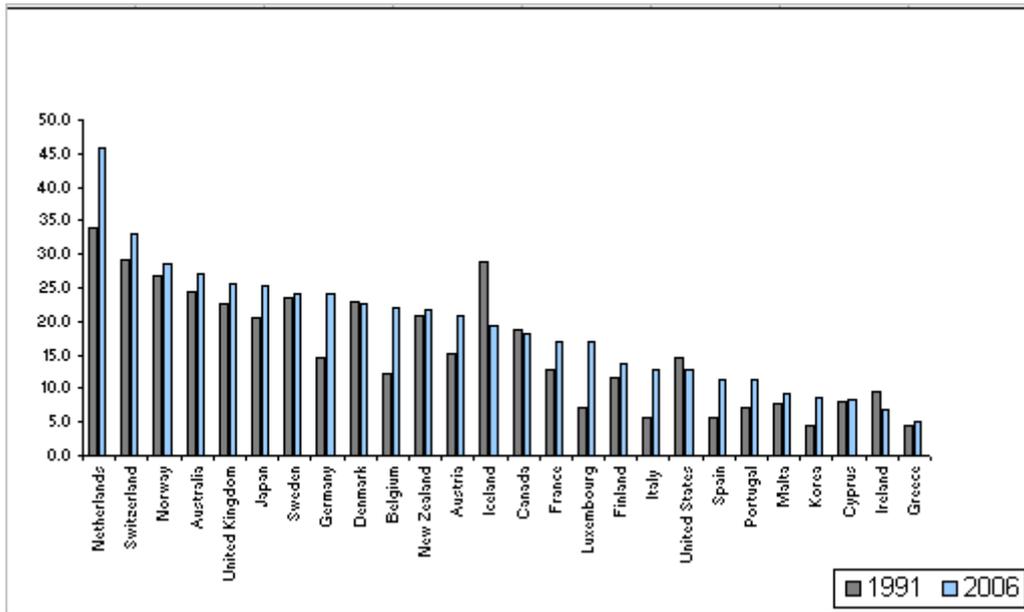
However, the available data on multiple jobs only allows us to observe a trend in such form of jobs, which is of importance with the growing precariousness that workers might experience. The data does not allow us to analyze why people undertake multiple jobs. Whether it is driven by low income or wages or insufficient work? It is also not clear whether those engaged in multiple jobs are full-time or part-time workers. Due to lack of information on wages of these workers, it becomes difficult to analyze why people undertake multiple jobs or to give any value judgement whether such work is precarious or not, or whether it is socially harmful.

It would be helpful if could incorporate some questions on type of work (part-time or full-time), type of contract (temporary or not) and hourly wages in the labor force survey, which would help us in having a better understanding of these jobs.

## **2. Part-time and temporary work: Trends and Issues**

Part-time work is a form of non-standard work, which comprises of workers working less than 35 hours of work, although the average number of hours worked vary between countries. The share of part-time work in advanced economies has risen over the past decade by 4 percentage points. In 2006, part-time work accounted for about 20.8 per cent of total employment (for the age group 15-64 years) compared to 16.6 per cent in 1996. The share of part-time work varies significantly across the advanced economies (figure 1), and it exceeds 20 per cent in 12 of the advanced economies in 2006. The share of part-time work continues to be high in Netherlands, followed by Switzerland, Norway, UK and Japan.

Figure 1: Share of part-time employment, advanced economies, 1991 and 2006



Source: Estimates based on Eurostat Labour Force Survey and OECD

Some of the major characteristics of part-time work include, first, high incidence of female part-time work indicating a stronger gender dimension with nearly one in three women having a part-time job. The share of female part-time work is high in most of the advanced economies, and in 17 of these countries female part-time employment exceeds 25 per cent. Second, the most significant expansion in part-time work has taken place in service industries and it now forms a significant component of total employment in all industries except, mining and utilities. The proportion of part-time work is highest in the service sector for both males and females, followed by manufacturing sector.

Third, about 22 per cent of part-time work is involuntary, 40 per cent is due to 'family or personal responsibilities' or 'family care', and the remaining one-third is voluntary in 2006. There are substantial variations across countries and gender, indicating the different institutional settings that exist in different countries. The share of voluntary part-time work was much higher among women, which could be a choice to maintain a balance between work and family welfare in the absence of any institutional support. The share of involuntary part-time work increased for men in Germany, Spain, Italy and Japan, indicating that it is not always a choice but a refuge from unemployment.

However, there is a considerable debate among the policy makers about whether part-time work should be considered as part of non-standard work as most of the part-time work is considered to be voluntary. This is because within the voluntary category, family responsibilities and those with family care are also included, which is probably incorrect as latter are largely determined by the kind of institutional support that exists in countries and which may differ tremendously. Part of the problem is also that part-time work in comparison with other forms of "non-standard" employment, such as temporary employment tends to be viewed favorably by many employees. The disaggregated data provided by EUROSTAT provides the reasons for opting for part-time, but it does not provide a complete picture.

The reasons for opting for part-time work is categorized for the past decade and presented in table 3. This information is produced by asking a single question to part-time workers why they are working part-time, taking involuntary part-time workers to be those who reply that they have been unable to find full-time jobs. The table below very clearly shows that till the most recent years (2005 onwards) almost all of part-time work was categorized into 'other reason' for opting for part-time work. There were no additional questions asked to find out whether the part-time workers would have preferred to work full-time or part-time if they did not have this responsibility or care work or if there was institutional support.

**Table 3: Reasons for opting for part-time work, all workers advanced economies 2000 and 2007**

	Other Reasons		Cannot find a full-time job		Own illness or disability		Family and personal responsibilities		Family care*		Education and training	
	2000	2007	2000	2007	2000	2007	2000	2007	2000	2007	2000	2007
Belgium	72.4	26.3	22.2	14.6	2.8	3.5	-	33.2	-	19.8	2.6	2.7
Denmark	47	8.9	13.7	12.8	4.2	8.8	-	29.5	-	5.6	35.1	34.3
Germany	77	19.1	12.5	21.8	2.5	2.7	-	29	-	17.8	8	9.6
Ireland	61.3	-	16.6	-	1.7	:	-	-	-	-	20.4	-
Greece	45.4	32	45.5	42.8	3	3	-	3.9	-	11.6	6.1	6.8
Spain	68.6	26.7	23.2	32.1	1	1.7	-	11.4	-	15.7	7.2	12.5
France	61.2	11.3	26.7	33.2	4.4	5.2	-	15.6	-	31.8	7.7	2.9
Italy	57.4	18.7	37	38.5	1.5	2.5	-	8.4	-	26.2	4.2	5.7
Cyprus	67.8	10.4	21.1	26.9	7.9	7.2	-	38.3	-	10.7	3.1	6.5
Luxemburg	89.3	8.8	7.8	5.2	-	3	-	64.8	-	16.9	-	1.9
Malta	61.4	20.5	18.8	17	-	:	-	34.2	-	12.4	-	14
Netherlands	80.3	27.4	3.8	5	1.1	4.6	-	6.7	-	34.4	14.8	22
Austria	82	27.3	10.7	11.7	1.4	2.4	-	16	-	32.9	5.8	9.8
Portugal	49.9	20.3	23.2	27.2	22.6	21.6	-	23	-	4.2	4.4	3.8
Finland	34.1	4.8	34.8	23.9	2.9	2.9	-	29.6	-	8.5	28.3	30.4
Sweden	55.7	17	23.3	24.6	8.4	13.9	-	16	-	18	12.6	10.5
United Kingdom	73.3	19.5	9.6	9.9	1.8	2.6	-	16.3	-	35.5	15.3	16.1
Iceland	60.4	35.6	7.5	6.9	4.4	5.9	-	9.3	-	14.9	27.7	27.3
Norway	60.3	18.9	11.1	16.4	3.8	14.7	-	12.9	-	14.8	24.8	22.2
Switzerland	80.3	36.5	4.6	5.9	3.9	3.4	-	23.1	-	21.3	11.1	9.8

Source: Estimates based on Eurostat Labour Force Survey

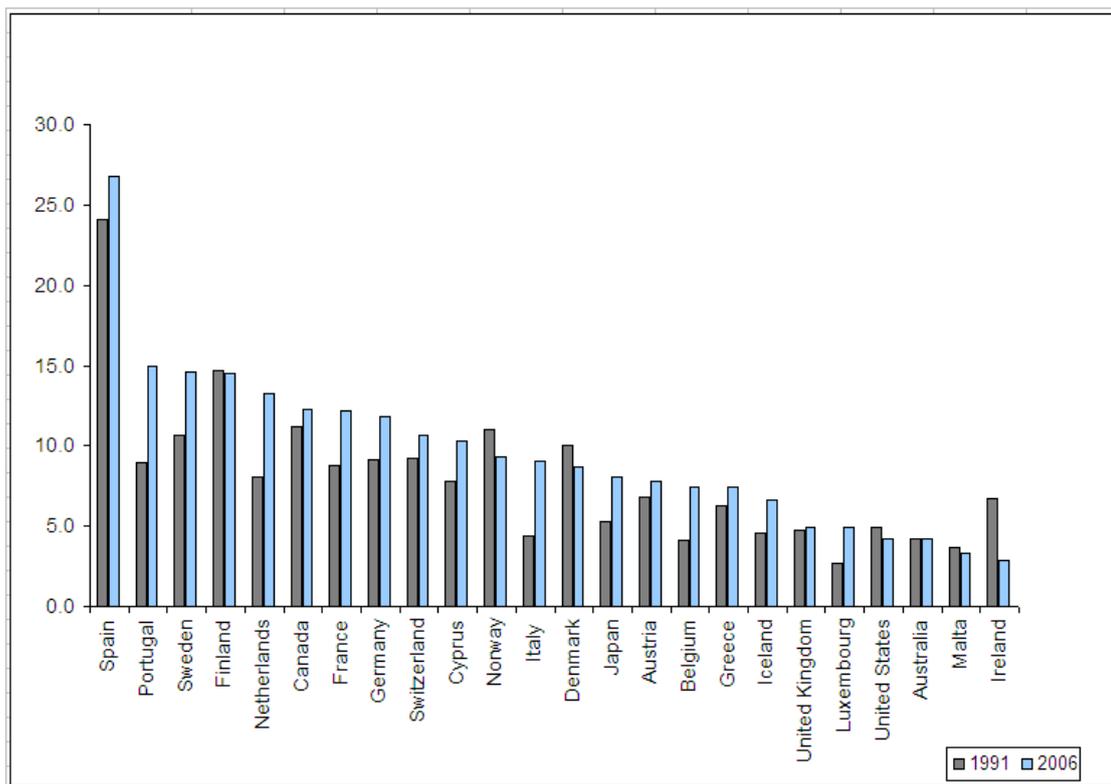
Note: \* Family care refers to looking after children and incapacitated adults.

However, the answers, provided above, needs to be interpreted with caution since not wanting a full-time job may have more to do with force of circumstances – such as not being able to reconcile family responsibilities and doing a paid job in any other way – rather than the genuine desire to work part-time. The 2000 survey of self-employed, indicated that about 13 percent of own account self-employed women cited balance of work and family as the main reason for becoming self-employed, though they would prefer to work full-time. Similarly, a quarter of own account self-employed (26 percent) became self-employed because they could not find paid employment, which reflects the precariousness experienced by many self-employed workers.

The issues raised above are true also for other forms of non-standard work like temporary work, which comprises of fixed-term contracts, interim work through a temporary agency, casual or seasonal worker and those with a contract for a specific task. The share of temporary work has also tended to increase over the past two decades by almost 3 percentage points (figure 2). In 2006, temporary work accounted for about 15 per cent of total employment (for the age group 15-64 years) compared to 11.7 per cent in 1996. The share of temporary work was higher among women than men in most of the advanced economies. The share of temporary work increased across all age groups, and the highest share (35 per cent) being for the age group 15-24 years.

Temporary work is higher in services sector (70 per cent) and lower in manufacturing sector (13 per cent). In the services sector, the proportion of temporary work is high in trade, real estate and other services (education, health and social work). The share of temporary work varies considerably across countries. This could be due to the level of institutional protection in standard jobs, along with the degree of coordinated centralization of the collective bargaining system (Polavieja 2006). The share of temporary work exceeds 10 per cent in 10 of the advanced economies in 2006, and it is very high in Spain (24.6 per cent).

Figure 2: Share of temporary employment, advanced economies, 1991 and 2006



Source: Estimates based on Eurostat Labour Force Survey and OECD

This trend is largely because firms needed to be able to respond to rapid changes in supply and demand conditions in the face of stiffer product-market competition (Kalleberg 2000; Dorantes 2000). In addition, new technology has made it possible to fragment the production process and outsource certain tasks, a trend that has been associated with less stable

employment. It is also argued that badly designed employment regulations make employers reluctant to recruit under permanent contracts (Atkinson, Morris and Williams 1999; Davis-Blake and Uzzi 1993). In some of the countries, the strong restriction on dismissal of regular workers or terminating contracts of indefinite duration (Fagan and Ward 2003) has led to a rise in temporary employment.

It would be helpful if we could incorporate additional questions to why workers opt for part-time or temporary work in the labor force survey, which would allow us to understand the extent to which such work is precarious in a more realistic way.

### **3. Quality of part-time and temporary jobs**

The third issue relates to the quality of part-time or temporary work. There is no doubt that non-standard work is increasing substantially in most advanced economies, there is increased concern about the quality of part-time jobs, particularly with respect to remuneration, training and career prospects.

The EUROSTAT has undertaken Structure of Earnings Survey, for the years 1995 and 2002, and the data are obtained from employers. The Structure of Earnings Survey, 1995 provides median hourly earnings for part-time and full-time workers. The Structure of Earnings Survey, 2002 provides mean hourly wage earnings for those with Indefinite Duration and those with Fixed term Contract. It is difficult to make any comparisons as it is not clear which types of workers are captured in these categories mentioned above. It is also argued that the SES 1995 has been an irregular survey of enterprises, covering industry and services, but excluding agriculture, public administration and firms with less than 10 employees. However, it is not clear to what extent SES 2002 is better than the earlier one.

Despite these limitations, the limited data on wage earnings from the Employer based EUROSTAT SES 1995 shows that, on average, part-timers tend to receive lower level of earnings per hour worked compared to their full-time counterparts. The analysis shows that for most countries for which data are available, the median hourly earnings of part-time workers are indeed lower than those for full-time workers (table 4). Hourly earnings of part-time workers vary between 55 and 90% of those of full-timers depending on the country.

In 2002, fixed-term contract workers received fewer wage than those with indefinite duration (table 4). The only exception being Ireland, where, the two types of work are equally remunerated in both industrial and service sectors. The extreme cases are that of Spain and Portugal where the wages of non-standard work is about more than 30 per cent less than the standard work. Irrespective of what indicator we take for non-standard work, the hourly wage data for the two years shows very clear wage differentials between the two types of work.

A limitation of the earnings picture from the Structure of Earnings Survey is that it does not capture enterprises that are smaller than 10 workers, and the data provided is from the employer's perspective and not worker's perspective. To have a better or holistic picture it would be preferable if earnings or wage data along with benefits is captured from household labour force surveys rather than employer based surveys.

**Table 4: Hourly earnings of part-time workers as a percentage of full-time workers or those with Indefinite duration, 1995 and 2002**

	1995 (Median)	2002 (Mean)
Australia	89.4	-
Austria	-	88.5
Belgium	78.4	77.7
Canada	55.9	-
Denmark	74.2	85.0
Finland	82.6	78.6
France	73.0	98.0
Germany	82.5	73.6
Greece	86.6	73.7
Ireland	-	99.6
Italy	87.4	80.2
Luxembourg	69.5	-
Netherlands	73.2	70.2
Norway	-	77.6
Portugal	90.0	68.2
Spain	67.8	64.2
Sweden	87.2	-
United Kingdom	58.0	75.0
United States	54.3	-

Source: EUROSTAT, Structure of Earnings Survey, 1995 and 2002

Apart from the EUROSTAT Structure of Earnings Survey, there is another source where wages or incomes for part-time and full-time workers are captured, that is the Luxembourg Income Study (LIS). However, the problem with the data provided by the LIS is quite complex as it provides 'data on weeks worked full-time and part-time', but the 'wage data provided is that of 'total wages'', and are not split either for full-time or part-time; or for hours of work. For most countries wages for part-time work are not available. If a worker is employed both on a part-time and full-time basis, then wages are shown as zero or a wage is shown and it is unclear to what this wage corresponds.

As the Luxembourg Income Study (LIS) provides data on full-time or part-time work and reasons for choosing such work; permanency of contract; tenure in current job; information about more than one job; weeks worked full-time and part-time; duration of full-time and part-time work experience. It would be helpful if hourly earnings or total earnings in a week are collected for different members of the household and also for different types of work. Similarly, EUROSTAT ECHP (European Commission Household Panel), waves 2-7 (1995-2005) also collects information on different types of work (part-time and temporary contracts) and it would be helpful if data on earnings are also captured for different types of work categories and for all persons in a household either on a hourly basis or weekly basis..

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