

NON-STANDARD EMPLOYMENT AND ISSUES EMERGING FROM EXPERIENCES IN CANADA¹

by
Isik U. Zeytinoglu, Ph.D., McMaster University, Canada

I. Background:

Non-standard employment is a commonly used terminology in Canada for categories of employment that, in other countries, traditionally can fall under informal employment. Not all non-standard employment in Canada can be considered as informal employment though non-standard employment has tendency to lead to informalization of employment conditions. In most studies, non-standard employment refers to part-time employment and temporary (casual, fixed-term or contingent) employment in formal firms, own-account self-employment (contractor), inter-firm subcontracted employment (subcontracting) and/or homework. The extent of these different forms of employment in the Canadian economy varies because of differences in inclusion of employment types in calculating non-standard employment.

Studies condense many seemingly different types of **non-standard employment** into three categories for analyses and generalization purposes. Using **two dimensions of work** arrangements, i.e. the continuity of the work relationship and the customary work hours, I focus on three categories of non-standard employment: regular part-time, temporary full-time and temporary part-time, and in analyses these are compared to standard (i.e., regular full-time) employment (Zeytinoglu 1999). Examining the issue as employer demand for non-standard work, our study using Workplace and Employee Survey (WES) of Statistics Canada show that, in 2002, the large majority of workers, at 83%, are regular full-time, and the proportions for regular part-time, temporary full-time, and temporary part-time are 12%, 2% and 3%, respectively (Zeytinoglu and Cooke 2005). In this study the percentage of those in non-standard employment are low for a few reasons: seasonal workers are excluded; agency workers are not included in the data unless their agency is included as an employer; data is collected through workplaces and thus self-employed and subcontracted workers are not captured well; and, data does not cover federal and provincial civil servants and municipal employees along with a few other smaller sectors. Another estimate of the full Canadian workforce suggest that the share, in 2002, of part-time and non-permanent workers was 19% and 13% respectively (Tabi and Langlois 2003).

An important criterion in defining informal employment is whether the employment provides **social security**. Focusing on social security dimension, in Canada there is universal health coverage and this benefit is not tied to employment as it is in some other countries such as the U.S. Another social security element is education. Education is free

¹ Contact: Zeytino@mcmaster.ca Report prepared for the International Workshop on “Measuring Informal Employment in Developed Economies,” Harvard University, Kennedy School of Government, WIEGO, October 31 – November 1, 2008. Special thanks to Dr. G. Cooke, Dr. S. Mann, J. Chowhan, Dr. J. Rose and Dr. C. Connelly for sharing their views with me prior to preparing this report.

for all until high school completion, and thus all workers have access to similarly good quality basic education to start their working lives. In addition, social services are provided to those who are most in need and cannot afford. Income security is the only element of social security that is tied to employment. Income security refers to programs to maintain the income of individuals or families faced with loss of earnings due to retirement, unemployment or work injury. For retirement, almost all seniors in Canada receive Old Age Security which is guaranteed income for low-income seniors. All persons over 18 years of age who earn more than the basic exempted amount (\$3,500 per year) are covered by Canada/Quebec Pension Plan. If the individual is an employee, the employee and the employer each pay half the contributions. Self-employed pay both portions. Unemployed workers are covered by Employment Insurance. Certain number of hours of work is required to qualify. Work injuries are covered by provincial programs. For example in Ontario under Workplace Safety and Insurance Act all workers, including seasonal workers, foreign agricultural workers and full-time domestics, are covered (though there are some eligibility requirements). Self-employed (independent contractors) are covered only if they elect to be considered 'employees' and pay into the insurance program. Non-standard workers, except self-employed, are also covered by provincial employment standards laws such as minimum wage, hours of work and severance pay.

Thus, as I summarize above, in Canada there is coverage, on a pro-rated basis, for non-standard workers under existing laws and social security programs. Where problems have emerged is with regards to the application of the laws to various types of non-standard work. The reality of workers in non-standard jobs have been that they rarely meet the continuous working hours, the regular or stable relationship with the employer, the length of employment needed to access benefits and rights in the workplace or the subordinate relationship expected of an individual to be considered an employee. Unorganized workers are left on their own individual power to negotiate with employers for coverage of minimum protection under employment standards laws. Studies show that often workers in most need of legal protections are not informed of whatever meager rights they might have under various laws. Even if they are informed, it is too difficult to convince them to file a complaint with appropriate authorities to improve their working conditions because they are afraid of losing their hard-found jobs, and the long time it takes for government investigators to reach a decision (Zeytinoglu and Muteshi 2000).

A key feature of work – and one that can significantly impact workers' sense of security for self and family – is benefits received in addition to pay. Focusing on employer-provided benefits of dental coverage, supplemental medical insurance, life/disability insurance and retirement benefit (inclusion in company pension plans), our research shows that three quarters of regular full-time workers in Canada receive at least one benefit. However, among those in non-standard employment status groups (regular part-time, temporary full-time, temporary part-time), the majority do not receive employer-provided benefits (Zeytinoglu and Cooke 2005).

Females, racialized minorities and low-economic class workers are disproportionately affected by the informalization of employment conditions in Canada since they are more

likely to be in the worst types of jobs. Gender, race and class dimensions of non-standard work, as well as their intersection, are well documented in the literature (Zeytinoglu and Muteshi 2000).

II. New developments in labour markets that should be captured or identified in national and international statistics:

An important new development in Canadian labour market is the **“long distance commuting”** employment. This refers to employment schedules where workers leave their community for a certain period of time to work in another part of the country or in different country and return home for extended weekends. Generally, trades people, skilled workers, professionals and knowledge workers are long distance commuters. They tend to have extended workweek schedules such as ten days of work with four days off or three weeks of work with one week off. Some have regular workweek schedules but work extended weeks to bank for longer weekends (such as three day weekend). Long distance commuters tend to move from areas with high unemployment to areas with labour shortages. They often move alone leaving families behind. Trades people, of which almost all are men, moving from Newfoundland, Nova Scotia and Ontario to work in Alberta’s oil industry is an example of a long distance commuter. Another example is knowledge workers such as IT staff laid off earlier in this decade, who, after a few years of unsuccessful employment searching in Canada, have moved elsewhere (mostly to the U.S.) for employment in their fields. They tend to work on fixed-term contracts of six months to a year that can be renewed by mutual agreement.

“Overseas on-line” employment is a new variation of subcontracted work. All work is conducted on-line for the main company accessing the company files and using their computer system. The workers and their employer, subcontracted by the main company, are based out of a low cost country. All employment contract responsibilities fall under the subcontractor employer but all work is performed on the virtual space of the main company. Examples of this are call centre workers, software writers, IT sector technical support workers who reside in a low cost country and tasks are performed for the main firm in Canada. Similarly, in bilingual locations in Canada where employment opportunities are scarce and wages are low, overseas on-line contract work for multinational corporations is common (e.g., some locations in New Brunswick and Ontario).

International seasonal employment: This refers to seasonal workers brought to Canada on a six to eight month contract to work in the agriculture sector. Examples are seen in Ontario and BC. Because such workers are not Canadian employees, they are not captured in employment statistics.

It is also possible for workers to be considered as employed in an informal economy because their employing firm is non-standard, that is, casual. **Casualized firms** can be in business for an extensive time period but due to restructuring of their industry, they have to bid for service contracts and if not awarded the contract, they leave the location and employees lose jobs. The employment insecurity and workplace casualization places the

workers in the informal economy. An example of casualized firms is home care sector firms in Ontario where they bid for health care service contracts and if successful, receive one to three year contracts. If they do not receive the contract, they might close and therefore layoff workers. Workers either become itinerant workers, following the firm to the location they are awarded a contract, or they get a job with the awarded firm, thereby losing their seniority. Many workers, with families to support, leave the sector rather than pursue employment in casualized firms.

III. Gaps in statistical categories and measurement need to be addressed

For **long-distance commuting** there are several issues that come to mind that can be captured in statistics. They are: characteristics of workers employed in long-distance commuting schedules, occupations in long-distance commuting (e.g., trades, IT professionals, knowledge workers in general, long-haul truck drivers), types of long-distance commuting work schedules, the compensation system, the infrastructure that is provided to commuters both in the workplace and home location, possible effects of this type of employment on families and communities, geographic locations of long-distance commuters and the recipient locations (e.g. from Newfoundland, Nova Scotia and Ontario to Alberta and Saskatchewan). Other issues that can be captured are: the labour market network (for recruitment and selection), reasons for such employment (money or scarce employment opportunities) and sustainability of this type of employment.

Another gap in measurement is that while in some surveys **agency workers** are included in others they are not captured. For example in the Workplace and Employee Survey (WES) agency workers are included only if their agency firm is included and in such cases workers will respond as employees of the agency company.

In some cases, there are measurement problems because **respondents have inaccurate knowledge of their employment status**. One example is workers' response to the question of whether they are in permanent or temporary employment. In some cases permanent employment is reported although they have actually been hired on temporary contracts. A second example is a case where a casual worker identifies as such and is covered under the collective agreement on some issues, but in responding to a survey this same worker indicates that he/she is not covered by the collective agreement. A third example is that the worker is a self-employed contractor working on a casual basis with the company but the worker does not know/understand this and gives inaccurate responses. A fourth example is with agency workers who generally have difficulty in identifying their employer: is it the firm they are providing labour or is it the agency?

In Canada, **seasonal jobs** are common in some sectors and in certain geographical locations. There is a knowledge gap with regard to the **working conditions** of such jobs. For international seasonal workers such as those in agriculture, there is almost no knowledge of their working conditions.

In the agriculture sector employment in many **family-owned farms** is part-time (non-standard). Better knowledge on their employment conditions is needed.

There is gap in knowledge on **undocumented workers** such as individuals arriving with travel visas who then stay to work illegally (e.g., in the Greater Toronto area there is an illegal Portuguese construction workforce).

There is a knowledge gap on the working conditions of workers holding **multiple non-standard jobs** so that they have the income of one standard job. This is different from moonlighting where one works full-time in a standard job and then works part-time in a second job.

It is becoming increasingly difficult for some workers **to respond** questions pertaining to **hours of work** and overtime work. Among knowledge workers, whether in standard or non-standard employment, responding to questions about the number of work hours is difficult because of the nature of work—they do not leave work behind when they leave the workplace. Moreover, with new technology, they are available for work on a 24 hours/ 7 days a week basis. It is possible that hours of work questions may not be reflecting the true hours of work.

Generally speaking, the **voluntary part-time** question has measurement problems due to differences in the interpretation of voluntariness. One issue that often comes up in research is how exactly part-timers with dependents are responding to this question: are they voluntary part-time because of lack of other options or because they want it?

An overall **working conditions survey** in non-standard employment can fill gaps in the knowledge and it is a disappointment that the only survey in Canada (WES) that had sufficient details on working conditions to conduct comprehensive studies is being discontinued. **Occupational health, wellness and safety problems** in non-standard employment are not captured comprehensively in national level statistics. Different surveys collect information on health and wellness, employment status and workplaces, but it is difficult to merge surveys for a comprehensive analysis. A thorough occupational health and safety survey is needed. In addition, small scale researcher-initiated surveys in Canada show that there are problems in non-standard workers' responses because of lack of knowledge of safety rules and policies in the workplace, lack of employment protection and therefore a tendency to underreport accidents and illnesses (afraid of losing contract/employment) and difficulties in proving work relatedness of the illness or injury (e.g., stress and musculoskeletal disorders). For agency workers, there is an additional ambiguity of who is the responsible employer in injuries and illnesses.

Stress is a major occupational health problem for many workers in Canada. While stress and its consequences are problems for all workers, for non-standard workers there are additional factors emerging from their working conditions contributing to stress (Zeytinoglu *et al.* 2005). Job insecurity, short- and split-shifts, unpredictability of hours, low wages and benefits compared to standard workers, and the need to struggle multiple jobs to earn a living wage contribute to stress and workplace problems of absenteeism, high turnover and workplace conflicts. Gendered work environments for most non-standard workers and work-personal life balance concerns also contribute to stress. A

problem in statistics is that stress questions are in health surveys where there are a few, if any, work related questions.

Long-term non-standard workers' history of employment should be captured (i.e., **longitudinal data** is needed on broader aspects of employment contract and conditions of work for these workers).

Surveys (such as WES) should ask **employers' commitment to non-standard workers**, and **preferences** for promotion, training, and layoffs according to employment contracts. Employer behaviour of **shifting workers** from the primary labour market conditions firm to the secondary labour market conditions firm can also be captured in statistics.

Employment conditions including employment insecurity, supplementary medical and retirement benefits of **small vendors** in rural areas and small towns (e.g., those who sell crafts or antiques in fairs), are not captured as informal sector employment.

IV. Categories and methods identified in research whose broad application would be useful

A typology of employment contracts in categorizing standard and non-standard employment is used by many researchers in Canada. For example, Zeytinoglu's (1999) typology of employment contracts is a classification scheme based on characteristics arising from the fundamental nature of contracts. These characteristics are stable and evident in all contracts regardless of their title. Two dimensions of work (the continuity of the work relationship and the customary work hours) are used to categorize a variety of employment contracts into one of the four categories: regular full-time, regular part-time, temporary full-time and temporary part-time with the latter three representing non-standard employment (see Appendix A, Table 1). Most of our research, discussed above, used this typology and other researchers used similar typologies.

Another way of categorizing non-standard employment is by using objective and subjective dimensions of employment insecurity (Chirumbolo and Hellgren 2003) and categories of labour insecurity (Standing 1997). Objective dimension of employment insecurity can be examined through non-permanent contracts, part-time or casual hours, involuntary hours, on-call work, split shifts, and hourly pay with variable hours. Subjective dimension of employment insecurity can be examined through perceived employment insecurity and labour market insecurity (Zeytinoglu *et al.* 2009).

References:

Chirumbolo, A., & Hellgren, J. 2003. Individual and organizational consequences of job insecurity: A European Study, *Economic and Industrial Democracy* 24: 217-240.

Standing, G. 1997. Globalization, labour flexibility and insecurity: The era of market regulation, *European Journal of Industrial Relations* 3: 7-37.

Tabi, M. & Langlois, S. 2003. Quality of jobs added in 2002. *Perspectives on Labour and Income* (Statistics Canada, Catalogue No. 75-001-XIE), 4 (2), 12-16.

Zeytinoglu, I.U. 1999. Flexible work arrangements: An overview of developments in Canada. In Zeytinoglu, I.U., (Ed.) *Changing Work Relationships in Industrialized Economies*: 41-58. Amsterdam, the Netherlands: John Benjamins.

Zeytinoglu, I.U. & Muteshi, J. 2000. Gender, race and class dimensions of non-standard work. *Relations Industrielles/ Industrial Relations* 55(1): 133-167.

Zeytinoglu, I. U. & Cooke, G. B. 2005. Non-standard work and benefits: Has anything changed since the Wallace report? *Relations industrielles/ Industrial Relations* 60 (1): 29-62.

Zeytinoglu, I.U., Seaton, B., Lillevik, W., & J. Moruz. 2005. Working in the margins: Women's experiences of stress and occupational health problems in part-time and casual jobs. *Women & Health* 41(1): 87-108.

Zeytinoglu, I.U., Denton, M., Davies, S. & Millen, J. *Forthcoming in 2009*, Office home care workers occupational health: Associations with workplace flexibility and worker insecurity. *Healthcare Policy*.

Appendix A, Table 1: A typology of work arrangements

Customary work Schedule	Continuity of work relationship	
	Permanent Contract	Temporary Contract
Full-time Contract	Full-time Permanent *Contracts with full-time hours in a continuing work relationship.	Full-time Temporary *Contracts for temporary, fixed-term or fixed-task work, for full standard work week.
Part-time Contract	Part-time Permanent *Contracts in a continuing relationship with less than full-time hours, with a relatively fixed schedule or number of hours.	Part-time Temporary *Contracts for work when needed by the company for fixed-term or fixed-task work less than full-time hours.

Source: Zeytinoglu, I.U. 1999. Flexible work arrangements: An overview of developments in Canada. In Zeytinoglu, I.U., (Ed.) *Changing Work Relationships in Industrialized Economies*: 41-58. Amsterdam, the Netherlands: John Benjamins.