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Nonstandard Employment Relations and Labour Market Inequality

Cross-national Patterns

In the past quarter-century, many industrial nations have witnessed a shift away from the standard work arrangement as the normative basis of the employment relationship and an increase in nonstandard work arrangements. This change in the nature of employment relations has made labour markets and organizations more flexible, and has enabled some people and their families to obtain greater flexibility to accomplish their goals. At the same time, this enhanced flexibility often has a 'dark side', sometimes leading to greater labour market inequality and excluding some workers from the social protections previously available to them through the standard employment relationship.

Cross-national research is essential for understanding these changes in the nature of employment relations and their impacts on labour markets and workers. For example, comparative research permits an assessment of the role of the state and economic and social institutions (such as laws and regulations governing trade union influence), as well as societal values, norms, and beliefs in shaping patterns of labour market inequality and exclusion.

This chapter discusses some important correlates and consequences associated with these changes occurring in the nature of employment relations in industrial societies. I first summarize some of the main cross-national

patterns in the use of the various types of nonstandard work arrangements, and suggest some of the reasons that nations and organizations have for using them. I then provide an overview of some issues related to labour market inequality associated with the use of these nonstandard employment arrangements in industrial societies; these issues constitute important components of a research agenda needed to understand cross-national differences in employment relations and patterns of labour market inequality and exclusion.

Standard and Nonstandard Work Arrangements

During the 'long boom' of the post-war period, many sociologists argued that an evolutionary process governed by a logic of industrialism would lead to a convergence among industrial societies towards a model of 'pluralistic industrialism'. This model predicted a long-term historical shift towards the dominance of one standard pattern of production relationships,¹ despite a 'wide and persisting degree of cross-national variation'.² The standard employment relationship (or *emploi total*³) had three main characteristics (see Table 1): (1) a personal relationship between a dominant master or employer and subordinate worker; (2) the work is done full-time; and (3) the employment relationship is generally

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Table 1. Characteristics of Standard and Nonstandard Work Arrangements

Dimension of work arrangements						
<i>Type of work arrangement</i>	<i>Who is the de jure employer</i>	<i>Who is the de facto employer</i>	<i>Assumption of continued employment by de jure employer?</i>	<i>Assumption of continued employment by de facto employer?</i>	<i>Who directs work?</i>	<i>Hours of Work</i>
Standard	Organization A	Organization A	Yes	Yes	Organization A	Full-time
Part-time	Organization A	Organization A	Sometimes	Sometimes	Organization A	Part-time
On-call/day labour	Organization A	Organization A	No	No	Organization A	FT or PT
Short-term temporary	Organization A	Organization A	No	No	Organization A	FT or PT
Temporary help agency	THA agency	Organization A	Sometimes	No	Organization A	FT or PT
Contract company ^a	Contract company	Organization A	Yes	No	Contract company	FT or PT
Independent contracting, self-employment	Self	Client(s)	Yes	No	Self	FT or PT

^aContract company employees may have a standard work arrangement with their de jure employer (the contract company), but from the point of view of Organization A their work arrangements are nonstandard.

assumed to continue for a substantial period or indefinitely.⁴ In addition, the work is generally done at the employer's place of business and usually under the employer's direction.

Standard work arrangements were the norm in many industrial nations for much of the twentieth century and were the normative basis of the framework within which labour law, collective bargaining, and social security systems developed.⁵

Changes beginning in the mid-1970s created conditions that led countries, organizations, and workers to adopt nonstandard employment relations that depart from one or more of the essential features of the standard work arrangement (see Table 1). First, some employment relations do not involve a direct relationship between an employer and employee. This occurs when administrative control and responsibility for the employee is 'externalized',⁶ creating 'detached' workers⁷ or 'triangular' employment relations where a worker establishes connections with several employers.⁸ Examples of such nonstandard employment relations include temporary help agency employment (in which the client organization directs the work of the temporary help agency's employee) and contract company employment (in which employees are directed by their contract company employers but often work at the client's site). In these cases, the workers' *de jure* employers differ from the *de facto* employers who use their labour most directly, and the meanings of the terms 'employer' and 'employee' become ambiguous. These terms are socially constructed products of negotiations: for example, the designation of temporary help agencies as employers rather than as employment agencies in the USA was the result of a campaign carried out over four decades by the temporary help agencies and their corporate backers.⁹

Second, some work deviates from the norm of full-time employment. The most common form of such nonstandard work is *regular part-time* employment, which is usually defined as regular wage employment in which the hours

of work are less than 'normal'.¹⁰ The definition of what is considered to be part-time work varies across countries (see below).

Third, some work does not involve the assumption of continued employment. In standard employment relations, the expectation still exists that employment is permanent or at least non-temporary for an indefinite period (even if in reality it is not 'permanent'). By contrast, short-term temporary employment is usually designated as such, as is the case with temporaries who are directly hired by the organization for a short term or on an on-call basis. Fixed-term contracts have been particularly important in countries where employers have a difficult time terminating contracts of indefinite duration, such as France, Germany, Italy, and Spain.¹¹

Finally, some work arrangements do not involve an employer at all, as in the case of self-employment or independent contracting. In these situations, workers direct their own activities and are 'employed' by clients who pay them for services performed or goods provided, not for their labour power.

Nonstandard employment relations are not new. Employers have a choice between organizing work in markets or hierarchies,¹² and there have always been work arrangements that did not fit the model of full-time work: history is replete with examples of peripheral labour forces and flexible labour markets in which work is unstable and temporary.¹³ For instance, in the inside contracting system that existed in the USA in the nineteenth century, management provided machinery and space in the factory, supplied raw material and capital, and arranged for the sale of the product while contractors were responsible for production and hired the workers and paid and supervised them.¹⁴ Indeed, the efficiencies associated with organizing work in standard, hierarchical employment relations and internal labour markets in the post-Second World War period may have been more of an historical irregularity than is the use of nonstandard employment relations.

There are several major reasons why nonstandard work arrangements became attractive to industrial societies and organizations in the past quarter-century, although the causes of the growth of nonstandard work arrangements differ by type of nonstandard work arrangement (e.g., part-time vs. temporary work) as well as by country.

First, the growth in nonstandard work arrangements was due in part to the need for greater labour market flexibility as a result of the economic crises of the post-1975 period. Sluggish economic growth triggered high unemployment that made it clear, especially in Europe, that economies were incapable of generating enough jobs to provide full-time wage employment for all workers.¹⁵ These nations sought greater flexibility to cope with unemployment and labour market rigidities that impeded efficiency in periods of reduced economic growth and lowered productivity rates. Global economic changes increased competition and uncertainty among firms and put pressure on them to push for greater profits and be more flexible in contracting with their employees and responding to consumers. These pressures encouraged them to seek greater flexibility to redeploy labour among tasks or to adjust the size of their workforces through the use of part-time (e.g., the Netherlands) or fixed-term (e.g., Spain) work arrangements.

This type of response to the economic crises of the mid-1970s may be termed dualism,¹⁶ a strategy adopted in countries such as Britain, West Germany, and France. This contrasts with the other major response, which was corporatism, a strategy adopted in countries such as Austria, Sweden, and Norway. Here, the high degree of union power led to institutional arrangements designed to be 'inclusionary' and to involve the interests of major economic groups (especially unions) in the development and carrying out of economic policy. The key actors here are unions and their members, who represent the interests of the working class as a whole.

The growth of nonstandard work arrangements in countries such as Britain, West Germany, and France represented an attempt to exclude groups of people from the protections afforded by the standard employment relationship and to expose them to market forces. This was accomplished by encouraging immigration, as migrant workers were employed to serve as a form of 'industrial reserve army', at least until reliance on immigrants entailed social costs that may outweigh the economic costs; and enlarging the portion of the indigenous population who is subjected to market forces and excluded from the protections of the standard employment relation. Employers and their managements are the key actors in this decentralized response to economic crisis.

A second reason for the adoption of nonstandard work arrangements was the shift—in all industrial societies—from a manufacturing to a service economy. The expansion of part-time work, in particular, accompanied the process of de-industrialization and the expansion of the service economy, which began in most OECD countries during the period 1965–70. In the Scandinavian, and especially the Swedish, case, the expansion of the welfare state, from the late 1960s and on, was accompanied by the growth in female part-time employment.

Third, the growth of nonstandard work arrangements was related to demographic changes in the composition of the labour force, such as the increase in married women workers and older workers, who often preferred the flexibility available through nonstandard work arrangements¹⁷ in order to balance work with family and other non-work activities. The increase in part-time and short-term temporary work arrangements also served to draw into the labour force those workers (such as young and older persons) who might not have otherwise sought standard employment.

The adoption of nonstandard work was facilitated by technological improvements in

Table 2. Percentage of Part-Time, Fixed-Term Temporary, and Self-Employed Persons, by Country

Country	Percent part-time ^a		Percent fixed-term temporary ^b		Percent self-employed ^c	
	1973	1998	1983	1998	1973	1993
USA	15.6	18	—	3.2	6.7	7.7
Australia	11.9	25.9	15.6	26.4	9.5	12.9
Canada	9.7	18.7	7.5	8.3	6.2	8.6
Japan	13.9	23.6	10.3	10.8	14	10.3
Austria	6.4	11.5	—	7.8	11.7	6.3
Belgium	3.8	16.3	5.4	7.8	11.2	13.3
Denmark	22.7	17	12.5	10.1	9.3	7
Finland	6.7	9.7	11.3	17.7	6.5	9.5
France	5.9	14.8	3.3	13.9	11.4	8.8
Germany	10.1	16.6	10	12.3	9.1	7.9
Greece	—	—	16.2	13	—	—
Ireland	5.1	15.2	6.1	7.7	10.1	13
Italy	6.4	11.8	6.6	8.5	23.1	24.2
Luxembourg	—	—	3.2	2.9	—	—
Netherlands	16.6	30	5.8	12.7	9.2	8.7
Norway	23	21	—	—	7.8	6.2
Portugal	7.8	7.7	14.4	17.4	12.7	18.2
Spain	—	13.5	15.7	32.9	16.3	18.7
Sweden	23.6	24.2	12	12.9	4.8	8.7
United Kingdom	16	23	5.5	7.1	7.3	11.9

^aPercentage of total employment: 1973 (ILO and OECD) estimates from Standing (1997), table 3; 1998 estimates from OECD Employment Outlook 1999, table E; US estimates from Bureau of Labor Statistics.

^bPercentage of total employment: 1983 (ILO and OECD) estimates from Standing (1997), table 3; and Campbell and Burgess (2001), table 1; 1998 estimates from Campbell and Burgess (2001), table 1.

^cPercentage of non-agricultural employees: 1973 and 1993 estimates from Standing (1997), table 3.

communication and information systems that made it easier for organizations to specialize their production, assemble temporary workers quickly for projects, and rely more on outside suppliers. Labour laws designed to protect permanent employees also fuelled the growth in nonstandard work by encouraging employers to avoid the mandates and costs associated with these laws.¹⁸

Cross-national Patterns in Nonstandard Employment Relations

There has been a general tendency for all industrial countries to expand their use of one or more types of nonstandard work arrangements and to shift away from the standard employment relationship as the *normative* model of employment that is the basis for labour law and other employment protections.¹⁹ Within

this general tendency, however, countries differ in the extent to which they use the various types of nonstandard work arrangements. This suggests that employers' strategies depend on institutional contexts such as worker control, institutional conditions related to skills and trust, and legal and regulatory systems that affect the relative costs of using standard employment relations, as well as different forms of flexibility such as part-time or temporary work. The extent to which a country uses nonstandard work arrangements and who and how many persons are excluded from the standard employment relationship depends on the institutional features of the society as well as its unique cultural and social characteristics.

Table 2 presents information on country differences in the use of part-time work, temporary (short-term) contracts, and self-employment. It should be noted that these

comparisons are often hampered by imprecise measures and sometimes inconsistent definitions of nonstandard work arrangements across countries.

Part-time Work

The definition of what constitutes part-time work varies among countries. In the USA, part-time work is generally defined as less than 35 hours a week, while Canada and the United Kingdom normally use 30 hours as the cut-off for part-time.²⁰ In France, part-time is defined as at least 20 per cent below the statutory level of working hours (which became 35 hours on 1 January 2000), while in Germany it is less than 36 hours of work per week.²¹ By contrast, part-time employment in Japan is explicitly related to status within the firm and not to hours worked; indeed, recent Japanese surveys indicate that 20–30 per cent of those classified by their employers as ‘part-time’ actually work as many hours as ‘full-time’ workers.²² Other examples of less-than-full-time employment are various forms of short-time work such as zero-hours contracts in Britain or relay contracts in France, Italy, and Spain, where workers are hired to work a few hours a day to perform work previously done by older workers nearing retirement.²³

Nearly one in five workers in the USA currently works part-time, making it by far the most widely used form of nonstandard work in that country. Part-time work in Europe is slightly lower than in the USA, with an average of about 16 per cent of the European Union’s total labour force working part-time in 1996.²⁴ There is, however, wide variation among countries (see Table 2). In the Netherlands, about a third of the labour force—and over half of women—work part-time, leading a prominent economist²⁵ to characterize it as the ‘only part-time economy of the world, with a finger in the dike of unemployment’. The Netherlands illustrates a case where part-time employment was used to combat (successfully) high levels of unemployment.

Part-time employment is also relatively high in Scandinavia (with the exception of Finland), with about 20 per cent of the labour force working part-time. By contrast, part-time work constitutes relatively small proportions of the labour force in Portugal²⁶ and Finland. Unlike in the USA, part-time employment is increasing relatively rapidly in a number of countries in Europe, where it has often been used as a way to alleviate unemployment and is the major source of employment growth since the 1980s.²⁷ Again, there is wide variation among countries: part-time employment has increased particularly rapidly in the Netherlands, Belgium, France, and Ireland.

In all industrial countries, most part-time workers are women.²⁸ This reflects in part women’s greater responsibilities for housework and raising children. Women’s share of part-time employment in the USA (about 65 per cent) is much lower than in Germany and France (about 90 per cent) and in the UK and Japan (about 80 per cent). The lower proportion of women part-timers in the USA may reflect the greater incidence of part-time work among students, both male and female.

The growth in part-time work in the USA since 1979 appears to have been due to the expansion of industries that typically employ many part-timers (services, retail trade, finance, insurance, real estate) rather than to the substitution of part-time for full-time workers within industries, which occurred mainly in the 1970s.²⁹ Similarly, the growth of part-time employment has accompanied the expansion of the service sector in other industrial countries.³⁰

Short-term Employment

The number of people on fixed-term temporary contracts has increased in the European Union by some 25 per cent in the past decade, though this still represents only about 12 per cent of employees and there is significant country variation in this (see Table 2).³¹

Temporary work in Europe has generally grown less than part-time work and plays a lesser role in the overall labour market. Unlike part-time work, temporary employment does not seem to mitigate unemployment, being rather an indicator of weak worker labour market position (especially among youth) in periods of high unemployment.³²

Fixed-term contracts have been particularly important in countries where employers have difficulty terminating contracts of indefinite duration, suggesting that labour market rigidities can lead to the greater use of temporary workers. For example, the proportion of fixed-term contracts more than doubled between 1983 and 1998 in Spain and France (which had 33 and 14 per cent fixed-term contracts in 1998, respectively), two countries that have strong restrictions on dismissals of regular workers;³³ these highly protective labour laws may have made employers more adept at getting around them by using short-term hires. . . .

Holmlund and Storrie³⁴ maintain that there has been a 'remarkable' increase in fixed-term employment in Sweden in the 1990s, from 10 per cent in early 1990s to 16 per cent at the end of the century. This increase in fixed-term employment was accompanied by a large increase in unemployment. They argue that the growth in fixed-term employment in Sweden reflects mainly the greater incentives that employers have to offer temporary rather than permanent contracts during recessions, and the generally greater willingness of workers to accept temporary jobs when the labour market is depressed. They show that labour demand was a more valid explanation of the rise in temporary employment in Sweden during the 1990s than were accounts based on changes in regulation or the preferences of workers.

On the other hand, some countries (such as Greece and Luxembourg) experienced a decrease in fixed-term employment during the 1983–98 period (see Table 2). There is a

lack of good data on the incidence and trends in short-term employment in the USA. A rough estimate is that 3.3 million workers (a little more than 3 per cent of the employed) were direct-hire temporaries in 1995.³⁵ . . .

Temporary Help Agencies

Employment in the temporary help services industry in the USA has experienced explosive growth since the early 1970s, increasing at an annual rate of over 11 per cent, and its share of total US employment rose from under 0.3 per cent in 1972 to nearly 2.5 per cent in 1998. By contrast, total non-farm employment grew at an annual rate of 2 per cent during this period.³⁶ Changes in temporary work exhibit much greater variance than other forms of employment and are very sensitive to the business cycle, rising and falling with the state of the economy.³⁷

Temporary help agencies are also growing rapidly in Europe,³⁸ although there is considerable variation among countries. Some nations feel that temporary help agencies are useful as employment intermediaries, while others object to them for reasons such as the principle that job placement should be done by public, not profit-making, agencies. In the mid-1980s, temporary help agencies were authorized (subject to some restrictions) in Argentina, Belgium, Brazil, Denmark, France, Germany, Ireland, Japan, the Netherlands, Norway, Portugal, and Switzerland, among other countries. They were banned in Algeria, Costa Rica, Gabon, Greece, Italy, the Libyan Arab Jamahiriya, Madagascar, Mauritania, Senegal, Spain, Sweden, and Zaire.³⁹ In general, though, the restrictions on the use of temporary help agencies have tended to be eased in most countries.⁴⁰ The growth of temporary help agency employment in both the USA and Europe has been generally driven by employers' needs,⁴¹ as well as the entrepreneurial efforts of temporary help agencies themselves.⁴² Moreover, it is likely that tem-

porary staffing agencies will increasingly replace the direct hire of temporaries (especially for low-skilled work⁴³).

Contracting Out

Contract companies, in contrast to temporary help agencies, supervise their employees' work, although this distinction may not always be clear-cut. Until the mid-1980s or so, subcontractors were independent businesses that provided a product or service; since then, subcontractors increasingly provide employees as well.⁴⁴ While contract work has always existed in some industries, such as construction, there has been an increase in the purchase of services (especially business services and engineering and management services) by US firms since the 1970s.⁴⁵ As firms began to contract out services that were previously done in house, they gained a greater appreciation of the variety of services (such as advertising, consumer credit reporting and collection, mailing and stenography, maintenance and cleaning, personnel supply, computer and data processing, protection, research and development) that could be contracted and realized that business service organizations could often supply these services more cheaply and efficiently.⁴⁶

The trend towards greater subcontracting also characterizes all major west European countries.⁴⁷ France and Italy are two countries in which there are strong traditions of small-scale enterprise, and in which there are lots of opportunities for subcontracting.⁴⁸ In the United Kingdom, outsourcing grew substantially in the 1990s after agencies in the public sector were required in the 1980s to go through a process of competitive tendering for catering, laundering, and domestic services.⁴⁹ Benson and Ieronimo⁵⁰ compared the outsourcing of maintenance work between Australian-owned firms and Japanese manufacturing firms operating in Australia. They found that the Australian-owned firms sought to improve their flexi-

bility via externalization (subcontracting), while Japanese firms sought to enhance flexibility via internalization strategies. Industrial relations issues such as labour rigidity, restrictive work practices, and demarcation disputes were central to these firms' outsourcing decisions.

Independent Contractors

Independent contractors are self-employed in that they have neither an employer nor a wage contract and are responsible for their own tax arrangements. However, not all self-employed persons consider themselves to be independent contractors, and this makes it difficult to draw empirical conclusions as to trends in this form of nonstandard work. For example, small shopkeepers who work at a fixed location are not likely to call themselves independent contractors. Nevertheless, information on self-employment is the best indicator of the presence of independent contractors. These data suggest that there has been relatively little change in the proportion of the US labour force that is self-employed since 1973.⁵¹ Self-employment growth also correlates only modestly with aggregate employment growth.⁵²

The trends in self-employment in Europe are diverse. There has been a decline in self-employment in some countries (for example, Austria, Denmark, France, Germany, and Norway). In other countries (such as Finland, Ireland, Portugal, Sweden, and the United Kingdom), there has been an increase in self-employment.

Consequences of Nonstandard Work Arrangements for Labour Market Outcomes

The use of nonstandard work arrangements in industrial societies has important implications for labour market phenomena such as the degree of employment security, the quality of jobs, and opportunities for training and mobility. In this section, I provide an

overview of some of the implications of the growth of nonstandard work arrangements for labour market patterns of inequality and exclusion.

Increase in Job Insecurity?

The shift away from the standard employment relation has led to a general increase in job insecurity with the employer. Almost all workers—those in standard as well as nonstandard employment relations—face greater job insecurity than in the past, due to increases in the practice of downsizing, layoffs, and other expressions of employers' willingness to treat labour as a variable cost of production. This increase in insecurity characterizes all industrial societies, and there is a convergence among nations in a shift away from a 'full employment' society characterized by standard employment toward a 'risk society' in which workers are increasingly called upon to bear the risks of their own employment.⁵³

The media as well as some social scientists often exaggerate the view that the standard employment relationship has given way to nonstandard work. For example, objective measures of job stability such as job tenure show little overall change over time. An analysis of European countries (as well as Japan and the USA)⁵⁴ found little if any decline in job stability (as measured by average job tenure) in the last two decades: there was little change for men and an improvement for women in average job tenure, resulting in a general stability or slight increase of average tenure in almost all countries examined (except for Ireland). At the same time, Auer and Cazes found that there was an increase in perceived job insecurity on the part of workers, along with the clear increase in perception of this by the media and many observers, accompanying the small (if any) decline of job stability. They suggest that this paradox of objective stability and perceived insecurity might reflect the continuation of labour market segmentation: that is,

the standard employment relationship still constitutes the core of the employment relationship, although the periphery has grown, creating the perception of greater insecurity for all.

The consequences of this greater insecurity for workers may differ from one country to another, depending on factors such as the welfare regimes available to provide workers with 'safety nets' to reduce the impacts of unemployment, underemployment, and unstable employment.

Growth of Bad Jobs?

In the USA, every nonstandard work arrangement is more likely to be associated with lower fringe benefits than standard work arrangements, and sometimes with lower wages. In particular, male and female temporary help agency employees, on-call workers and day labourers, and part-time workers, are consistently more likely than workers in the other nonstandard arrangements to have low pay and to lack insurance and pension benefits (an exception is some women who are self-employed, who are the most likely group of women to have jobs with low wages). Moreover, most workers in these arrangements (especially temporary help agency employees, on-call workers, and day labourers) prefer standard, full-time employment.⁵⁵ In view of these findings, the explosive growth of the temporary help industry, in particular, makes the strong negative effect of employment in temporary help agencies on job quality a matter of concern.

Part-time work in particular is generally low-paid and low-status (such as sales, catering, and cleaning) in the USA. This is also true in Europe, although there is also some growth of higher-level part-time jobs in some countries. An analysis by the OECD⁵⁶ found that the median hourly earnings of part-time workers were lower than those of full-timers for all countries for which data were available. Differences among countries

in labour law and employment regulations such as job security entitlements affect the extent to which part-time work is of significantly lower quality than full-time employment. Thus, countries differ in whether the use of part-timers represents a marginalization strategy that provides employers with a source of cheap labour or an integration strategy used to retain valued workers. In some countries (such as Sweden, France, Belgium, the Netherlands, Spain), labour law enforces equal treatment between full-time and part-time workers,⁵⁷ preventing the use of part-time workers as a cheap labour source. By contrast, in the UK, Germany, and Japan, part-time employees' hours or income generally fall below thresholds that exclude them from coverage under certain laws.⁵⁸ . . .

An important question when assessing the consequences of nonstandard work arrangements is the extent to which fringe benefits are tied to employment status. Fringe benefits such as health insurance and pensions are distributed on the basis of employment in the USA, and part-time workers are much less likely to receive benefits such as health insurance and retirement benefits, in addition to being paid low wages.⁵⁹ By contrast, these benefits are given out as rights of citizenship in many other countries. So, while working in nonstandard work arrangements might be a source of insecurity, one has a sense that one's needs for health insurance and retirement are taken care of and any disadvantage of part-time work is much less salient.

The growth in nonstandard work arrangements, particularly part-time and short-term temporary jobs, has increased the number of people who are excluded from social protections and subject to low-wage employment. The latter trend coincides with the movement in countries such as the USA, UK, and others towards workfare policies that tie receipt of welfare benefits to employment. In most cases, this

means employment in low-wage, 'contingent', nonstandard jobs, since workfare recipients are often low-skilled workers without a history of stable employment. While their underlying causes may be different, then, the expansion of contingent work is thus consistent with, and mutually reinforcing of, the growth of workfare.⁶⁰ . . .

Polarization of Job Quality and Increased Inequality?

Nonstandard jobs are not all bad: there are also high-quality, high-skilled nonstandard jobs. In the USA, some nonstandard workers—particularly self-employed men and contract-company employees—earn higher wages than regular full-time workers in standard jobs (although the contract company workers are less likely to receive health insurance and retirement benefits). Moreover, relatively few workers in these particular nonstandard arrangements express a preference for standard jobs.⁶¹ Over time, the tasks for which temporary workers are used have changed, and there has been an increase in their use in high-skilled as well as low-skilled jobs.⁶² For example, the wages of temporary help agency employees differ considerably: temporary help agency nurses earn wages that are typically higher than those of nurses who are regular employees of a hospital, while auto supply workers who are employees of temporary agencies typically earn less than regular employees.⁶³

There are also occupational differences in wages as well as fringe benefits within type of work arrangement. In the USA, Kalleberg, Reskin, and Hudson⁶⁴ found that women operatives, sales workers, and service workers—nearly one-third of all women—experience significantly more bad job characteristics than female managers do. Men and women in more complex (and thus more highly skilled and autonomous) occupations are less likely to obtain low wages, and more likely to obtain health insurance and pension benefits from their jobs. Moreover, within

part-time workers, men and women in low-skilled occupations (and low-end service and sales occupations in particular) earn less, and receive fewer health and fringe benefits, than members of other occupations, which supports the idea of a duality within part-time employment.⁶⁵

Careers and Mobility

An important indicator of whether nonstandard jobs are 'good' or 'bad' is the extent to which they are 'dead-end traps' or 'bridges' to more permanent jobs. Moreover, as discussed above, nonstandard work arrangements might be viewed as less problematic than otherwise if they are populated mainly by the young, women, and immigrants, who are likely to have relatively low levels of work commitment and/or low expectations with regard to work.

Mobility opportunities from nonstandard to standard employment are likely to vary both by type of nonstandard work arrangement as well as by country. Countries differ in the extent to which they have inter-firm institutions that are created by unions or occupational associations that enable skill development/training and processes of inclusion between firms; hence, workers who have been excluded from their firms may be included via processes of social closure in inter-firm institutions. An example of these inter-firm institutions is the industrial apprenticeship system found in Germany, which requires high-trust relations such as those maintained through occupational communities.⁶⁶ These occupational institutions provide workers with portable skills that make them employable in a variety of organizations.

The presence of such inter-firm institutions may help explain the results of an OECD study, which showed that fixed-term jobs in Germany are concentrated among first-time job seekers, while in Spain they are spread across a much broader range of workers and firms. A higher proportion of fixed-term workers in Germany obtain permanent positions compared to Spain, where only about 10 per

cent do so. These differences may be due to several things: the tradition of social partnership in Germany (but not in Spain) may encourage employers to regard standard employment relations as a positive asset and see fixed-term contracts as a way of screening workers for permanent positions, while in Spain employers see fixed-term employment as a way of obtaining numerical flexibility. Also, the greater availability of apprenticeship contracts in Germany may lead employers to see them as preferable alternatives to fixed-term contracts. It may also be the case that the potential firing costs of permanent employees remain higher in Spain, though it is unclear if this is as true today as in the late 1980s.⁶⁷

This also suggests that employers in different countries may use temporaries for different reasons, as Casey et al.⁶⁸ showed in their study of temporary workers in Britain and the (then) Federal Republic of Germany. British employers were more likely to use temporaries to obtain numerical flexibility, in order to increase or decrease their workforce size. German employers sought instead to obtain functional flexibility (the ability of employees to do a variety of tasks) by giving temporaries permanent contracts once they acquired the needed skills.

In Italy, fixed-term, temporary workers tend to be concentrated in relatively less-skilled occupations, and people who hold them are relatively young. This suggests that temporary work has been concentrated in segments of the labour force that might prefer transitory employment anyway.⁶⁹

An analysis by the OECD found that the rate of transition out of part-time work into full-time work is much higher for men than women, and more frequent for younger, more highly educated and more highly skilled workers. For France and the Netherlands, part-time workers working very short hours are less likely to move into full-time jobs than other part-timers.⁷⁰

Moreover, the OECD study showed that part-timers received less job-related training

than full-timers. Nonstandard workers are generally less likely to receive job-related training than standard workers, as showed by Hoque and Kirkpatrick's⁷¹ analysis of data from the United Kingdom. They found that managers and professionals on nonstandard (part-time and/or short-term) contracts had less access to training opportunities and were less often consulted about workplace practices than full-time permanent managers and professionals. This suggests that nonstandard employees are treated differently regardless of their occupational level, and that there is not a dualism with regard to training between high and low occupations on nonstandard contracts.

Triangular Employment Relations

Nonstandard work arrangements such as temporary help agencies, leasing companies, and contract companies alter the power dynamics between employers and employees. The separation of the legal (*de jure*) employer from the actual (*de facto*) employer creates a triangular employment relationship or network among organizations. These networks develop differently from one country to another, depending on its economic factors, customs, norms, and regulations. In the USA, the temporary help and contract company industry developed in response to market forces. In other countries (such as many countries in Europe), these triangular relations have been influenced considerably by institutional factors such as union organization and regulations governing these market-mediating institutions.⁷²

Conclusions

The growth in nonstandard work arrangements constitutes an important shift in employment relations that has pervasive consequences for societies, organizations, and workers. While there appears to be a convergence among industrial nations in the use of

nonstandard work arrangements, the consequences of these arrangements for labour market outcomes depend on the institutional context within each country. In this chapter, I have sought to provide an overview of the kinds of nonstandard work arrangements that are increasingly being used in industrial societies, and to indicate some of their implications for patterns of labour market inequality and exclusion.

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