

# Non-standard employment in the Nordic countries

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# 1. INTRODUCTION

- Article in progress: Non-standard employment in the Nordics – towards precarious work?
  - Stine Rasmussen, Center for labour market research (CARMA), Aalborg University, DK
  - Anna Ilsøe, Employment Relations Research Center (FAOS), Copenhagen University, DK
  - Trine Pernille Larsen, Employment Relations Research Center (FAOS), Copenhagen University, DK
  - Jouko Nätti, University of Tampere, FI.
  - Anne Helene Garde, National Research Center for the Working Environment, DK

# The Future of Work (FoW): Opportunities and challenges for the Nordic models (Nordforsk 2018-2020)

- Pillar III - Self-employed, independent work, and new forms of externalized, flexible contracts
- Aims
  - Development in traditional forms of non-standard work (**marginal part-time, self-employed without employees, fixed-term contracts, temporary agency work**)
  - Emerging forms of non-standard work (e.g., zero-hour contracts)
  - Innovative policy responses (social partners)
- Research team
  - Denmark: Anna Ilsøe (FAOS, UCPH; coordinator) and Stine Rasmussen (CARMA-AAU) in cooperation with Trine P. Larsen (FAOS, UCPH) and Per Kongshøj Madsen (CARMA-AAU)
  - Norway: Kristine Nergaard (Fafo)
  - Sweden: Tomas Berglund in cooperation with Bertil Rolandson (GU)
  - Finland: Satu Ojala in cooperation with Jouko Nätti, Pasi Pyöriä and Paul Jonker-Hoffrén (UTA)
  - Iceland: Katrín Olafsdóttir (RU) in cooperation with Arney Einarisdóttir (RU) and Kolbeinn Stefánsson (Statistics Iceland)

# Debates on the erosion of standard employment

- Standard employment (full-time, permanent jobs) is replaced by non-standard, atypical or precarious forms of employment (e.g. Kalleberg 2000)
- Non-standard employment is often described as **more insecure** than standard employment or even vulnerable or precarious.
  - For instance, research points towards lower pay, fewer rights and less protection in the employment relationship, less access to social security, less representation and fewer opportunities for advancement compared to standard employment (Broughton et al 2016; Eurofound 2010; Eurofound 2017; ILO 2016 and McKay et al 2012).
- Drivers of change in the literature
  - Globalisation: global supply chains, 24/7 economy and society, tightening competition
  - Technology: digitalization, platform economy
  - Deregulation of product markets (liberalisation of opening hours) and labour markets
  - Changes of labour supply: more women and students in the labour market
  - Changes in labour use: flexible firm model (Atkinson) – core and peripheral labour

# Dimensions of employment changes

- (1) Employment status: Employees > **self-employed**, family workers
- (2) Working time:
  - Duration: Full-time > **part-time**;
  - Timing: Day-time work > unsocial hours (24/7 society)
- (3) Employees, contract type: Permanent > **temporary, fixed-term work; temporary agency work (TAW)**
- (4) Self-employed: Employers > self-employed without employees (**solo-self-employed**)
- (5) Employees, number of employers: One > several (multiple jobs)
- (6) Employees, place of work: On employer's premises > home work, telework, mobile work

## 2. AIMS AND METHODS

- Aims

- Prevalence and characteristics of standard / non-standard employment
- Outcomes
  - Good or bad jobs ?
  - Mobility and transitions: Bridges or traps?

- Data

- Comparative data: European Union Labour Force Survey, n = 926.288
  - Nordic countries 1995-2015, 15-64-years old employed population (same size yearly)
- Finnish data (mobility)
  - Finnish labour force **panel** data 1997-2013

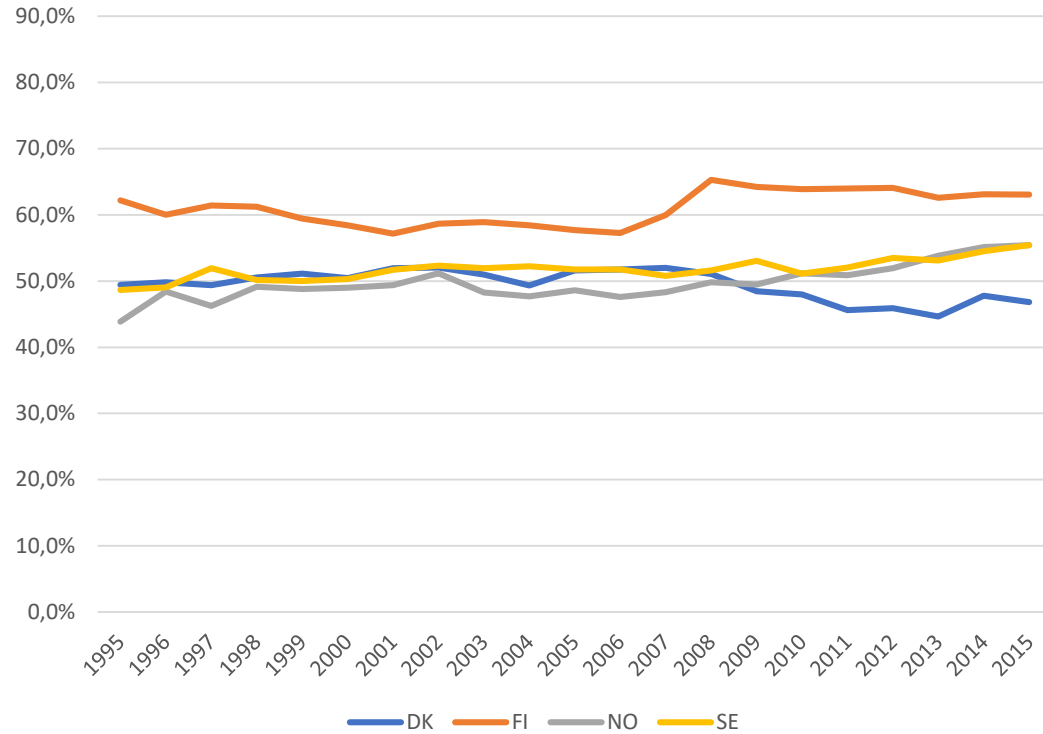
# 3a. PREVALENCE AND CHARACTERISTICS OF STANDARD / NON-STANDARD EMPLOYMENT

- Standard employment: full-time, permanent jobs (employees)
  - Proportion of total employment in 2015: 61.8 %
    - (Proportion of employees only in 2015: 67.7 %)
  - Prevalence of standard employment 1995-2015 in the Nordic countries: gender, age, level of education, economic sectors

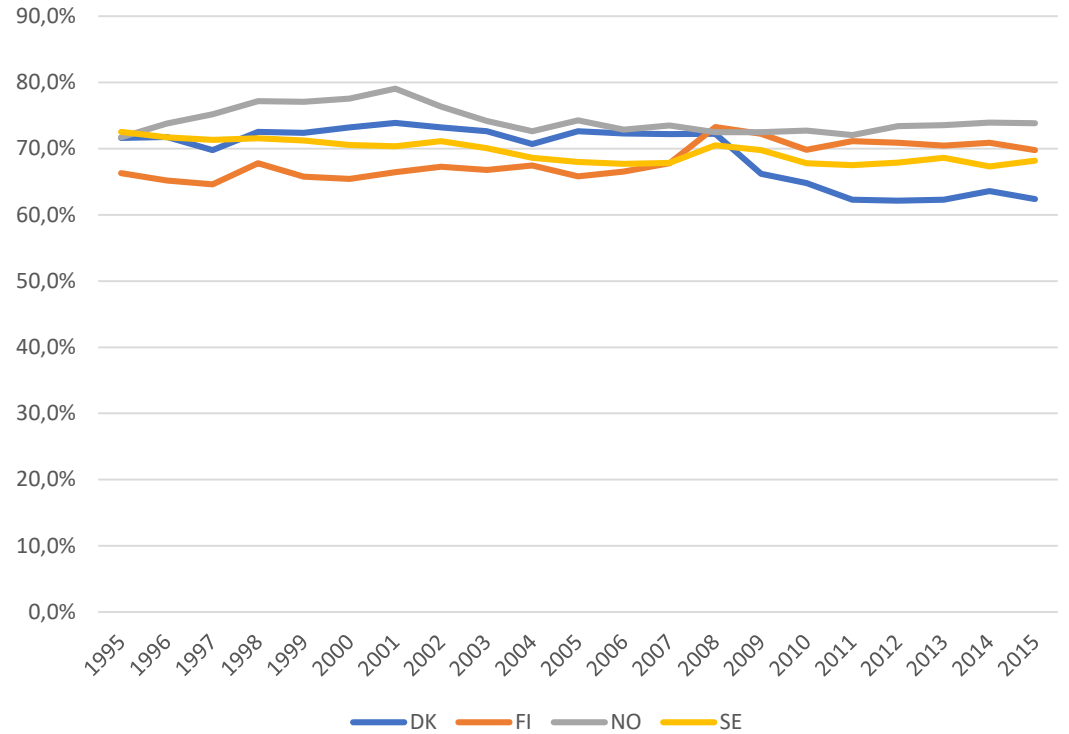


Figure 1. Proportion (%) of full-time and permanent jobs of total employment (15-64 years old), 1995-2015.

### Women

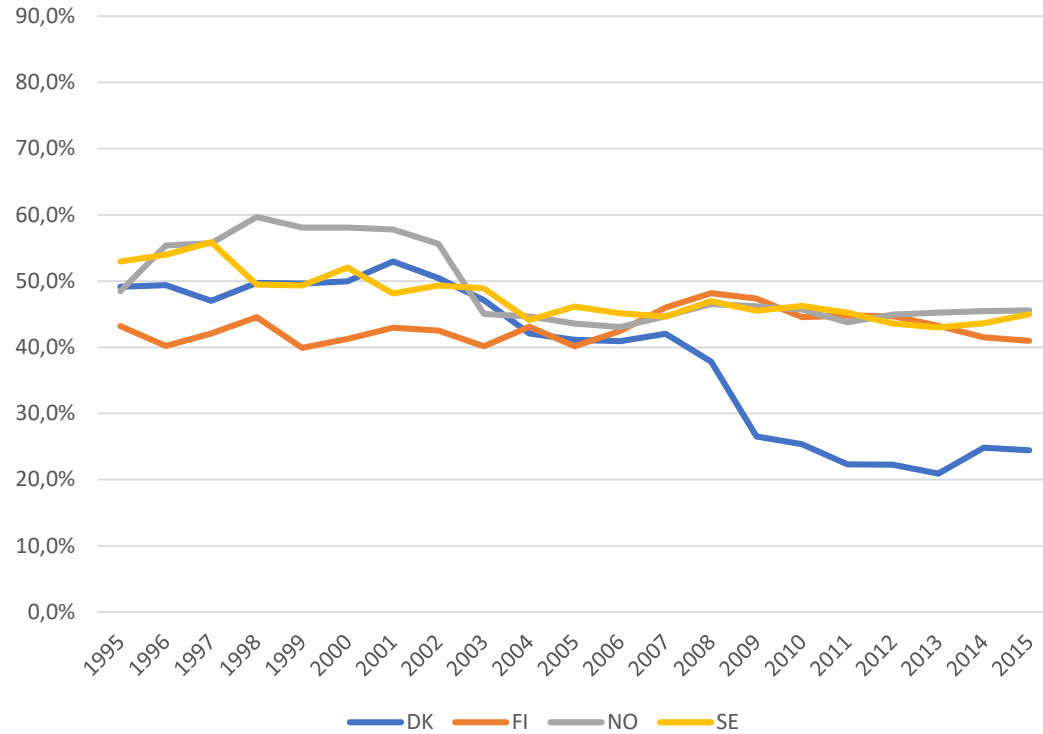


### Men



# Figure 2. Proportion (%) of full-time and permanent jobs of total employment, 1995-2015.

## 15-29 years old



## Primary level education (15-64 years old)

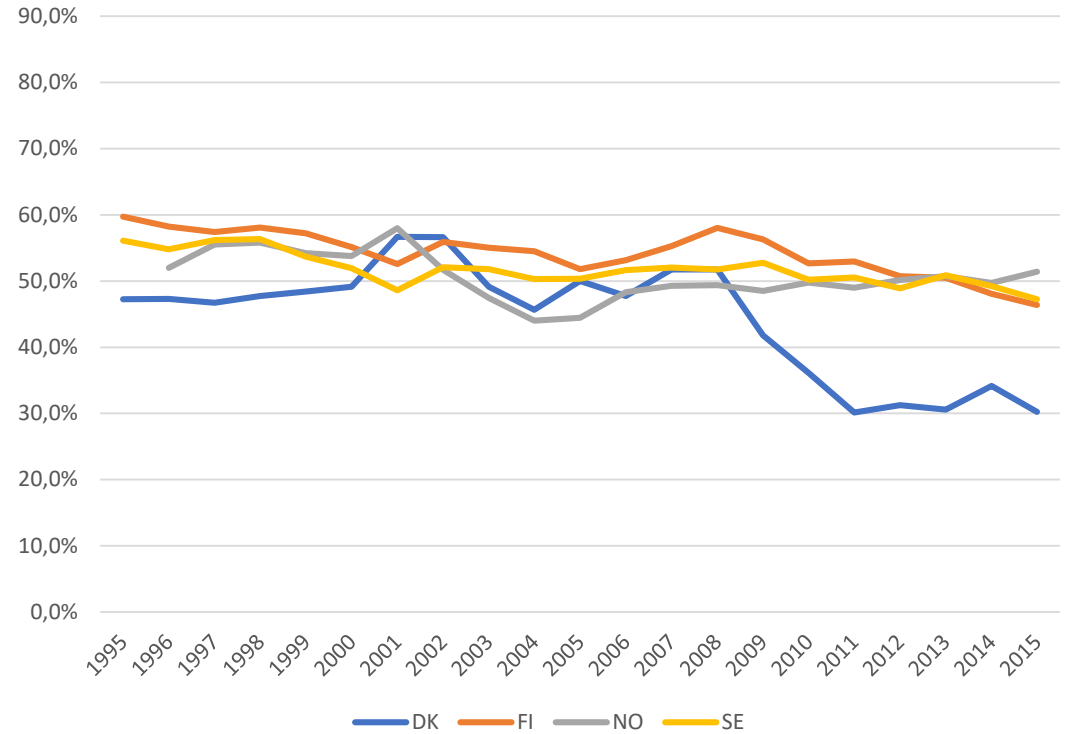
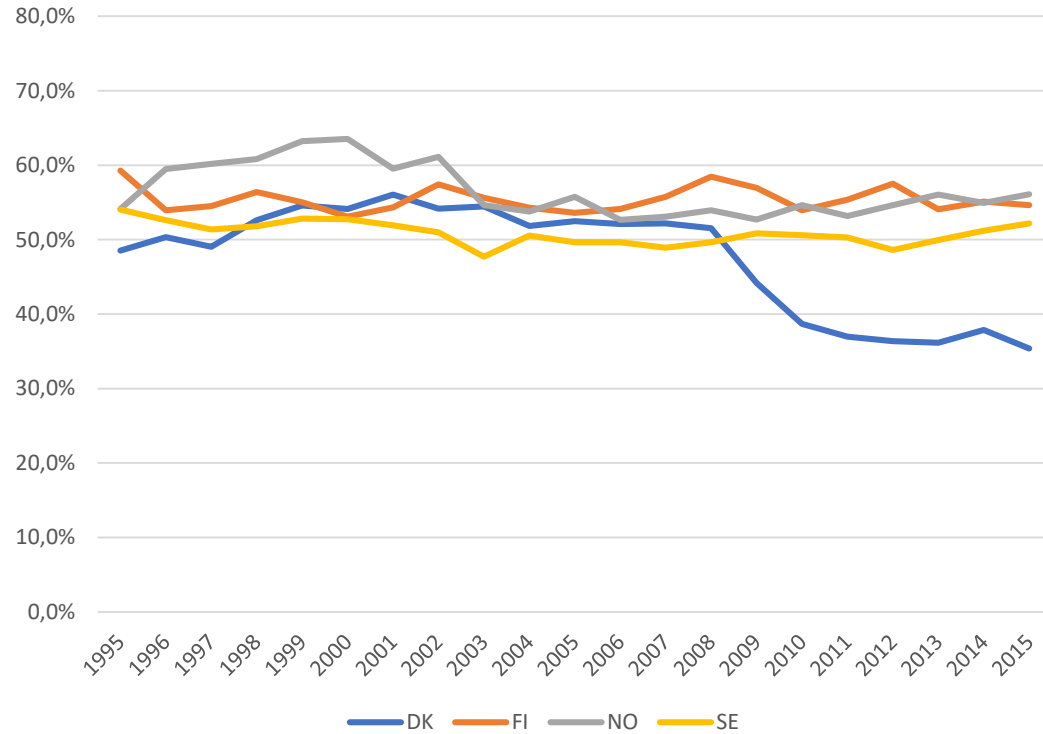
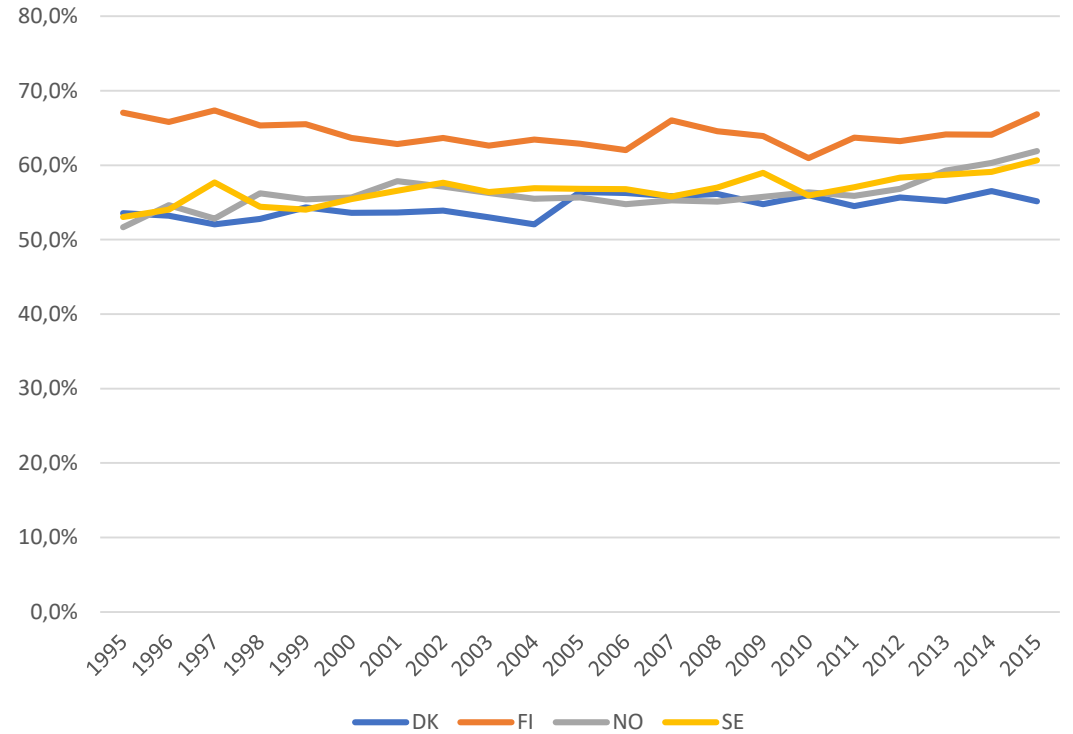


Figure 3. Proportion (%) of full-time and permanent jobs of total employment, (15-64 years old), 1995-2015.

### Wholesale and retail trade; Hotels and restaurants



### Public administration, education, human health and social work activities



# Standard employment: main findings

- Most jobs still full-time and permanent (61.8 % in 2015)
- Gender differences
  - More common among men compared to women (more part-time work)
- Country differences vary by gender
  - Women: most common in Finland (less part-time work), least common in Denmark
  - Men: most common in Norway, least common in Denmark
- Changes over time minor, except in Denmark
  - Decrease of standard jobs: young ones; primary level educated; wholesale and retail trade; hotels and restaurants.

# Non-standard employment forms

- Marginal part-time work
  - Weekly usual working hours 1-14
- Temporary, fixed-term work
- Temporary agency work (TAW)
  - Work for a temporary employment agency involves a **triangular employment relationship** between an **employee** who is paid by the **employment agency** but performs work for and under the supervision of a **user enterprise**.
- Solo-self-employed (without employees)
  - Job tenure less than 5 years (new jobs), agriculture (farmers) excluded

Figure 4. Marginal part-time work (1-14 hours per week) in the Nordic countries 1995-2015 (employed 15-64 years old) (%)

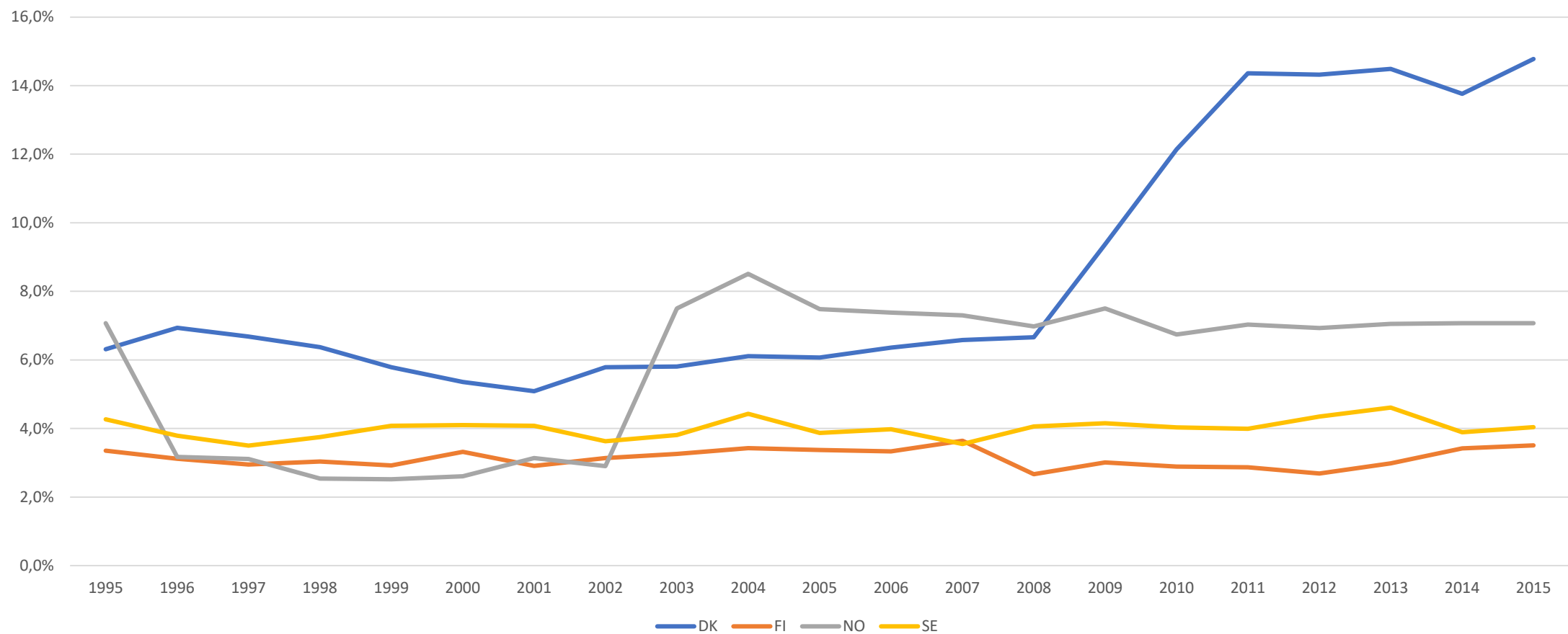


Figure 5. Temporary work (without TAW) in the Nordic countries 1995-2015 (employed population, 15-64 years old) (%)

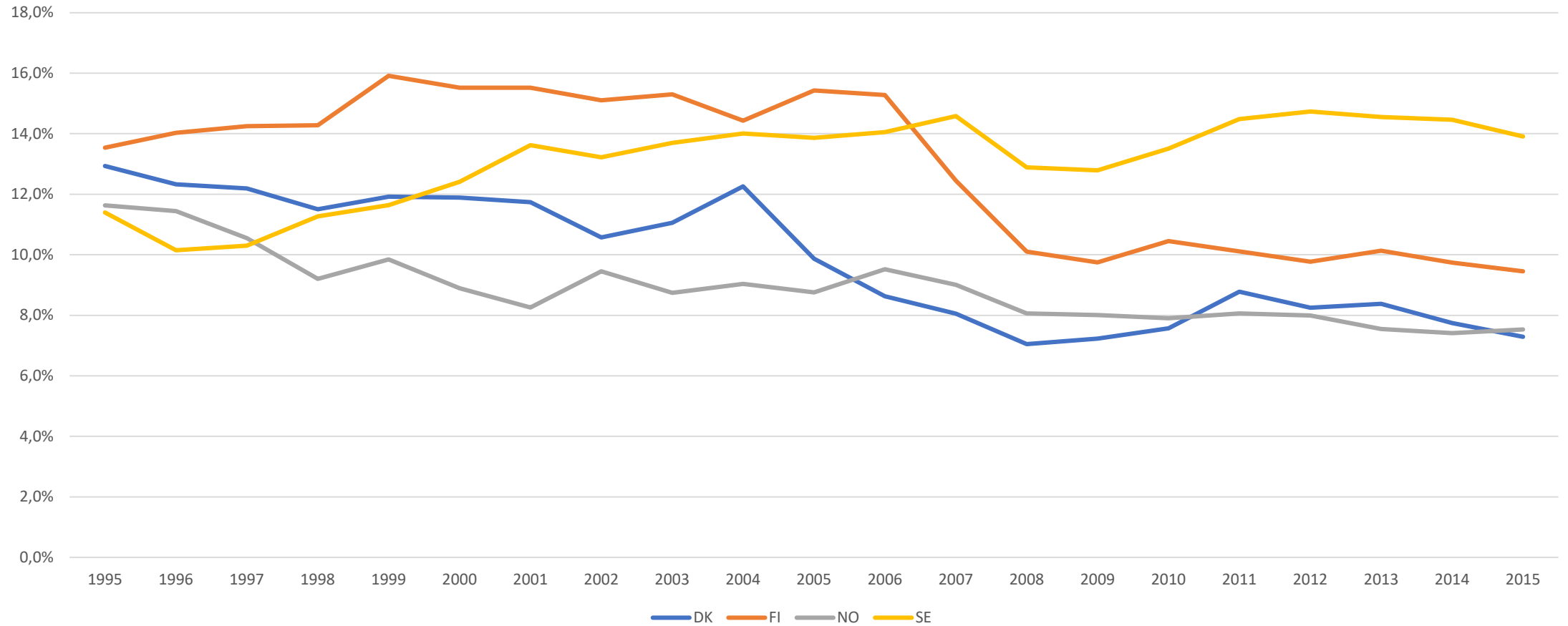


Figure 6. Temporary agency work (TAW) in the Nordic countries 2008-2015 (employed population, 15-64 years old) (%)

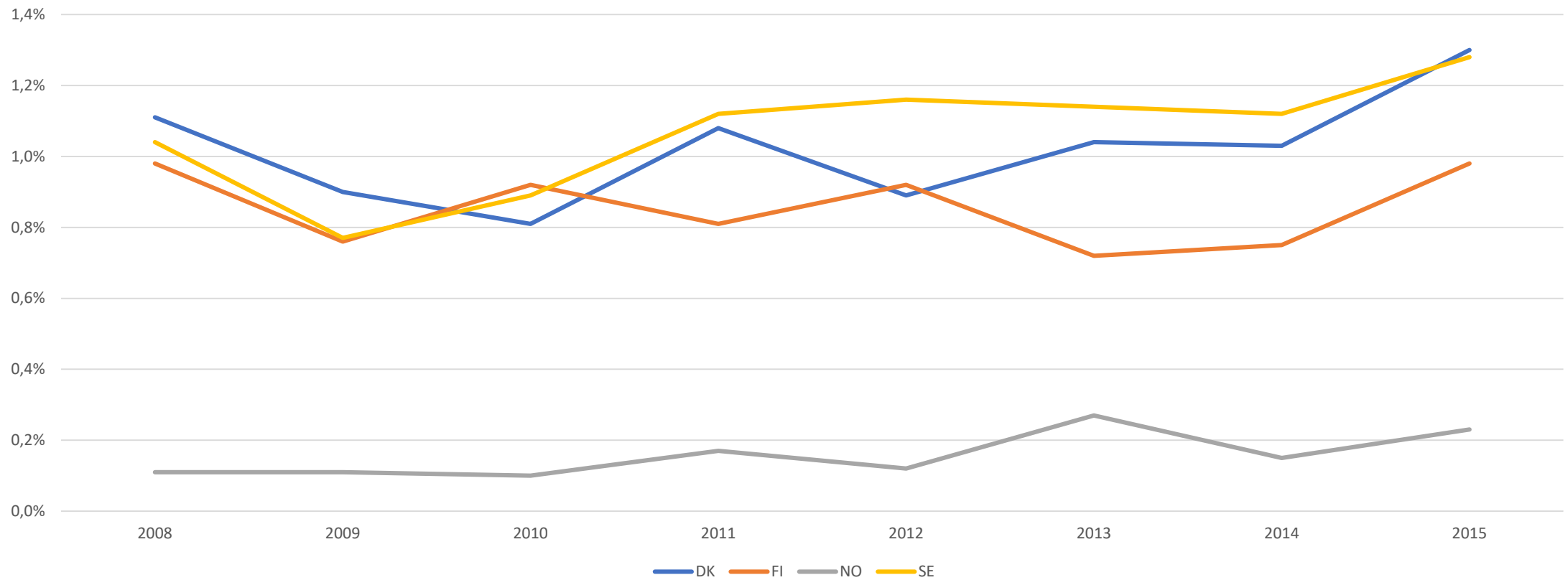
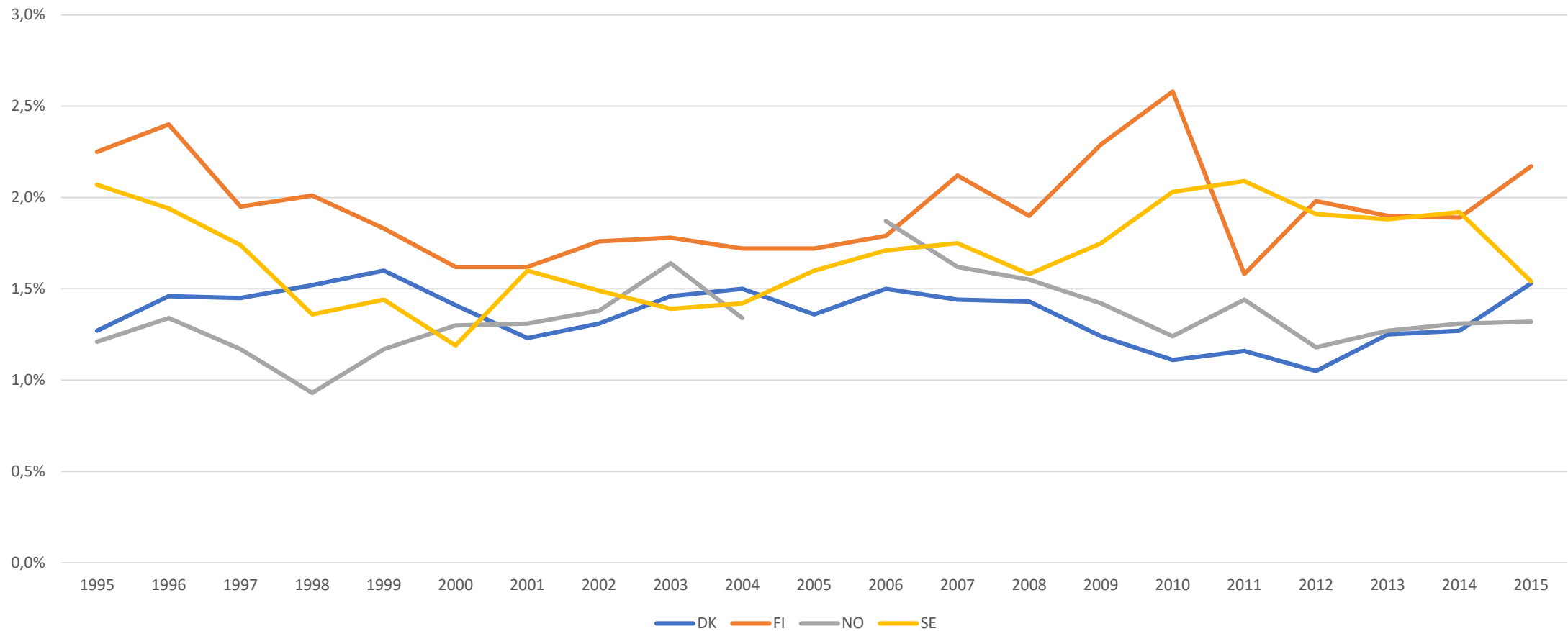




Figure 7. Solo-self-employment without employees (job tenure less than 5 years: agriculture excluded) 1995-2015 (employed population, 15-64 years old) (%)



# Non-standard employment forms: main features

- Main findings
  - Temporary, fixed-term work (around 11 %) and marginal part-time work (around 5 %) most common
  - TAW and solo-self-employment (1-2 %) less common
  - Altogether these NSE-forms cover 10-20 % of total employment: increase in DK, decrease in FI
  - Changes over time in most cases minor, except increase of marginal part-time work in Denmark since 2008
  - Characteristics vary to some extent between the countries and NSE-forms
- Marginal part-time work
  - Most typical to **women** (DK, NO), **young ones** (DK, NO), **students** (DK, NO) primary level of education (DK, NO), unmarried (DK, NO), **commerce and hospitality** (DK, NO), and **other services** (DK, NO)
- Temporary work
  - Most typical to **women** (SE, FI), **young ones** (SE), students (DK), primary level of education (SE), unmarried (SE), **non-nationals** (SE, FI), **commerce and hospitality** (SE), **education, social and health services** (FI), and **other services** (SE)
- Temporary agency work (TAW)
  - Most typical to **young ones** (FI, SE), unmarried (FI, SE), students (FI), non-nationals (FI), **commerce and hospitality** (FI), **transport, real estate and business activities** (SE)
- Solo-self-employment
  - Most typical to **men** (SE, FI), **young and middle-aged**, non-nationals (FI, SE), **transport, real estate and business activities** (FI, SE), and **other services** (FI, SE)

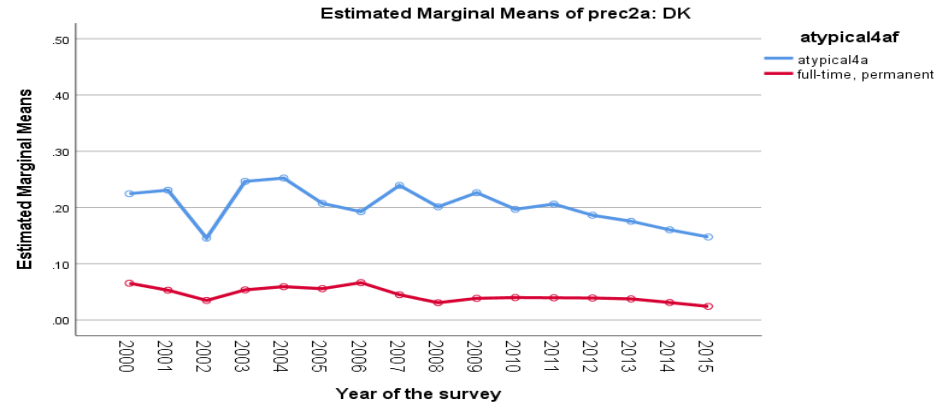
# 3b. ARE NON-STANDARD EMPLOYMENT FORMS PRECARIOUS?

- **Income** insecurity (under-employment)
  - Index based on three questions on wishing or seeking more working hours ( $0-3 > 0,1$ )
    - Wish to work more hours than the current job allows (yes, no)
    - Seeking an additional job to add more hours to those worked in present job (yes, no)
    - Seeking a job with more hours worked than in present job (yes, no)
- **Job** insecurity
  - Index based on two questions regarding ( $0-2 > 0,1$ )
    - Seeking a new job because of risk or certainty of loss or termination of present job (yes, no)
    - Has been unemployed one year earlier (yes, no)
- **Separate** NSE-forms compared to full-time, permanent work (reference group)
  - Employed population, 15-64 years old, 2010-2015
  - Controls: gender, age, marital status, level of education, nationality and economic sector
  - Linear probability models (LPM)
- **Combined** insecurity index, combined NSE-forms

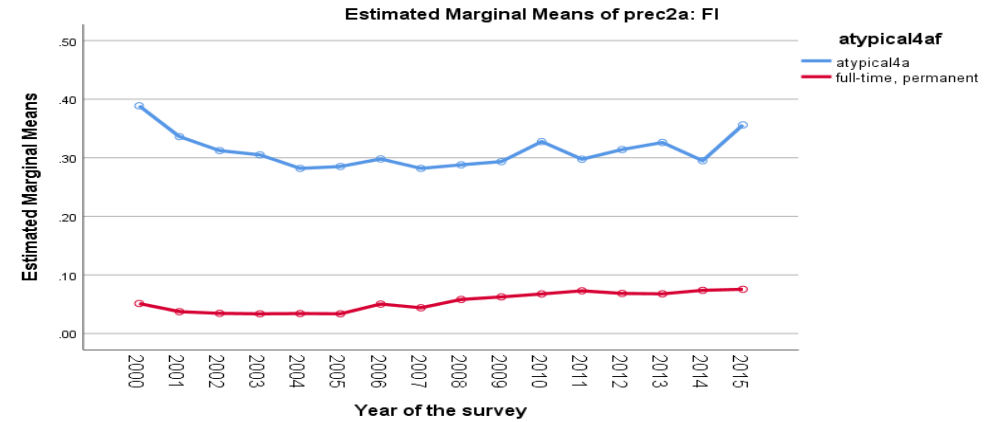
	INCOME INSECURITY					JOB INSECURITY			
	DK	FI	NO	SE		DK	FI	NO	SE
<b>PT15</b>	15.9	30.9	16.2	33.3		0.7	7.4	2.7	5.7
<b>Full-time, permanent</b>	1.7	5.1	3.4	2.6		2.4	2.3	1.2	1.2
<b>Difference (%-points)</b>	+14.2	<b>+25.8</b>	+12.8	<b>+30.7</b>		-1.7	<b>+5.1</b>	+1.4	<b>+4.5</b>
<b>TEMP</b>	10.4	15.0	13.1	22.5		9.7	20.7	6.3	15.4
<b>Full-time, permanent</b>	1.5	5.2	3.5	2.9		2.1	2.2	1.2	1.1
<b>Difference (%-points)</b>	+8.9	+9.8	+9.6	<b>+19.6</b>		+7.6	<b>+18.5</b>	+5.1	<b>+14.3</b>
<b>TAW</b>	16.7	25.9	11.3	9.1		9.4	21.1	8.2	11.5
<b>Full-time, permanent</b>	1.4	4.9	3.3	2.6		2.2	2.2	1.2	1.2
<b>Difference (%-points)</b>	<b>+15.3</b>	<b>+21.0</b>	+8.0	+6.5		+7.3	<b>+18.9</b>	+7.0	<b>+10.3</b>
<b>SOLO-SELF-EMPLOYED</b>	6.8	17.2	11.1	13.5		5.0	7.4	3.3	4.5
<b>Full-time, permanent</b>	1.3	4.9	3.4	2.5		2.3	2.3	1.2	1.2
<b>Difference (%-points)</b>	+5.4	<b>+12.3</b>	+7.8	<b>+11.0</b>		+2.7	<b>+5.2</b>	+2.1	<b>+3.4</b>

Controls: gender, age, marital status, level of education, nationality and economic sector.

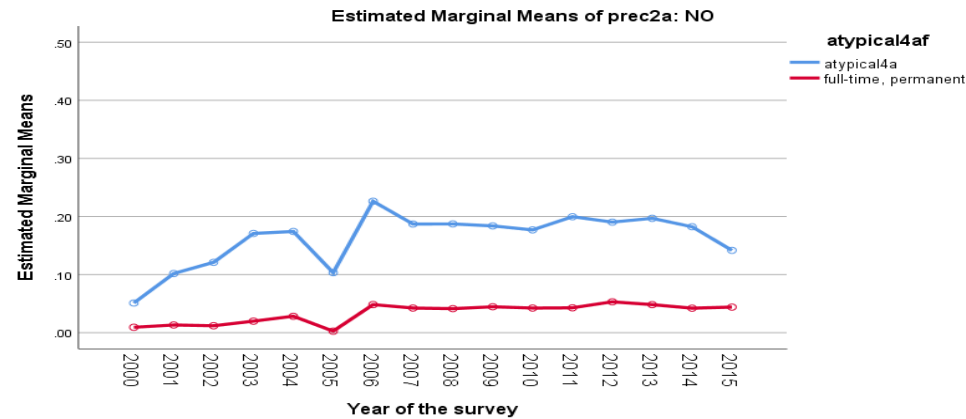
Figure 9. Combined insecurity-index (income and job insecurity) as percentages of total employment in combined NSE forms (at least one dimension) with controls (15-64 years old), 2000-2016.



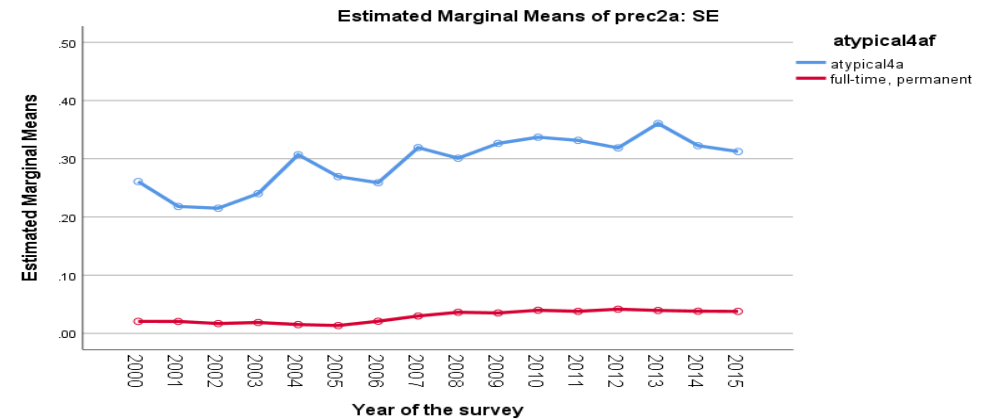
Covariates appearing in the model are evaluated at the following values: female = .4465, Age of the person = 40.66, tertiary = .3319, married = .5366, nonnational = .0281, servicesector = .7339



Covariates appearing in the model are evaluated at the following values: female = .4762, Age of the person = 41.09, tertiary = .3699, married = .5077, nonnational = .0137, servicesector = .6879



Covariates appearing in the model are evaluated at the following values: female = .4146, Age of the person = 40.57, tertiary = .3688, married = .4874, nonnational = .0502, servicesector = .7323



Covariates appearing in the model are evaluated at the following values: female = .4375, Age of the person = 41.39, tertiary = .3223, married = .4345, nonnational = .0377, servicesector = .7437

# Precarious or not?

- Main findings
  - NSE-forms have more precarious elements compared to full-time, permanent work
  - Differences more obvious in marginal part-time work (income insecurity), temporary work and TAW (job insecurity); smaller differences in solo-self-employment
  - Country comparisons: **differences most obvious in FI and SE**
    - Part-time and temporary work more often involuntary in FI and SE
  - Changes over time relative minor (with combined insecurity-index and combined NSE-forms)

## 3c. MOBILITY

- Level of mobility (transition tables)
- Transitions risk to standard jobs (bridges) or to unemployment (traps) (survival analysis, Cox)
- Data: Finnish labour force survey panel (1997-2013)
  - In the panel data respondents participated five times in LFS during a 15-month period.
- NSE-forms: part-time work; temporary work; temporary agency work (TAW)

# Part-time work transitions

- Part-time work is characterised **relative high stability and mobility** during the 15 months follow-up period.
- Between the first and last (fifth) wave,
  - Almost half (44 %) of part-timers stayed in the same situation (47 % of women and 38 % of men)
  - One quarter (26 %) moved to a full-time work,
  - 8 % moved to studies (10 % of men, 7 % of women)
  - 6 % moved to unemployment
  - and the rest outside the labour market (mainly pension and inability)
- Cox regression analysis indicate that transition risk (HR) to **full-time** work was highest among the well-educated, men, 25-34 years old, and in the public sector.
- Transition risk (HR) to **unemployment** was highest among the low-educated, non-married, and non-nationals.



# Temporary work transitions

- Temporary work is characterised **relative high stability and mobility** during the 15 months follow-up period
- Between the first and last (fifth) wave,
  - Around 40 % of temporary workers remained in temporary work
  - One quarter (26%) moved to permanent work,
  - 10 % moved to studies
  - 10 % moved to unemployment
  - and the rest outside the labour market.
- Cox regression analysis indicate that transition risk (HR) to **permanent** work was highest among the well-educated, men, and among students.
- Transition risk (HR) to **unemployment** was highest among the low-educated.

# Temporary agency work (TAW) transitions

- Data: Labour Force Survey **Panel** data 2008-2013 ( n=67930), of which TAW-employees (n=1528), 2.2%
- Temporary agency work is characterised **very high mobility** during the 15 months follow-up period.
- Between the first and last (fifth) wave,
  - One quarter of temporary agency workers stayed in the same situation,
  - One third moved to a permanent work,
  - Every seventh moved to a temporary work,
  - Seven percentage moved to unemployment
  - and the rest outside the labour market.
- Cox regression analysis indicate that transition risk (HR) to **permanent** work is highest among the well-educated and in Southern Finland.
- Transition risk (HR) to **unemployment** is highest among the low-educated, non-married, non-nationals and in the Eastern and Northern Finland.

# Mobility: main findings

- Temporary agency work: very high mobility during the 15-month follow-up period
- More stability in part-time and temporary work
  - Around 40 % of part-timers and temporary workers remained in the same situation
  - Around one quarter moved to full-time / permanent job
    - Well-educated; men
  - 5-10 % moved to unemployment
    - Less educated

# 4. DISCUSSION

- Most jobs still full-time and permanent (61.8 % of total employment in 2015)
  - More common among men compared to women (more part-time work)
  - Changes over time (1995-2015) relative minor, except in Denmark
- Non-standard forms of employment
  - Temporary (around 11 %) and marginal part-time work (around 5 %) most common; TAW and solo-self-employment (1-2 %) less common
  - Changes over time in most cases minor, except rapid increase of marginal part-time work in Denmark since 2008 (students; retail trade)
- Job quality
  - More precarious elements compared to full-time, permanent work
  - Country comparisons: differences most obvious in FI and SE
  - Changes over time minor
- Mobility and transitions
  - Temporary agency work (TAW): very high mobility during the 15-month follow-up period
  - More stability in part-time and temporary work
    - Around one quarter moved to full-time / permanent job: well-educated, men
    - 5-10 % moved to unemployment: less educated
  - Bridges for well-educated, traps for less educated

# Further research needs

- Job quality
  - EU-LFS has only a limited number of relevant questions, other data sources?
  - Good or bad jobs to whom? Differences **within** NSE-forms?
- Mobility
  - Longer follow-up periods
    - LFS-panel has only a relative short follow-up period
    - Register data?
- Effects of individual and country characteristics (multilevel) on the prevalence and quality of NSE-forms (EU28)

Thank you!

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# Reasons for part-time (pt15) and temporary work (15-64-years old employed people, 2010-2015)

REASONS FOR PART-TIME WORK, PT15	DK	FI	NO	SE
1 Person is undergoing school education or training	85	55	60	48
2 Of own illness or disability	3	4	15	13
3 Looking after children or incapacitated adults	0	5	3	3
4 Other family or personal reasons	4	15	2	6
5 Person could not find a full-time job	4	16	10	20
6 Other reasons	3	5	10	8
REASONS FOR HAVING A TEMPORARY JOB				
1 It is a contract covering a period of training apprentices, trainees, research assistants, etc	38	6	13	1
2 Could not find a permanent job	47	68	52	61
3 Did not want a permanent job	13	24	35	28
4 It is a contract for a probationary period	3	2	0	10

# Prevalence of employment forms (2015, Nordic countries) (employed population, 15-64 years old) (%)

	<b>(1) Employment status</b>					
	(1a) Employees			(1b) Self-employed		(1c) Family workers
	<b>Employees</b>			<b>Self-employed</b>		
<b>(2) Working time</b>	<b>(3) Contract type</b>			<b>(4) Without or with employees</b>		
	(3a) Temporary	(3b) Permanent		(4a) Without employees (solo-self-employed)	(4b) With employees (employers)	
(2a) Part-time (1-34 hours per week)	Part-time and temporary (4.6 %)	Part-time and permanent (18.9 %)		Part-time (1.3 %)	Part-time (0.2 %)	Part-time (0.2 %)
(2b) Full-time (35+ hours per week)	Full-time and temporary (6.1 %)	Full-time and permanent work (Standard employment) (61.8 %)		Full-time (4.1 %)	Full-time (2.6 %)	Full-time (0.1 %)
	<b>(5) Number of employers</b>					
	(5a) One	(5b) Several: secondary job		Independent professionals, small traders and farmers, freelancers, own-account workers...		
	<b>(6) Place of work</b>					
	(6a) On employer's premises	(6b) Home-work, telework, mobile work				



Figure 8. Proportion of **combined** non-standard forms of employment (at least one dimension) of total employment (15-64 years old), 1995-2016.

