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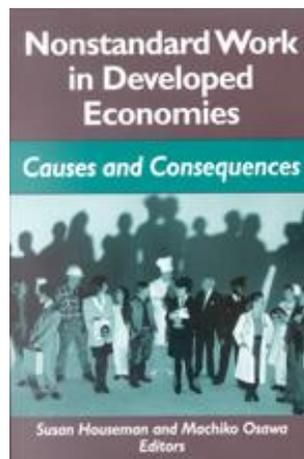
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# Regulatory Convergence? Nonstandard Work in the United Kingdom and the Netherlands

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# 3

## Regulatory Convergence?

### Nonstandard Work in the United Kingdom and the Netherlands

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Nonstandard work in Europe is not a new phenomenon (see, e.g., Ricca 1982).<sup>1</sup> Neither are attempts to measure and to regulate the employment conditions attached to it. For example, over 30 years have passed since the European Commission issued a draft directive on temporary work. Although this issue was revisited during the 1980s and 1990s, when directives regulating the working conditions of part-time and fixed-contract work were introduced, workers placed through a temporary work agency remain unregulated at the European level (Income Data Services 2000; EIROline 2000a).

This regulatory situation has evolved in the context of a series of changes in the employment structure of the European Union (EU) and, in particular, the efforts of nation states to re-regulate their labor markets in the face of a series of economic, social, and political changes. On one hand, the last three decades have witnessed the increased use of nonstandard employment contracts across the EU, as the move toward ever more “flexible” labor markets has become a political objective of all governments. On the other hand, the extent and quality of nonstandard work that has developed differs across countries owing to the structuring influence of the specific national institutional context. Thus, it is necessary to examine the national regulatory structures that operate within the EU framework regulations. This chapter does this by answering two questions. First, why is nonstandard employment increasing in the EU, and where is this growth concentrated? Second, what are the implications of this growth for workers in nonstandard employment? Our argument is developed through an analytical focus on the Netherlands and the United Kingdom.

The second section of this chapter defines the different types of nonstandard employment, focusing specifically on two types of temporary employment—fixed-term contract and temporary agency work—and part-time employment. It summarizes the reasons for the emergence of nonstandard work arrangements and reviews the trends in the rates of part-time and temporary employment. In the third section we discuss the differences in the recent evolution of the national regulatory frameworks and the discourses within which employment and labor market policy reforms are currently situated in the United Kingdom and the Netherlands. Although the United Kingdom has moved closer to Esping-Andersen's (1990) "liberal" welfare regime, with labor market deregulation and a "residual" welfare state, the Netherlands has kept in place a "Janus-headed welfare regime, combining both social democratic and conservative attributes" (Esping-Andersen 1999, p. 86). This comparison illustrates the different ways that EU employment and labor regulatory reform are developed at the national level, depending on the political and societal context of individual nation states. In the fourth and fifth sections of the chapter, we compare the economic profile of nonstandard employment, the segments of the economy in which nonstandard work is increasing, and the characteristics of the workforce who occupy these jobs in both countries. In conclusion, we consider the development trajectory of the regulation of nonstandard employment in both countries and the EU more broadly.

## **DEFINING AND MAPPING NONSTANDARD WORK IN THE UNITED KINGDOM AND THE NETHERLANDS**

Nonstandard work arrangements deviate from the full-time, open-ended "standard" employee contract. Part-time work is one form of nonstandard work, and is broadly defined as less than full-time hours, although in a few European countries, a specified hour threshold is used in some official definitions.<sup>2</sup> The average hours worked by part-timers vary between countries, but then so do average hours for full-timers (Rubery, Smith, and Fagan 1998).

Temporary work is the other main type of nonstandard work. There are a variety of forms of temporary work, and different categories are

used among countries to refer to the same sets of workers (Income Data Services 2000, pp. 16–17). Temporary contracts include employees hired directly by the company and those hired through the intermediary of temporary work agencies.<sup>3</sup> In this chapter, we use the term “temporary work agency” to mean an organization that “provides client firms with workers on an as-needed basis” (Segal and Sullivan 1999, p. 117).<sup>4</sup> We examine the trends in fixed-term contracts and temporary agency work (see Figure 3.1 for a glossary of terms) to explore the dynamics of change within the temporary employment sector.

In this chapter, we focus on part-time work and temporary contracts, but a third type of nonstandard work should also be noted—the emergence of new forms of self-employment associated with employers’ use of subcontracting. This includes the independent self-employed plus other forms of self-employment that can be considered to be more akin to temporary employee contractual relationships, such as contract workers, dependent self-employed, and freelance workers.<sup>5</sup>

Employers’ labor use practices in any area of production are shaped by the market conditions, labor regulations, industrial relations, and other institutional factors. In Europe, the expansion of nonstandard work arrangements has largely been driven by employers’ demands for greater workforce flexibility in the context of heightened international competition and product market uncertainty. Their ability to pursue this restructuring has been facilitated by their increased bargaining muscle

### **Figure 3.1 Definitions of Different Terms Related to Temporary Employment**

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- Temporary work agency (TWA): An organization whose employees work at a range of client organizations for an often unspecified period of time.
  - Temporary agency worker: An employee of a TWA who works at a client organization.
  - Directly employed temporary worker: An employee employed directly by the organization at which he or she works.
  - Fixed-term contract: A delimited contract under which an employee is either directly employed or employed through a TWA.
  - Temporary worker: An employee in one of a range of nonpermanent contracts.
-

in industrial relations from the mid-1970s as high unemployment rates emerged and trade union density declined.

Bosch (1995) identifies three related pressures behind the growth of nonstandard work arrangements and working-time restructuring that are found in varying degrees in companies across all sectors and member states in the EU. First, operating and opening hours are being extended to make more intensive use of capital equipment and to provide more responsive and flexible delivery and service times. Often this has been stimulated by statutory deregulation of limits on operating hours. Second, working-time schedules and employment contracts are being reorganized to achieve a closer match between staff levels and both predictable and unpredictable variations in labor demand at different times of the day, week, and year to reduce the volume of labor purchased. Third, the reorganization of schedules and contracts is also about reducing the unit cost of labor by minimizing overtime or “unsocial hours” premia (weekend and night work). This reorganization may also permit cheaper pools of workers to be recruited, further reducing unit labor costs. The result is a reorganization of work for standard employees and increased deployment of part-time and temporary employees. There is mounting evidence that this flexibility drive has intensified work during the 1990s in Europe (European Foundation 1998; Green 2000).<sup>6</sup>

Additional reasons related to labor supply issues lie behind the expansion of part-time work. Employers began to create this form of employment in some countries with labor market shortages in the 1960s as a specific tool to recruit married women with domestic responsibilities. Subsequently, part-time work has also been encouraged by “work-family” public policy in some countries to increase women’s labor market participation rates. State policy to facilitate a market-led expansion of part-time work, for example by removing fiscal disincentives or labor law restrictions, is one element of this, but the work-family public policy has a wider agenda. This includes improving the quality of part-time work through equal treatment in terms and conditions and, in some countries, legislation or collective agreements also provide employees with certain entitlements to reduce their hours to part-time in their existing job. This is an established part of the Swedish parental leave system, for example, and the public sector working-time policy in France, and the policy has recently been

introduced into Dutch labor law (see below). Thus, in many European countries, the origins of part-time work are rooted in a modification of the “male breadwinner” arrangement of the gender division of labor, in response to either labor shortages or equal opportunity policies. Rather than women withdrawing from the labor market upon marriage or childbirth, part-time work offered one means of combining paid and unpaid work, particularly where alternative sources of child care were scarce, costly, or socially unacceptable (O’Reilly and Fagan 1998).

In a recent review of European research, the main company-level factors that contribute to the use of part-time contracts in Organization for Economic Cooperation and Development (OECD) countries were identified (Delsen 1998). The research shows that workload variations over the day, week, or year are important, but they do not determine whether companies use part-time contracts because alternative solutions, such as full-time shifts, can be used. This is the usual solution in manufacturing and transportation, where the workforce is largely male. Workload variations are influential, but part-time jobs are the most prevalent in companies that operate in the service sector and that rely on women to fill jobs that have few or no formal human capital entry requirements. An additional incentive for the use of part-time work is when the cost structure of production is dominated by labor costs and employers perceive that the fixed costs and hourly labor costs of part-time employees are cheaper than hiring full-time staff (hourly wages, fringe benefits, social security costs, and recruitment and training costs). However, direct cost savings are not a major consideration in all companies or sectors. For example, a European survey of companies that used part-time contracts found that the main reasons employers gave for using part-time contracts were to enhance the competitiveness and quality of the service or product by extending opening hours or covering workload peaks, improving recruitment and retention to overcome labor or skill shortages, and higher productivity. These reasons were mentioned more often than direct savings on hourly labor costs (European Foundation 1994).

A range of factors lies behind the use of temporary workers by companies (see Atkinson, Morris, and Williams 1999; Davis-Blake and Uzzi 1993). In some contexts, the recruitment of temporary workers is believed to offer various advantages. These include lower labor costs because of the flexibility to cover variable staffing requirements and

fewer, if any, entitlements to fringe benefits and occupational pensions; a buffer to protect the employment security of the core workforce; a source of rapid recruitment or access to specialist skills; or a screening period prior to appointment on an open-ended contract. The potential disadvantages are often the flip side of many of these advantages, such as the costs of recruitment and training; high turnover; the administrative burden; lower levels of skill, reliability, and commitment; and a negative effect on the morale of the core workforce. Temporary work agencies operating as “intermediaries” offer the potential to overcome some of the recruitment, training, and administrative costs, but companies are still faced with problems of lower organizational commitment among their temporary workforce and the effects on morale of their core workforce (Allen and Henry 1996, 1997; Ward et al. 2001).

Table 3.1 presents data on the prevalence of part-time and fixed-term work in the EU. By 1999, 18 percent of all employed persons in the EU-15 were in part-time jobs, and 13 percent of employees had a fixed-term contract. Part-time work has been increasing for a number of years in most member states, and since the early 1980s, most of the net job growth in the EU has been in part-time work for both women and men (Rubery, Smith, and Fagan 1998, pp. 29–39; European Commission 1996, p. 17; European Commission 1999a, p. 20). The expansion in the rate of temporary work contracts has been more recent. Most of the additional jobs created in the economic recovery in the early 1990s were both part-time and temporary, and the increasing rate of fixed-term contracts has continued subsequently.<sup>7</sup> There is a degree of overlap between these two categories because the rate of part-time work is higher for those in fixed-term contracts than those in open-ended contracts in most member states (Rubery, Fagan, and Smith 1995, pp. 185–188). Further expansion in both forms of nonstandard work can be expected in many countries based on these trends.

Within the broad category of temporary workers, the particular issue of temporary agency work is the subject of current policy and academic debate in Europe (Michon 2000), mirroring concern about this form of employment restructuring in the United States (Barker and Christensen 1998; Peck and Theodore 2001). A recent European-wide overview of temporary agency work found rapid growth over the last 10 years across Europe, although this form of engagement still represents a small proportion of total employment (Michon 2000).

**Table 3.1 Trends in Part-Time and Fixed-Term Employment in the European Union, 1985–99**

	1985	1990	1995	1999
Employed: % who work part-time				
Netherlands	23	32	37	39
United Kingdom	21	22	24	25
EU-15	11	14	16	18
Employees: % with fixed-term contracts				
Netherlands	8	8	11	12
UK	7	5	7	7
EU-15	9	10	12	13

NOTE: Part-time work is based on the individual's self-assessment of his or her full- or part-time status. Employees with fixed-term contracts include the following categories in the European Labor Force Survey: employee hired for a job that ends on a specific date, completion of a task, or the return of another employee who has been temporarily replaced; persons engaged by an agency or employment exchange and hired to a third party to perform a specific task (note that persons with a written work contract of unlimited duration with the agency or employment exchange are *not* counted as temporary employees); seasonal employees; and persons with specific training contracts.

SOURCE: European Labor Force Survey. Data for 1985–96 extracted from European Commission *Employment in Europe*, 1996 and 1997 editions. Data for 1999 is from the European Labor Force Survey published results, Tables 28 and 34.

Shift-share analysis (Smith, Fagan, and Rubery 1998; Walwei 1998) shows that there is a diffusion occurring in the use of part-time work across economic sectors in the EU. Temporary employment also appears to be spreading owing to a change in employers' practices and not simply to the expansion of industrial sectors or occupations with existing high levels of usage or as a cautious response to economic recovery in the business cycle. For example, shift-share analysis has shown diffusion across sectors to be the dominant component of the expansion in temporary employment in the United Kingdom during the 1990s (Casey, Metcalf, and Willwards 1997, Table 2.6). However, the bulk of nonstandard jobs remains concentrated in a narrow range of low-status, low-paid service jobs, as we will see below.

As a result of these trends, both part-time and temporary employment have become a more common route into employment in Europe as economies restructure following the 1990s recession. For example, in 1997, 70 percent of the men and women who entered employment did so via fixed-term contracts, up from 50 percent in 1994. Forty percent of the women who found employment took part-time jobs, as did almost 14 percent of men (European Commission, 1999a, pp. 44–48). The growing significance of temporary contracts as a route into employment is evident even in countries with relatively low overall rates of fixed-term contracts, such as the United Kingdom (Sly and Stillwell 1997).

These trends in the expansion of nonstandard work have occurred across both peaks and troughs in the business cycle, and signal ongoing structural changes in European labor markets and employers' recruitment practices (European Commission 1999a, p. 47). Yet within the EU, there are national differences in the rates of nonstandard work arrangements. The highest rate of part-time work in the EU is in the Netherlands, and part-time work is also particularly common in the United Kingdom, Sweden, and Denmark. Taken together, the Netherlands and the United Kingdom account for just over one-third of all part-time workers in the EU-15. There are also national differences in the incidence of temporary work contracts, but to a lesser degree than in the case of part-time work. The highest levels of temporary employment tend to exist in countries where labor laws permit (and even encourage) this form of contract and where regulations make it difficult and costly to dismiss employees with open-ended contracts (Rogowski and Schömann 1996). This form of employment is particularly prevalent in Spain (for further discussion see Cebrián et al., this volume). The rate of fixed-term contracts in the Netherlands is close to the EU average, while the rate is notably lower in the United Kingdom, given the weak regulatory governance of the labor market that offers only limited employment protection for any employee with less than one year's tenure with the company.

National studies in the Netherlands and the United Kingdom—the two countries that are the focus of this chapter—show that the use of part-time workers and, at a lower incidence, temporary workers, is spreading at the company level. By 1998, 84 percent of all U.K. workplaces with 25 or more employees used part-time employees, and 58

percent had at least 10 percent of their workforce on part-time contracts (Cully et al. 1999, p. 32). In the Netherlands, more than 70 percent of all companies use part-time contracts (Hesselink et al. 1999, Table 2.3). Despite the relatively low rate of temporary work in the United Kingdom, fixed-term contracts are now used in 44 percent of workplaces, temporary agency workers in one-quarter of workplaces, and freelancers in 13 percent of workplaces.<sup>8</sup> Indeed, although in the last two years the size of the United Kingdom temporary employment sector as a whole has remained stable, temporary agency work has continued to increase (Forde and Slater 2001). Comparative research shows that managers use these contracts for similar reasons in both countries, although with some difference in emphasis in relation to part-time work. In both countries, managers explain that part-time work offers competitive gains, work scheduling, and recruitment advantages, but those in the United Kingdom place more emphasis on direct labor cost savings than in the Netherlands (European Foundation 1994). With regard to the use of fixed-term and temporary agency workers, managers in both countries point to similar benefits; namely, short-term coverage (e.g., maternity leave), coping with seasonal fluctuations, obtaining specialist skills needed on a short-term basis or which are only obtainable on a short-term basis, or screening staff for permanent jobs (Casey, Metcalf, and Willwards 1997; Cully et al. 1999; Hesselink et al. 1999; Sly and Stillwell 1997). In the next section, we discuss the regulatory frameworks guiding nonstandard work contracts in the Netherlands and the United Kingdom.

## **REGULATORY FRAMEWORKS FOR NONSTANDARD EMPLOYMENT IN THE NETHERLANDS AND THE UNITED KINGDOM**

The expansion of nonstandard work arrangements has occurred among all EU member states. However, each nation's regulatory framework and the policy context out of which the regulations emerge have produced differences in the extent, the form, and the relative quality of nonstandard employment in each country. These national differences persist even when comparisons are made at the sector level to

allow for contrasting industrial structures within national economies. This diversity between countries emerges from a number of different institutional arrangements. In this section, we set out the recent developments in the EU regulatory framework and then explore how, in both the Netherlands and the United Kingdom, these wider regulatory changes combine with those introduced by each nation-state to produce quite different terms and conditions of employment.

Within the EU, a developing body of framework legislation (EU directives) and economic policy circumscribe the actions of member states. EU directives set the minimum regulatory requirement, and any related national regulations must be compatible with this European-level law. In the last 30 years, a number of directives have been adopted that have established a regulatory floor for the working conditions in nonstandard employment. In the 1970s, a series of directives introduced equal treatment for women and men in matters of equal pay for work of equal value, recruitment, training, and social security. These directives were also used successfully in litigation to extend some elements of equal treatment to part-time employees using the principal of indirect discrimination on the basis that most part-time employees are women. In the 1990s, directives were also introduced to guarantee minimum maternity leave and parental leave entitlements. Three other directives introduced in the 1990s deal directly with the regulation of working time and the use of nonstandard workers: the 1993 Working Time Directive, the 1997 Equal Treatment of Part-Time Workers Directive, and the 1999 directive on Fixed-Term Work (European Commission 1999b). The latter has yet to be introduced into all member states. See Figure 3.2 for the main revisions of the directives. And an EU Directive on Temporary Agency Work is due to be announced in early 2003.

As these directives were being drawn up, individual nations were also reforming their own employment systems in the context of rising unemployment and economic stagnation, which had become a feature of most European labor markets since the late 1970s. The Netherlands and the United Kingdom are good examples of regulatory divergence within the EU in response to these problems.

**Figure 3.2 Main Provisions of the EU Directives Regulating Working Time and Nonstandard Work Conditions**

### **1993 Working Time Directive**

A maximum average 48-hour week

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Limits on the number of hours worked at night

Daily and weekly rest periods

Four weeks annual paid leave

Encourages the social partners (employers' associations and trade unions) to negotiate working-time arrangements that promote the reconciliation of work and family life

Certain sectors and occupations are exempt (this is currently under review at the European level).

### **1997 Equal Treatment for Part-Time Workers**

Equal hourly pay to comparable full-timers, including overtime pay for hours in excess of normal full-time hours

Pro rata entitlements to sick pay and maternity pay

Equal treatment for holidays, maternity leave, parental leave, career breaks, redundancy provisions, pension schemes, and training

Encourages the social partners to remove obstacles that limit opportunities for the expansion of part-time work

### **1999 Fixed-Contract Work**

Equal treatment: Fixed-term contract workers should be treated no less favorably than equivalent permanent colleagues within the same undertaking, or similar jobs elsewhere

Prevention of abuse: Employers should be prohibited from abusing this form of employment by concluding a series of contracts without justification, thereby denying workers their rights

SOURCE: Author's compilation of legislation listed at The Portal to European Union Law which is available at: <<http://europa.eu.int/eur-lex/en/index.html>>.

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In the United Kingdom, under the successive conservative governments of the 1980s and 1990s, labor market deregulation was actively pursued as a means of job creation and economic growth through the reduction of workers' rights, marginalization of the trade unions, and the creation of "neoliberal" labor market institutions (Beatson 1995; Jones 1999; Peck 1996). United Kingdom governments pursued labor market policies akin to those introduced in the United States, and generally sought to circumvent European directives on employment regulation. During this period trade union power to negotiate working

conditions was undermined by the combination of new legal restrictions and falling membership, particularly outside the public sector and in private service-sector companies. Less than half of the United Kingdom's workforce is now covered by collective agreements (Cully et al. 1999). Although overt hostility to progressive employment reform has dissipated since the election of two labor governments in 1997 and 2001, the U.K. labor market remains one of the most deregulated in the EU.

In contrast to the United Kingdom, the Netherlands has a social democratic political tradition of more regulated employment conditions. This is achieved through statute and comprehensive collective agreements that encompass the majority of the workforce.<sup>9</sup> In this context, a different path was taken to stimulate economic growth and job creation, the linchpin of which was a social pact between the trade unions and employers—the 1982 Wassenaar Agreement—supplemented by a number of government measures. This introduced wage constraint, partly compensated by tax reductions introduced by the state, and a commitment from employers to introduce working-time reductions that were “cost neutral” (reductions in full-time hours were to be paid for either by productivity gains or by a proportionate reduction in the weekly wage so that hourly rates of pay did not rise). This social pact was reaffirmed and extended in 1993. In parallel, the Dutch government actively promoted the expansion of part-time work as a means to job-intensive growth beginning in the 1980s through a combination of subsidies and public employment policies, information campaigns, and legislation to extend equal treatment to part-time employees. Support for part-time work with treatment equal to full-time employees also came from three other constituencies: employers, trade unions, and women workers. The employers saw part-time work as a means of diluting pressures for collective reductions in full-time hours. The trade unions were adapting their policies to represent the growing constituency of women who were demanding more opportunities for quality part-time work. A major influence in the growing demand for part-time work among women in the Netherlands was their relatively recent entry into the labor force compared with international standards and the still influential traditional “housewife” model of gender relations (Visser 1999; Visser and Hemerijck 1997).

Initially, marginal part-time employees working short hours (12 hours or fewer) received less favorable treatment than other part-time workers in the Netherlands. This was redressed in a series of reforms in the early 1990s, that extended the statutory minimum wage to all part-timers (1993), mandated equal treatment in labor law (1996), and outlawed hours thresholds for membership in company pension schemes (Delsen 1998). The latest development, the Part-Time Employment Act (2000), awards employees the right to request a reduction in their hours to part-time work, or an increase to full-time work, as part of a broader drive to facilitate the reconciliation of employment and family care responsibilities. Employers are only allowed to refuse these requests on the grounds of specific conflicting business interests (EIROline 2000c). This builds on earlier developments in collective bargaining agreements (Van den Burg and Passchier 1999). In comparison with other employees in collective agreements, part-time employees with short hours still fare worse. However, the general regulatory trend in the Netherlands is extending equal treatment and developing part-time work as an integrated, rather than marginal, form of employment (Plantenga 1997; Visser and Hemerijck 1997).

Part-time employees in the United Kingdom, on the other hand, have relied on cases by individual employees and trade unions under European Community law for improvements in their terms and conditions. Following a series of legal rulings in the mid-1990s over the equal treatment of part-time employees in company pension schemes, equal treatment in statutory employment protection was implemented in 1995 (Dickens 1995). Since 1997, regulatory reforms have helped to improve the terms and conditions of part-time employment. In 1999, a statutory hourly minimum wage for all workers was introduced, and the qualifying period for employment protection was reduced from two years to a single year's service for all employees working eight or more hours per week.<sup>10</sup> Maternity and parental leave entitlements have also been extended to all workers, again driven by EU regulatory reforms. The latest extension of these parental rights, which came into effect in April 2003, includes giving parents of children under 6 and children with disabilities under 18 the right to apply to work flexibly, which might be interpreted to include working part-time instead of full-time hours. Earlier proposals that would have given parents the right to request part-time hours, similar to the entitlement introduced into

Dutch law discussed above, were dropped in response to lobbying from employers' associations. Under this new law employers have a duty to consider such requests for flexible working, although they do not have to justify their opposition in the same detail as is required in the Dutch law. The Trades Union Congress and other critics argue that this new right will have little effect in Britain, particularly since there is no union representation in many private-sector companies (Ward 2003). Finally, the Equal Treatment Directive became effective in July 2000 and will further improve conditions for some part-time workers. Despite these gains, however, the criteria set by the government for the full-time comparator for equal treatment is someone employed by the same employer under the same type of contract and doing broadly similar work. It is estimated that only one million of the six million part-time workers in the United Kingdom have a comparator based on these criteria and will therefore gain from the equal treatment regulation (EIROline, 2000d). To date, the government has rejected trade union calls for this limitation to be redressed.

Regulatory divergence is also evident in how each nation deals with those in temporary employment. Dutch labor law was reassessed in 1997 in light of concern over the increased flexibility and fragmentation of its labor market. Building on an agreement reached in 1996 between the employers and trade unions at the bipartite Labor Foundation (*Stichting van de Arbeid*), the aim was to uphold both corporate flexibility and employee security by relaxing dismissal laws and generating a minimum level of security for employees in flexible jobs, so-called "flexicurity." It was proposed that if an employee had worked for his or her employer for three months (weekly, or at least 20 hours a month), the law would assume a contract of employment (EIROline 1997a). Where the hours were unspecified, the hours worked by the employee over the previous three months would be taken as the contracted hours. The responsibility lies with the employer to provide evidence that the hours worked during the period are either longer or shorter than the hours normally worked by the employee. This contract has the same terms and conditions as a permanent one. The probationary period—during which time both the employer and the employee are free to terminate the contract—remained at two months for fixed-term contracts. It was, however, shortened for "short-term contracts" that specify a term of employment. The aim was to encourage the use

of longer-term fixed-term contracts and end the use by companies of the “revolving door” (EIROline 1997b). Where three of these contracts were run together, prior notification of termination was required. If the total length of time of the contracts extended beyond three years, the contract automatically became a contract for an indefinite period.

As the flexicurity<sup>11</sup> bill was being debated in the Netherlands, there was also an attempt to reform legislation on temporary work agencies. Temporary workers employed by a temporary work agency for more than a year received a three-month contract. The agency was required to pay the employee wages during this period even if he or she did not work, so long as the employee remained available for work (EIROline 1997a). There was originally no transitional period. After protracted negotiations, the General Union of Temporary Employment Agencies (*Algemene Bond van Uitzendbureaus*) and the unions agreed to a transitional framework, which allowed the concerns of both parties to be met. The Flexicurity Act (*Wet Flexibiliteit en Zekerheid*) took effect January 1, 1999, while the new act governing temporary work agencies went into effect six months earlier. The combined effect of these two acts has substantially modified Dutch labor law (see Figure 3.3) (EIROline 1999a, 1999b), with both employers’ organizations and unions at pains to point to the combined successes of the acts.

In contrast, the United Kingdom has seen more limited improvements in the conditions of fixed-term work. Workers have gained equal

### **Figure 3.3 Reform of Dutch Labor Law: The “Flexicurity” Act**

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Companies can use temporary employment contracts more than they could in the past;

A series of temporary employment contracts will, under certain conditions, lead to a permanent contract;

Agreements between employees and temporary work agencies will now be considered as employment contracts;

Notice periods are shortened and simplified;

Procedures for dismissal on economic, technical, and organizational grounds are shortened;

Unemployment benefits are reduced if the employer awards severance pay.

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SOURCE: EIROline (1999a).

rights to statutory holidays, sick pay, and maternity leave as part of the general reform of labor law, and these rights to equal treatment were strengthened by the adoption of the directive on fixed-contract work into national law in April 2001. Now, after four years of “consecutive” fixed-term contracts workers became permanent employees. Moves to regulate temporary agency work have been slower. In 1999, the government proposed the first substantial change in the regulation of temporary agency work since the early 1970s (Department of Trade and Industry, 1999). The precise nature of this re-regulation is still subject to consultation. Existing regulation has been in place since 1976, with the Conduct of Employment Agencies and Employment Businesses Regulations Act. This act only allowed temporary employment agencies to be established under license from the Secretary of State. In 1994, this act was repealed by the then-Conservative government and replaced in 1995 with the Deregulation and Contracting Out Act, designed to facilitate subcontracting, including the use of temporary agency work. No attempt was made to connect the regulation of this type of nonstandard employment to the rest of the labor market, as had occurred in the Netherlands. More specifically, the U.K. reforms of temporary agency work shy away from offering workers a permanent contract under any circumstances, again in contrast to the Dutch reforms.

Given these differences in the regulatory frameworks in the Netherlands and the United Kingdom, we explore in the next section how the quality of nonstandard work in both countries compares.

## **NONSTANDARD WORKERS IN THE NETHERLANDS AND THE UNITED KINGDOM**

In both countries, the age and gender profile of nonstandard workers is similar and mirrors the picture found in other EU member states. The majority of part-time workers are women (Table 3.2), a pattern that is replicated in every member state. The gender composition of fixed-term contract work is more even, but women are overrepresented in this form of employment relative to their share of all employment. Women hold just under half of the fixed-term contracts in the EU-15,

**Table 3.2 Gender Composition of Part-Time and Fixed-Term Employment, 1999**

	Part-time % women	Fixed-term contracts % women
Netherlands	74	56
United Kingdom	80	52
EU-15	80	49

SOURCE: European Labor Force Survey, Tables 30 and 36.

and more than half of these contracts in some member states, including the Netherlands and the United Kingdom.

The rate of fixed-term contracts and part-time work is higher for women than men in every age group (Table 3.3). Fixed-term contracts tend to be concentrated among young workers because of probation and training periods and the shortage of open-ended vacancies for new entrants. The higher rates of fixed-term work among women suggest that they are less able to secure open-ended contracts than are men. Perhaps this is because they are segregated into more insecure segments of the labor market, or are reentering the labor market after an absence for child-rearing and may only be able to obtain temporary employment. Women may also opt for temporary employment owing to child care constraints.

Male part-time employment is largely confined to students and other young labor market entrants or older workers nearing retirement age (Table 3.3). In recent years, men's involvement in part-time work has increased sharply, and it appears to be dispersing somewhat into the middle-age range (Delsen 1998). The Netherlands leads the way in the growth of part-time work among men in EU countries. Nonetheless, part-time work remains rare for men in their core working years. In contrast, large proportions of employed women work part-time at this stage in their life, often associated with the onset of motherhood when part-time jobs provide a means for women to combine employment with domestic responsibilities.

There are significant national differences in the extent to which mothers of young children are employed on a full-time or part-time basis in the different member states, and these international comparisons reinforce the similarity observed between the Netherlands and the

**Table 3.3 The Rate of Part-Time and Fixed-Term Contracts by Age Group and Gender in the Netherlands and the United Kingdom, 1999**

	Employed men, by age					Employed women, by age				
	15–24	25–49	50–64	65+	All	15–24	25–49	50–64	65+	All
Percent who work part-time										
Netherlands	54	10	17	72	18	67	68	75	91	69
United Kingdom	25	4	10	67	9	41	42	51	88	44
EU-15	16	4	6	42	6	30	33	38	60	34
Percent with fixed-term contracts										
Netherlands	5	3	1	*	9	6	7	2	—	15
United Kingdom	2	3	1	*	6	2	4	1	*	7
EU-15	5	6	1	*	12	5	8	1	*	14

NOTE: Fixed-term is determined by asking employees whether their contract has a fixed rather than open-ended duration due to either a specified date, the completion of a task or assignment, or the return of another employee.

— indicates data unreliable due to sample size. \* indicates less than 0.5%.

SOURCE: European Labor Force Survey 1999, Tables 28 and 34.

United Kingdom. In both countries, maternal employment is predominantly part-time, in contrast to most other member states (Rubery, Smith, and Fagan 1998). In the Netherlands and the United Kingdom, labor market participation increased for mothers beginning in the 1970s, largely through part-time employment. This occurred in the context of limited public provision of child care services (in contrast to a number of the other member states, such as the Nordic countries or France) and in cultural climates that did not favor full-time employment for mothers (O'Reilly and Fagan, 1998). These institutional contexts have played an important role in shaping women's labor supply, and it is only in recent years that the Dutch and U.K. governments have begun to increase the public resources allocated to child care services.

Overall, in the EU-15, 11 percent of part-time employees are students or trainees, 17 percent work part-time because they were unable to find full-time work, and 60 percent had chosen part-time work over full-time work (Table 3.4). Among those who work part-time, women are more likely than men to have selected this in preference to full-time work, and are less likely to be working part-time on an involuntary basis or because they are in education or training. This tendency is even more pronounced among women in the Netherlands and the United Kingdom. As we discussed above, this reflects the fact that part-time employment has become the established practice for mothers with young children in both countries. The main difference between part-time employees in the Netherlands and the United Kingdom is found among men. In the Netherlands, nearly half of the men employed part-time have selected this arrangement in preference to full-time work, and only 7 percent are working part-time because they could not find full-time employment. In contrast, 21 percent of the men employed part-time in the United Kingdom are doing so on an involuntary basis, mirroring the wider pattern in the EU-15.

Not surprisingly, a higher proportion of fixed-term contracts are involuntary compared with part-time contracts. Nearly two in five employees with fixed-term contracts in the EU-15 are in this situation because they could not find permanent employment, and one quarter are on training or probation contracts. Only 9 percent said that they did not want a permanent job. There is little difference by gender in the reasons for holding fixed-term contracts at the EU-15 level. The profile of fixed-term contract workers in the Netherlands and the United King-

**Table 3.4 Individual Explanations for Working in Part-Time or Fixed-Term Jobs, 1999**

	All	EU-15		NL			UK		
		Men	Women	All	Men	Women	All	Men	Women
Reason for working part-time (%)									
Could not find full-time job	17	24	15	4	7	4	10	21	8
Did not want full-time job	60	36	65	72	50	80	73	42	80
Education/training	11	25	8	19	35	13	15	33	10
Illness/disability	2	5	2	4	8	3	2	3	1
Other or no reason	10	9	10	—	—	—	—	—	—
Reason for having a fixed-term contract (%)									
Training or probation	25	27	25	3	2	1	6	6	5
Could not find permanent job	39	40	37	46	49	44	38	45	33
Did not want permanent job	9	7	11	47	44	51	29	22	35
No reason	27	26	27	4	5	4	27	27	27

NOTE: Columns may not sum to 100 due to rounding.

— indicates data unreliable due to sample size.

SOURCE: European Labor Force Survey 1999, derived from Tables 29, 32, and 38.

dom diverges somewhat from that of the EU-15 as a whole because it is comparatively rare for this type of contract to be used as a formal means of training or probation in either country. Instead, those with fixed-term contracts fall fairly evenly between two categories: those who could not find permanent employment and those who are not looking for permanent employment. In both countries, women were notably more likely than men to say that they did not want a permanent job. This may be because they have selected temporary employment because it affords them some flexibility to schedule their time around domestic commitments. For example, in a recent U.K. study, 70 percent of temporary workers said that there were certain advantages to this type of employment. Of this group, men were more likely to list pay and benefits while women were more likely to list the convenience of working-time arrangements (Tremlett and Collins 1999).

Overall, the age and gender profile of part-time and temporary workers in the Netherlands and the United Kingdom is similar; however, there are two differences of note. First, nonstandard work is even more widespread in the Netherlands than in the United Kingdom, particularly part-time work. The rate of part-time work in the Netherlands is such that it is the only member state in which the majority of employed women and a sizable minority of men are now working part-time in their core working years, and with relatively few doing so on an involuntary basis. Furthermore, there is widespread support among the Dutch workforce for a further expansion of part-time working, with a higher share of both men and women stating that their preferred working hours are part-time than in any other member state (Fagan and European Foundation 2001). The Dutch workforce has negotiated a sustained reduction in full-time working hours since the mid 1980s, from a norm of 40 hours a week to the current 36-hour week for more than half of the workforce. Second, compared with the United Kingdom, a larger proportion of temporary workers in the Netherlands have selected this work option over permanent employment, again suggesting a greater degree of employee choice. In the following section, we review in which sectors part-time and temporary work is being performed in both countries.

## **NONSTANDARD JOBS IN THE NETHERLANDS AND THE UNITED KINGDOM**

The industrial and occupational structure of employment in the United Kingdom and the Netherlands is very similar, and is dominated by service-sector activities (Table 3.5). The main difference between the two countries is that a higher proportion of employment in the Netherlands is concentrated in professional and related occupations.

There are also similarities between both countries in the patterns of nonstandard work. The highest rates of part-time work in both countries are in the service sectors, particularly in hotels and catering, retail, and “other services” (see table note for definition), and exceed the use of temporary work contracts in each sector. Another similarity is the contractual composition of temporary employment (Table 3.6). Temporary agency work accounts for a similarly small proportion of all temporary work in both countries, but it is this category that has seen the greatest growth over the last decade. For example, in the United Kingdom, temporary agency workers as a proportion of total temporary employment doubled between 1992 and 1996 (Forde and Slater 2001; Sly and Stillwell 1997).

There are also some salient differences in the economic profile of nonstandard work in both countries as shown in Table 3.5. First, there are several indications that nonstandard work contracts are more dispersed across the economy in the Netherlands than in the United Kingdom, which suggests relatively more integration with standard contracts rather than being segregated into particular activities. The rate of temporary employment is broadly similar in many service sectors in the Netherlands, at between 8 and 10 percent, dipping to lower rates in construction, hotels, and public administration. In contrast, temporary employment is a particularly common feature of hotels and “other services” in the United Kingdom. Rates of part-time work are disproportionately high in “other services” and hotels and catering in both countries, but part-time work is dispersed across the other sectors to a greater extent in the Netherlands, and is quite prevalent in transportation and manufacturing, for example. Occupational comparisons show that in both countries, part-time workers are disproportionately found in service, sales, clerical, and elementary jobs—a pattern that

**Table 3.5 The Industrial and Occupational Structure of Employment and Rates of Part-Time and Temporary Work in the Netherlands and the United Kingdom, 1999**

	Structure of employment (%)		% of nonstandard work in each sector and occupational group			
			Part-time work		Temporary work	
	NL	UK	NL	UK	NL	UK
<b>Industrial structure</b>						
Agriculture	3	2	30	18	10	5
Manufacturing and extraction	15	19	20	8	8	4
Construction	6	7	11	6	4	4
Transport and communications	6	7	27	1	8	5
Financial/business services	15	15	30	19	8	6
Hotels and restaurants	3	4	60	50	5	9
Wholesale and retail	16	16	42	38	10	3
Other services	24	25	60	40	9	10
Public administration	7	6	25	15	6	6
No response	5	*	—	—	—	—
<b>Occupational structure</b>						
Legislators and managers	12	15	17	9	2	2
Professionals and associates	36	25	38	19	7	8
Clerks	12	17	52	33	14	7
Service and sales	12	15	66	56	17	7
Agriculture and fisheries	2	1	42	14	19	3
Craft and related trades	11	12	13	5	7	3
Plant/machine operatives	7	7	21	8	10	5
Elementary occupations	8	8	61	48	24	9
Overall incidence	—	—	39	25	12	7

NOTE: NACE industrial classification is the NACE one-digit level. "Other services" include education, health, and social work; other private-sector and public-sector social services such as sanitation and leisure, and personal services (domestic cleaners, child care assistants outside education, hairdressing, laundry, etc.). ISCO occupational classification. Civilian workforce only. The percentages may not sum to 100% due to rounding.

\* indicates figure less than 0.5%; — indicates not applicable.

**Table 3.6 Type of Temporary Employment in the United Kingdom and the Netherlands**

United Kingdom (%)	
Fixed-term contracts	46
Casual or seasonal	33
Agency temping	16
Other (includes home and zero-hour contracted workers)	5
Netherlands (%)	
Fixed-term contracts	48
Demand, and on-call contracts	37
Temporary agency contracts	11
Other contracts	4

NOTE: Demand/call contracts in the Netherlands include permanent labor contracts that include this element of variability.

SOURCE: For the United Kingdom, Income Data Services (2000) derived from Table 1; for the Netherlands, Hesselink et al. (1999), Table 2.1.

exists in the EU as a whole (Organization for Economic Cooperation and Development 1994; Smith, Fagan, and Rubery 1998). However, part-time contracts are better represented among the higher-level managerial and professional occupations in the Netherlands than in the United Kingdom, both in absolute terms and relative to the overall rates of part-time work in each economy. Finally, fixed-term contracts are most prevalent in elementary, clerical, and service jobs (and skilled agricultural jobs in the Netherlands), but the relative use in professional areas differs although the absolute rate is similar. The rate of temporary work among professionals is lower than the overall rate in the Netherlands but is on a par with the overall rate in the United Kingdom. In the United Kingdom, 60 percent of professionals with temporary contracts are teachers and contract researchers in the education sector, where public-sector collective agreements provide a higher degree of job security for those on open-ended contracts than exists in many other sectors (Sly and Stillwell 1997).

A second important difference between the two countries is in the relative treatment of standard and nonstandard workers in statutory regulations on employment conditions and the social protection offered by welfare state policies (Esping-Andersen 1990). As discussed in the previous section, the Dutch system provides more extensive protection

and a greater degree of equal treatment between standard and non-standard workers. There are few labor cost differentials for employers between standard and nonstandard workers as a result. The implications for the quality of nonstandard work have been demonstrated in a number of studies using the example of part-time work. In the Netherlands, there is little difference in the average hourly pay of full-time and part-time workers (Tijdens 1997; Plantenga 1997). Legislation and collective agreements have largely established *pro rata* treatment, combined with statutory minimum wage protection for all workers. The expansion of part-time employment in some of the higher-paying jobs, underwritten by the recently introduced rights of employees to request part-time hours, has also helped to prevent part-time work from becoming entirely segregated into the low-paid sectors of the economy. In contrast, part-time workers in the United Kingdom have lower average hourly rates of pay than full-time workers. In 1999, female part-time workers earned 61 percent of the average hourly pay of full-time male employees (excluding overtime); the comparable ratio was 69 percent for male part-time workers (National Statistics 2001, derived from tables F33, F34, and A13). The introduction of a minimum wage has raised the wage rates in low-paid jobs, where part-time employees are disproportionately represented, and thus helped to reduce—but not eliminate—the pay penalty of working part-time. This is because although *pro rata* pay is largely established in company practices, part-time jobs are heavily concentrated in the lowest-paid sectors of the economy. In addition, many part-time workers in the United Kingdom are still excluded from pension and sick pay arrangements in some companies (despite labor laws); have fewer opportunities for promotion or training; may be more vulnerable to redundancy; and have more limited paid leave entitlements (House of Commons 1999; Neathey and Hurstfield 1995). Employers gain further cost advantages in social security payments if they use short-hour, part-time arrangements to maintain the employee's earnings below a low earnings threshold (which equates to approximately 15 hours of work per week).

The Dutch social security and pension systems are also more compatible with periods of part-time work or interrupted service associated with temporary contracts than in the United Kingdom. In the Dutch social security system, *pro rata* contributions are made by employer and employee for *pro rata* benefits. Pension entitlements are based on

citizenship rather than the amount of lifetime employment and earnings, and thus workers with periods of employment on nonstandard contracts fare better (Ginn and Arber 1998).

## **CONCLUSION AND THE FUTURE OF NONSTANDARD WORK IN THE UNITED KINGDOM AND THE NETHERLANDS**

The incidence of part-time and temporary employment continues to increase across the EU. Temporary work, with the exception of a few countries, remains relatively rare across the EU-15. Nonetheless, temporary agency work is growing, creating a new line of emphasis in the restructuring of particular parts of the labor market. In particular, the complex nature of the “triangular” employment relationship between the worker, the agency, and the firm in which the worker is placed has caught the attention of national and EU unions (EIROline 2000a).

As this chapter has charted, EU labor law has gradually extended equal treatment to part-time and fixed-term contract workers. Temporary agency work reform is on the horizon as well (EIROline 2000a, 2000b), although the form that this will take remains unclear and is still subject to negotiation between the social partners. This common framework of EU legislation creates some pressures of convergence across the member states, but these reforms are played out in national arenas with different regulatory systems, political alliances, and economic conditions. In part, these societal contexts are products of previous rounds of national and EU regulation. The articulation between EU and national-level policies produces persistent differences in outcomes between countries, including the quality of nonstandard work.

The path taken in the Netherlands was the result of the political dominance of social democratic values and institutions. These produced legislation and collective agreements that encouraged the expansion of nonstandard work—particularly part-time work—with a concurrent commitment to regulating equal treatment among standard and nonstandard work contracts. By comparison, the United Kingdom has been driven by a neoliberal regime of limited regulation, shifting

only moderately in emphasis under “New Labor” when they succeeded in ejecting the Conservative party from government. Thus, for example, the narrow definition of a comparator for equal treatment of part-time and full-time workers has been retained despite lobbying by trade unions, while the proposed re-regulation of the temporary industry has been watered down after months of lobbying by the Recruitment and Employment Confederation.

The example of the Netherlands demonstrates how nonstandard work conditions need not be “contingent” in the sense of precarious contracts and uncertain volumes of work. Most part-time work in the Netherlands involves a permanent contract with a fixed number of hours, and the recent flexicurity reforms extend the contractual obligations between employers and workers hired through temporary work agencies. Statute and widespread coverage of collective agreements place effective regulations on employment conditions and equal treatment, curtailing the penalties associated with nonstandard work, in contrast to those of the less-regulated U.K. context. Even more favorable integrated forms of part-time work develop in “reduced hour” arrangements, in which workers have switched from full-time to part-time hours in their current job. Greater employee rights to obtain this form of part-time work have been introduced in the Netherlands, and established examples can also be found in some of the other member states, for example the Swedish parental leave system and the French public sector.

The expansion of nonstandard work in the Netherlands has contributed to the so-called “Dutch Miracle,” a 20-year period of job-intensive employment growth (even when expressed as full-time equivalents) and nearly full employment, albeit with low participation rates among the older workforce (Visser and Hemerijck 1997, Visser 1999). However, this model of labor market reform was dependent on a number of specific and favorable economic and political conditions, including an inclusive welfare state regime, centrally institutionalized collective bargaining mechanisms involving a powerful trade union movement, high wage and productivity levels, and a large pool of available women outside the labor market. The Dutch model cannot be simply uprooted from these conditions and exported wholesale to other countries, but it provides useful policy lessons that can be adapted to other societal contexts.

Furthermore, although the situation for nonstandard workers is much rosier in the Netherlands relative to the United Kingdom and many other countries, it is not perfect. For example, the extension of equal treatment to marginal part-time workers (fewer than 12 hours per week) has been slower than that for other part-time workers, and part-time work is still mainly a female undertaking, thus reinforcing gender segregation of the labor market and men's lower involvement in parenting and other time-consuming care work (Plantenga 1997). Policies are needed to develop part-time work as a gender-neutral option for the work-life balance rather than a female-dominated segment of employment. Temporary contract work is still an inferior and involuntary option for a large proportion of this segment of the workforce, and better trend data are required to monitor the impact of different forms of nonstandard work on employment trajectories and advancement over different periods, particularly in the projected future downturns in the business cycle (Walker 2001).

Thus, there is now a substantial framework of EU law to normalize nonstandard work through the principle of equal treatment and other protective measures. However, there is still much work to be done to effectively implement and develop this form of work in many member states. Furthermore, these regulatory developments in labor law coexist with welfare state regimes that still remain for the most part organized around the norm of full-time standard employment, penalizing those with periods of nonstandard work in their employment histories (Grimshaw and Rubery 1997; Rubery, Smith, and Fagan 1998). As the EU plays an ever-greater role in setting the parameters for individual nations' regulation of their own labor markets as part of the wider economic agenda then the political pressures toward convergence will continue. However, this is likely to coexist with a continued divergence between those countries such as the Netherlands whose employment law reform often prefigures that at the EU level, and the United Kingdom, whose government, at best, seeks to manage the effects of EU reform, and at worse, seeks to oppose it.

## Notes

1. To give a sense of the circularity of some current debates, over two decades ago Sergio Ricca wrote about temporary work: “[It] has been one of the most hotly debated topics of recent years. So spectacular has been its development that politicians and legislators have been forced to come to grips with it even before economists and sociologists have had time to explain the phenomenon” (1982, p. 141).
2. For example, a 30-hour threshold is used in official statistics in the United Kingdom, while a 35-hour threshold is used in Sweden.
3. In the case of temporary work, there is no standard European definition (Michon 2000; Goudswaard and de Nanteuil 2000). Instead, each member country has its own categorization method for work arrangements that fall under the definition of “temporary work” (see the third section of this chapter). In an analysis of temporary employment in Britain, Casey (1988, p. 3) provides 11 definitions. (1) consultants or freelancers; (2) labor-only subcontractors; (3) casual workers; (4) seasonal workers; (5) fixed-term contract workers; (6) workers with a contract dischargeable by performance; (7) workers on training contracts; (8) temporary workers on indefinite contracts; (9) agency workers; (10) employees of works contractors; and (11) participants in special programs for the unemployed.
4. This, however, is only one term used. For example, in referring to the industry Mangum, Mayell, and Nelson (1985) refer to the “temporary help industry”; Peck and Theodore (2001) prefer “temp industry,” while Segal and Sullivan (1999) use the term “temporary services industry.” The organization is variously referred to as: “temporary work agency” (Michon 2000); “temporary employment agency” (Forde 1997); “labor market intermediaries” (Mangum, Mayell, and Nelson 1985); “temporary work organization” (Ricca 1982); and “private employment services” (Walwei 1998).
5. The self-employed use their own tools and capital to supply goods and services. A distinction can be made between the genuine and the “dependent,” “notional,” or “controlled self-employed.” This latter group of “dependent self-employment” has no employees and largely relies on selling their own labor, perhaps with some limited capital input in the form of tools. Often, this group regularly works for a limited number of companies in relationships that are similar to that of employees but that avoid many of the regulations on employers. This form of self-employment is common for construction workers and hairdressers in the United Kingdom, for example. Another, similar term commonly used in the United States is “independent contract work,” in which the workers supply their labor but no tools or capital. “Freelance workers” have a contract to provide services to a firm rather than an employment contract, and the term is largely associated with professional services. In the EU-15, self-employment in services accounted for 9 percent of all employment in 1998, and self-employment in industry accounted for another 3 percent of all employment. Some proportion of this will be in new forms of self-employment, but it is difficult to identify different forms of self-employment in most existing survey series.

6. Employers' interests in the extension of working-time flexibility to meet production requirements are quite distinct from employees' interests in obtaining more flexibility in how they organize their working time through "time sovereignty" or "time autonomy."
7. The question about open-ended, fixed-term contracts is only asked of the employed who state that they are employees. It will fail to pick up people who are regularly employed on short fixed-term contracts (either with the same or different employers) but who were not employed in the reference week.
8. In addition, 90 percent of U.K. workplaces subcontract one or more services, mainly for building maintenance, cleaning, security, transport, and training (Cully et al. 1999).
9. The Dutch "polder" model of economic and civic life encourages tripartite ways of negotiation. Policy and legislation are developed in discussion between government, national employers' associations, and trade unions. These regulations are then worked out in more detail at the sector level and in specific detail at the enterprise level.
10. It is estimated that the 11 percent of part-time employees (2–3 percent of all employees) that are excluded by the eight-hour threshold are mostly students (Hepple and Hakim 1997, p. 670).
11. For a review of the term, see Wilthagen (1998).

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Susan Houseman  
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