

The Future of Work:

Regulating Non-Standard Employment for Decent Work

Günther Schmid*

Presentation to the meeting of the
ILO fifth “Regulating for Decent Work” Conference

Geneva, 3-5 July 2017

*) Professor of Political Economy at Free University of Berlin (retired), and
Emeritus Director at WZB Berlin Social Science Centre

www.guentherschmid.eu

Standard Employment Still the Norm?

YES

“...employment contracts of an indefinite duration are the general form of employment relationships and contribute to the quality of life of the workers concerned and improve performance.”

(EU Directive 1999/70/EC on Fixed-term Work, point 6, “General considerations”)

But

Deal with increasing new forms of employment not only as a danger but embrace them as an opportunity through inclusive regulation

Forms of Non-standard Employment

■ **Part-time work** (up to 30/35 hours per week)

- > fixed-term (including mini-jobs, midi-jobs)
- > open-ended

■ **Temporary work**

- > fixed-term
- > temporary work agencies
- > contract work; contingent work; zero-hours contracts

■ **Self-employment** (grey-zone betw. Dep. and Self-E increasing)*

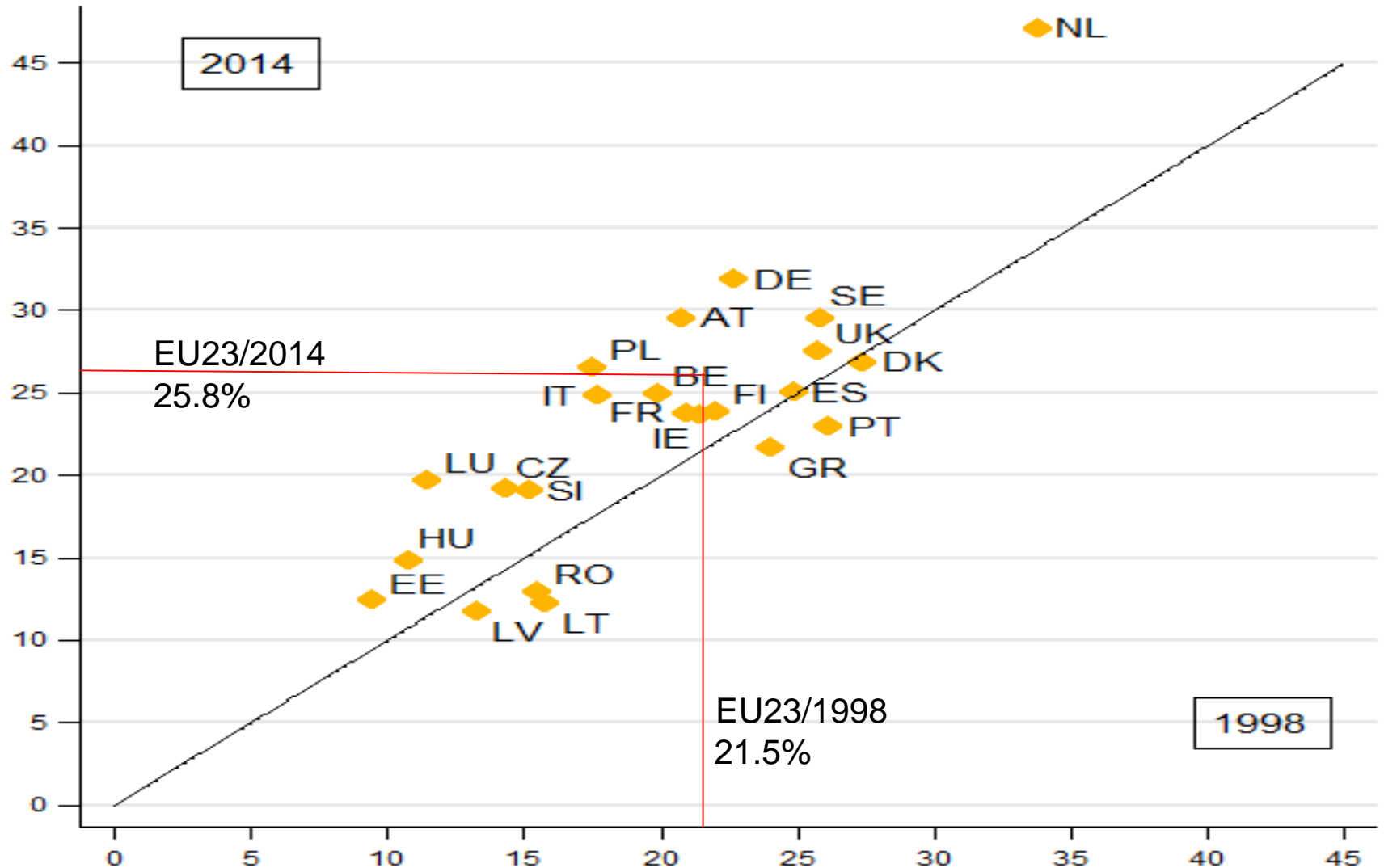
- > part-time / full-time
- > with employees / without employees [own-account / solo]

■ **Digital work** (no comparable statistics available; new 'homework'?)

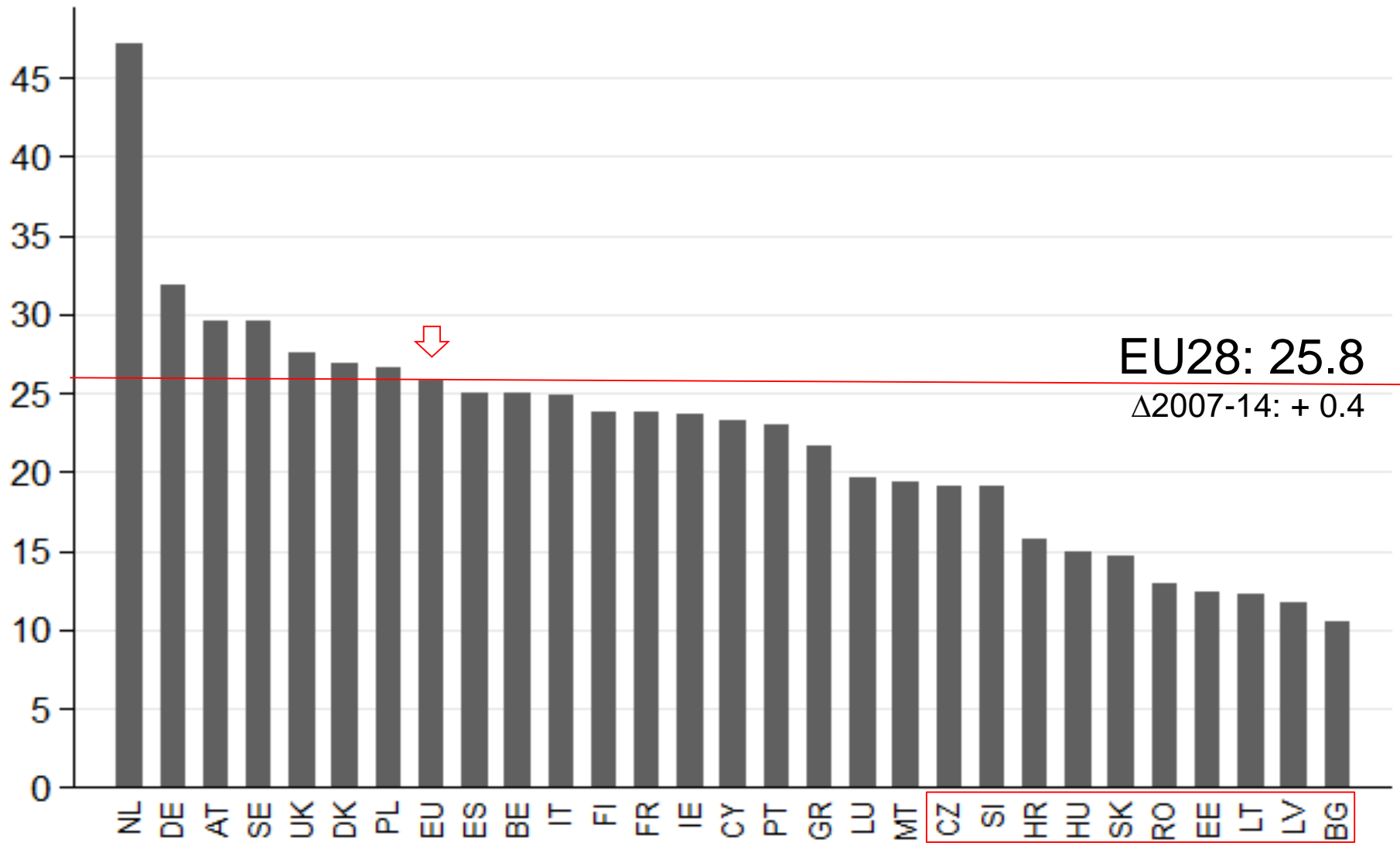
- > crowd working (gig economy)
- > platform ,work'

Non-standard Employment Rates in EU23: 1998, 2014

(Part-time Work + Temporary Work + Self-Employed as % of Working Age Population; controlled for overlaps)

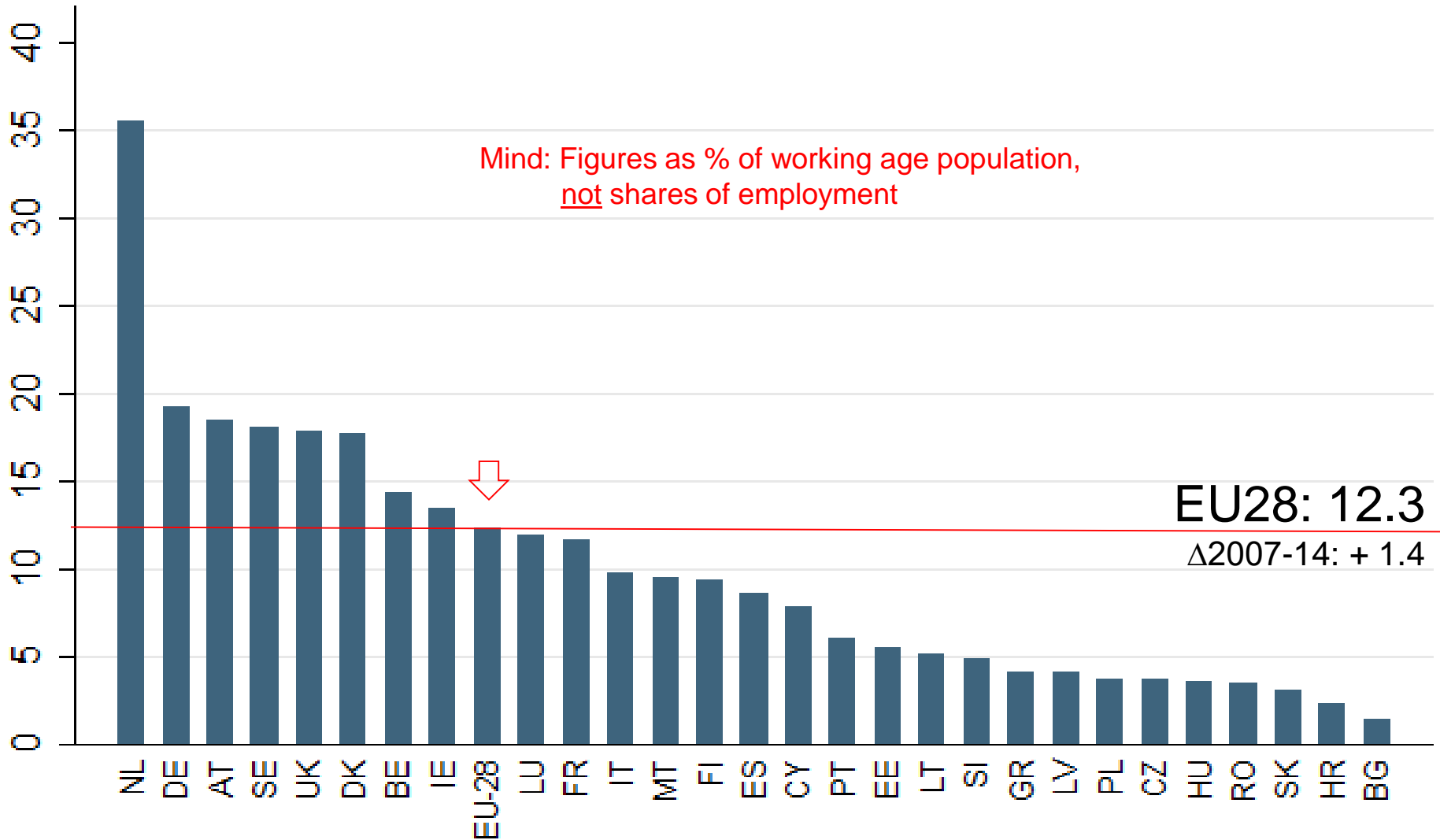


Non-standard Employment Rates in Europe As Percent of Working Age Population - Year 2014



Source: G. Schmid/ J. Wagner (2017), Managing Social Risks of Non-standard Employment in Europe, ILO Working Paper, 'Conditions of Work and Employment No. 91', Geneva

Part-time employment rates in Europe as percent of working age population - year 2014



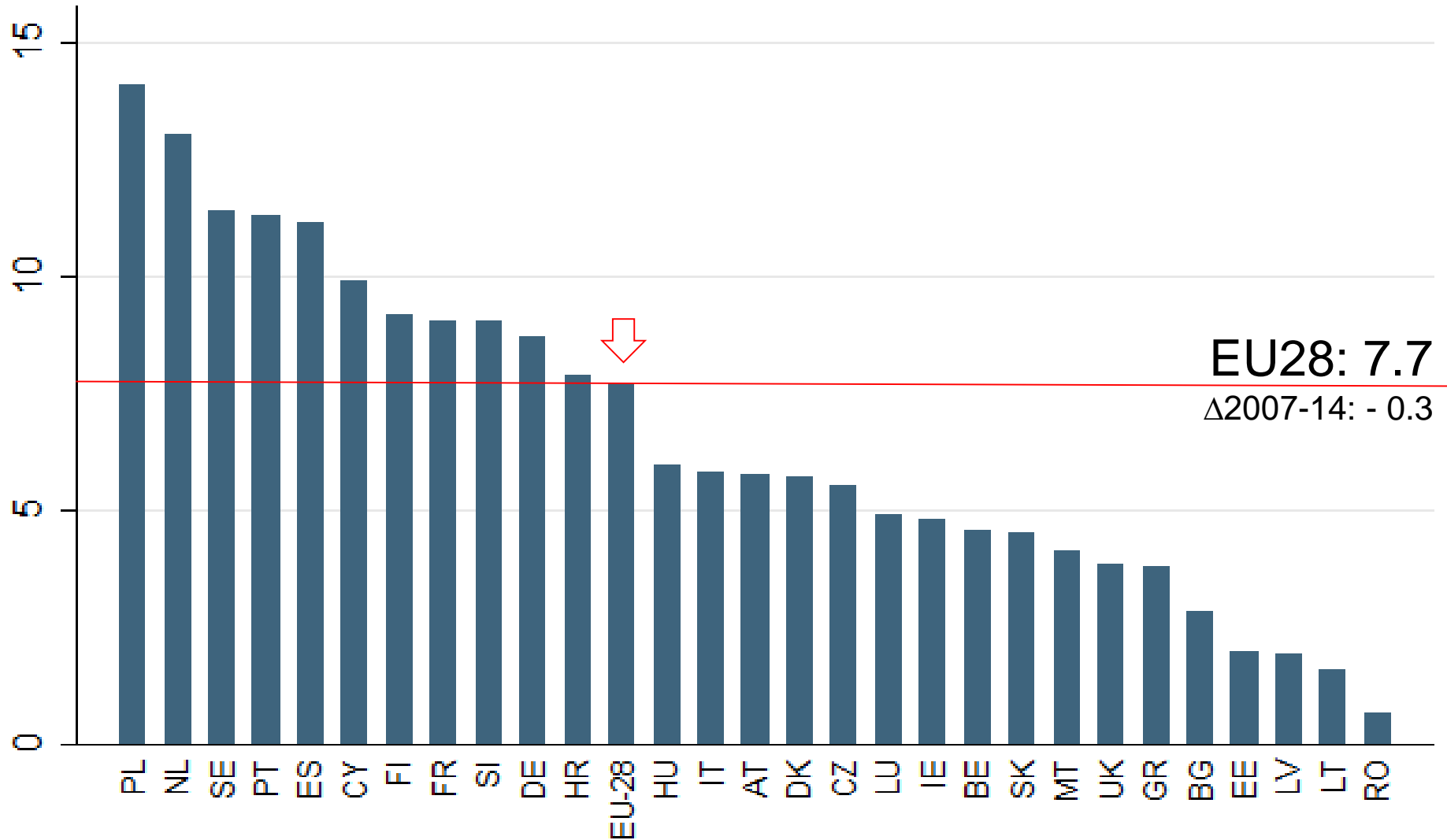
Reasons for part-time work in selected EU-Member states in 2014 (2008)

	Looking after children or ill adults	Other personal reasons	Own illness or disability	Person in school or training	Person could not find a full-time job	Other Reasons
EU-28	21.7 (22.1)	13.2 (15.5)	4.1 (4.5)	10.3 (10.7)	29.6 (25.6)	21.1 (21.6)
Germany	23.9 (22.3)	17.7 (22.0)	3.7 (2.9)	10.2 (10.3)	14.5 (23.0)	30.0 (19.5)
Netherlands	29.2 (34.3)	4.3 (7.0)	4.1 (4.9)	22.1 (22.9)	10.9 (4.5)	29.4 (26.4)
Sweden	16.4 (18.2)	10.6 (13.9)	10.0 (14.2)	13.2 (11.6)	29.8 (26.1)	20.0 (16.0)
UK	32.8 (34.5)	18.6 (18.6)	2.3 (2.4)	12.0 (14.1)	18.8 (14.7)	15.5 (15.7)

Managing Social Risks Related to Part-time Employment

Institutions/ Strategies	Making Transitions Pay	Making Market Fit to Workers
U-/ Employment Insurance	Inclusion of parental leave and involuntary PT; incentives for transiting FT-PT-FT	Contribution-subsidies for low-wage earners; portable entitlements
Employment Services	Inclusion of part-timers; monitoring reports on transitions to regular work	Support employers to reasonably adjust work environment (E-pools)
Education & Training	Combining part-time with continuous education and training	Enhance Dual Learning Systems
Employment Protection	Same rules as for full-time (e.g. pro rata paid vacations; equal pay)	Entitlements to part-time and ensure possible return to full-time
W-Formation / C. Agreements	Wage insurance / Counselling services through social partners	Enforce non-discrimination related to part-time wages
Taxes & Benefits	Individual instead of joint income taxation	Progressive income taxation
Public Employment	Enhance PE wherever reasonable (public goods & services)	Full-time equivalent child care, flexible opening times

Fixed-term employment rates in Europe as percent of working age population - year 2014

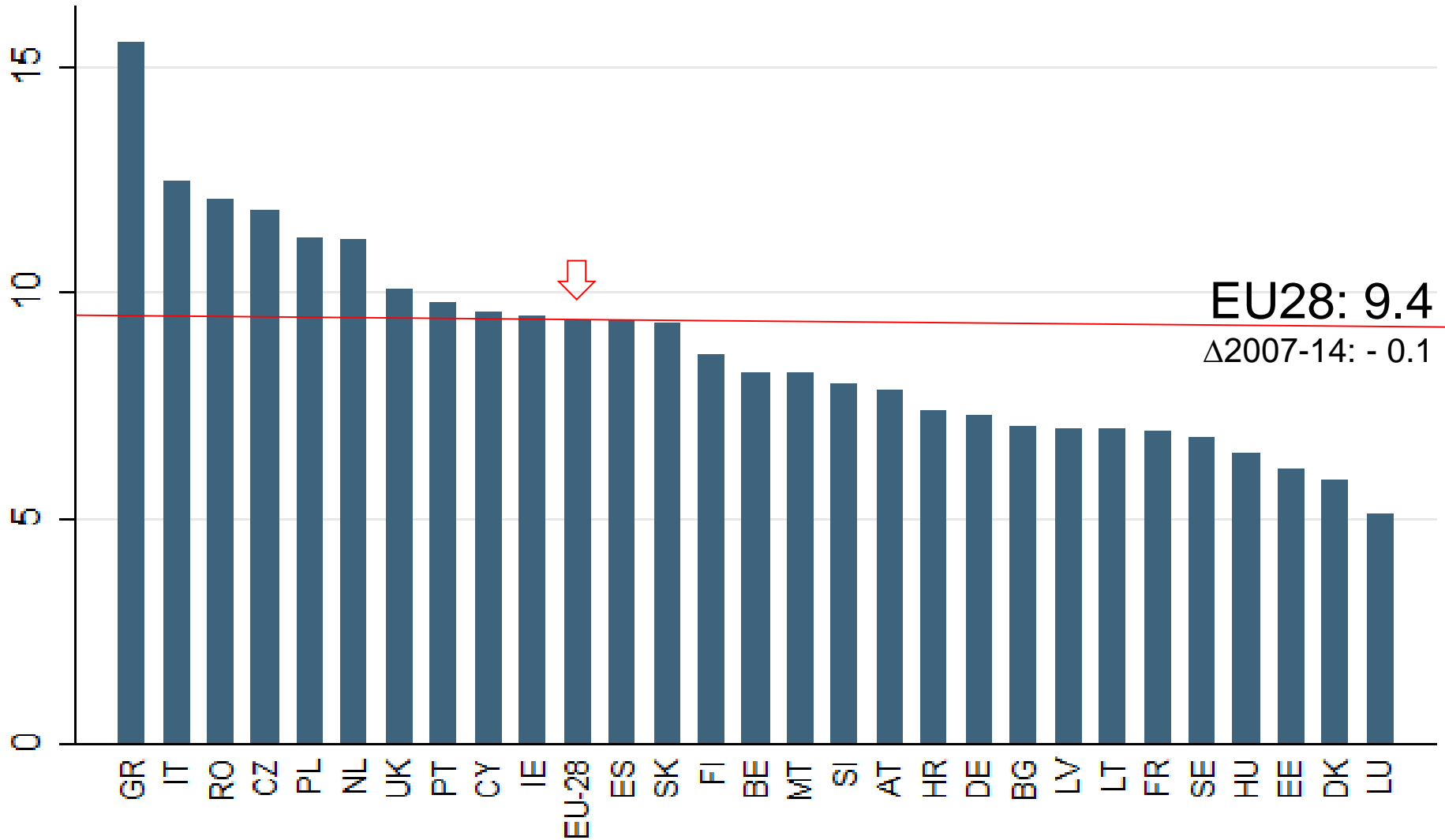


Source: G. Schmid/ J. Wagner (2017), Managing Social Risks of Non-standard Employment in Europe, ILO Working Paper, 'Conditions of Work and Employment No. 91', Geneva

Managing Social Risks Related to Temporary Work

Institutions/ Strategies	Making Transitions Pay	Making Market Fit to Workers
U-/ Employment Insurance	Easing inclusion plus mobility insurance; portable entitlements	Public support of mobility insurance funds (the case of Austria)
Employment Services	Inclusion of T-workers; monitoring reports on transitions to regular work	Support employers to reasonably adjust work environment (E-pools)
Education & Training	Inclusion of temporary workers	Support specific training funds for temporary workers
Employment Protection	Limited contracts only for objective reasons; single E-contract?	Enforcement of labour law; transition budgets; exceptions for start-ups?
W-Formation / C. Agreements	Minimum wages; possibly wage premiums for risky temporary jobs	Enforce equal pay principle and allow only deviations through CA
Taxes & Benefits	Targeted U/E-insurance contributions to share transition risks	Experience rating of U/E-insurance contributions to employers
Public Employment	Enhance PE wherever reasonable (public goods & services)	Carefully targeted temporary public employment for long-term-U

Self-Employment rates in Europe as percent of working age population - year 2014



Source: G. Schmid/ J. Wagner (2017), Managing Social Risks of Non-standard Employment in Europe, ILO Working Paper, 'Conditions of Work and Employment No. 91', Geneva

Managing Social Risks Related to Self-Employment

Institutions/ Strategies	Making Transitions Pay	Making Market Fit to Workers
U-/ Employment Insurance	Inclusion of self-employed or special U/E-I-funds like 'Artist's Social Insur.'	Loans for U/I-I contributions to Self-E with low income; client-contributions
Employment Services	Counselling <u>and</u> follow-up services to start-ups; reports on transitions	Quality standards for business plans of start-ups
Education & Training	Include start-up training into regular school/ university curricula	Quality standards for start-up service providers
Employment Protection	Ban fake-self-employment by treating them as employees and/or platforms as employers	Enhance and enforce authors' royalty and exploitation rights
W-Formation / C. Agreements	Minimum income for contract and crowd work; CA for self-employed	Support Collective Actions for NSE; e.g. IGM: FairCrowdWork Watch; Platform-Coops
Taxes & Benefits	Maintain UB-entitlements when transiting to self-employment	Basic income guarantee (decouple social security from job career)
Public Employment	Public procurement only with regular contractors	Provide facilities and other infrastructure for start-ups