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Precarious Employment in Europe: A Comparative Study of Labour Market related Risks in Flexible Economies

ESOPE

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EU RESEARCH ON SOCIAL SCIENCES AND HUMANITIES

Precarious Employment in Europe: A Comparative Study of Labour Market related Risks in Flexible Economies

ESOPÉ

Final report

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PREFACE

Within the Fifth Framework Programme of the European Union for Research and Technological Development (RTD), the Key Action *"Improving the socio-economic knowledge base"* carried broad and ambitious objectives, namely: to improve our understanding of the structural changes taking place in European society, to identify ways of managing these changes and to promote the active involvement of European citizens in shaping their own futures. A further important aim was to mobilise the research communities in the social sciences and humanities at the European level and to provide scientific support to policies at various levels, with particular attention to EU policy fields.

Since the launch of the Key Action in 1999 more than 1600 research teams from 38 countries have been mobilised. While most important collaborative efforts involve researchers from EU countries, the participation of accession countries is already noteworthy with 189 research teams from these countries.

The three Calls for proposals of the Key Action Call *"Improving the socio-economic knowledge base"* addressed different but interrelated research themes which contributed to the objectives outlined above. These themes can be regrouped under a certain number of areas of major policy relevance, each of which are addressed by a significant number of projects from a variety of perspectives.

These areas are the following:

- ***Societal trends and structural changes;***
16 projects, total investment of 14.6 Million Euro, 164 teams
- ***Quality of life of European Citizens,***
5 projects, total investment of 6.4 Million Euro; 36 teams
- ***European socio-economic models and challenges***
9 projects; total investment of 9.3 Million Euro; 91 teams.
- ***Social cohesion, migration and welfare***
30 projects, 28 Million Euro; 249 teams.
- ***Employment, and changes in work***
18 projects; total investment of 17.5 Million Euro; 149 teams
- ***Gender, participation and quality of life***
13 projects; total investment of 12.3 Million Euro; 97 teams
- ***Dynamics of knowledge, generation and use***
8 projects; total investment of 6.1 Million Euro; 77 teams
- ***Education, training and new forms of learning***
14 projects; total investment of 12.9 Million Euro; 105 teams
- ***Economic development and dynamics***
22 projects; total investment of 15.3 Million Euro; 134 teams
- ***Governance, democracy and citizenship***
28 projects; total investment of 25.5 Million Euro; 233 teams
- ***Challenges from European enlargement***
16 project; total investment of 12.8 Million Euro; 116 teams
- ***Infrastructures to build the European Research Area***
9 projects; total investment of 15.4 Million Euro; 74 teams.

The work undertaken by the **project "Precarious Employment in Europe: A Comparative Study of Labour Market related risks in Flexible Economies"** has contributed in particular to the advancement of knowledge on "**Employment, and changes in work**".

The insights and information that the reader will obtain in the following pages constitute the main scientific findings and the associated policy implications of this research project. This project brought together 7 research teams in a collaborative endeavour lasting 24 months.

The ESOPE project aimed to contribute to an improved comparative understanding of precarious employment as one of the main facets of social and socio-economic risk and insecurity in contemporary European societies, with a view to both increase knowledge and inform current policy debates on the modernisation of systems of social protection, the activation of employment policies, and the quality of employment in Europe. The research question included :

- How is «precarious employment» understood and appraised in both scientific and policy terms in the five countries of our study (France, Germany, Italy, Spain and the United Kingdom) and also at the European and wider international levels?
- What are the main factors accounting for the actual incidence and forms of «precarious employment» and what is the relative importance of sectoral factors and State-based regulatory frameworks?
- What notion of «precarious employment» could be more appropriate in scientific as well as operational terms for understanding, measurement and policy making?

The abstract and executive summary presented in this edition offer to the reader the opportunity to take a first glance on the main scientific and policy conclusions, before going into the main body of the research provided in the other chapters of this report.

As the results of the projects financed under the *Key Action 'Improving the Socio-economic knowledge base'* become available to the scientific and policy communities, Priority 7 "*Citizens and Governance in a Knowledge Based Society*" of the Sixth Framework Programme of the European Union for Research and Technological Development (RTD) is building on the progress already made and aims at making a further contribution to the development of a European Research Area in the social sciences and the humanities.

I hope readers find the information in this publication both interesting and useful as well as clear evidence of the importance attached by the European Union in fostering research in the field of social sciences and the humanities.

T. Lennon
Director

The ESOPE Project encompasses different perspectives. While these perspectives have not always been easy to conciliate, they have also given rise to very fruitful, often unfinished, debates and contributed to enrich the results of the research in all its phases. These perspectives have been reflected in this report, to which all partners have had the opportunity to make amendments and suggests changes and comments. The report might thus be not completely satisfactory for each individual member of the teams and institutions involved in the project, including the authors of the report. Nevertheless, responsibility for the writing of the report remains with the authors.

Contents

<i>Abstract</i>	5
<i>1. Executive summary</i>	6
<i>2. Background and objectives of the project</i>	27
<i>3. Scientific description of the project results and methodology</i>	29
3.1. Methodology	29
3.2. The notion of ‘precarious employment’ and the debate about the quality of employment	33
3.2.1. Standard and non-standard employment relationships	36
3.2.2. Normative and empirical standards: atypical employment, quality of employment and precarious employment	40
3.3. The scientific use of the concept ‘precarious employment’	45
3.3.1. Problems with existing measures and requirements for developing new measures	49
3.3.2. Problems with the comparability of data	53
3.4. The incidence of precarious employment at the national level	56
3.4.1. The radar chart methodology	60
3.4.2. The incidence of precarious employment among particular segments of the population	64
3.4.3. Conclusions: estimating the overall incidence of precarious employment	66
3.5. Incidence and main forms of precarious employment in selected service sectors	71
3.5.1. Predominant patterns of precarious employment in selected service sectors	71
3.5.2. Estimating the incidence of precarious employment in selected service sectors	75
3.6. Explaining precarious employment	79
3.6.1. Major theories which may contribute to explain precarious employment	80
3.6.2. Main factors and policies contributing to explain precarious employment	85
3.6.3. Accounting for precarious employment in selected service sectors	90
3.7. Policies against precarious employment	99
3.7.1. Specific policies aimed at fighting against precarious employment	100
<i>4. Conclusions and policy implications</i>	104
4.1. Conclusions	104
4.2. Policy Implications	110
4.2.1. Implications concerning measurement	110
4.2.2. Implications concerning further research	114
4.2.3. Implications concerning policy making	115
a) Implications for European policy making	115
b) Implications for national policy making	119
4.2.4. Implications for collective bargaining	129
<i>5. Dissemination and/or exploitation of results</i>	133
Dissemination activities undertaken by partners:	135
<i>6. Acknowledgements and References</i>	138
References	138
<i>7. Annex:</i>	141
7.1. Annex A: List of agreed deliverables	141
7.2 Annex II: Previous documents which this report is based on	142

Abstract

The ESOPE project focused on *precarious employment* (PE). It sought to study how PE is understood in both scientific and policy terms, what is its incidence, and how it could be explained, paying particular attention to sectoral and policy factors. To do this, the project undertook three main strands of research: literature review, policy analysis, and empirical research through case studies.

Three dynamic and expanding service sectors were the object of in-depth case study research: *Call Centres*, studied in Spain, Italy and Germany; the *Performing Arts*, studied in France and the UK, and, through existing surveys, at the EU-15 level; and *Domiciliary Care for the Elderly*, studied in Spain, France, Italy, and England.

In the five countries of our study there is usually a reference, often implicit, to a *standard* or *norm* of employment, and what falls *below* such a norm (and can thus be considered precarious) is expressed in each country by means of different notions, e.g. insecure, poor quality, casual or indeed *precarious* employment. Yet, such a norm is comparatively weak in the UK, and the term PE is rarely used in the UK and only in some scientific contexts in Germany. PE was understood as a *multidimensional* concept involving diverse combinations of insecurity and instability, poor working conditions, insufficient pay, and lack of protection. Operationally, however, this notion presents a major problem: how to combine these dimensions in an integrated measure – a challenging problem also obtaining in the case of the notion of ‘quality of employment’ to which no satisfactory solution, as far as we known, has been provided in the literature.

Estimations of the incidence of PE at the national level may however be done through the aggregation of different forms of PE. Such estimations vary, as it may range from 25-30% in some countries to 40-45% of total employment in others – figures which might be higher if account were taken of PE in the informal economy and hybrid forms of employment combining characteristics of self and waged employment which seem to have recently grown.

Overall, the research evidence showed a *very high incidence of PE in the three service sectors studied*. Indeed these sectors were found to be largely built on the basis of highly varied and complex patterns of PE: fixed-term, marginal, agency, and casual employment; low working hours; self and quasi self-employment; project and on call work; and undeclared and illegal work. Overall there are no professional prospects (call centres), seniority and salary progression are almost systematically denied (particularly in call centres), trajectories are discontinuous and unpredictable (domiciliary care and performing arts), and the exit rate is very high in the three sectors.

The blurring of boundaries between employment (which implies a status) and work, and between employment and self-employment, were found to be crucial to account for PE. Its growth appears linked to labour market deregulation, the encroachment of commercial law on labour law, and the spread of practices such as outsourcing and contracting-out. In particular, our empirical research has provided ample evidence showing that the generation of PE in the sectors studied is directly linked to the emergence of *new modes of business and work organisation* based on a redefinition of what their economic activity consists in, which directly results in a *redefinition of employment itself as a set of circumscribed work tasks, projects or assignments*.

Relevant policy implications were drawn concerning the need to very significantly improve the survey instruments to better reflect the reality of employment (particularly in what concerns the new employment hybrids combining self and waged employment, low working hours, constrained part-time, low wage employment and the working poor, and undeclared and illegal work); further research needed; implications concerning national and European policy making (particularly in terms of new protections and compliance with regulations), and collective bargaining (particularly about the important role of social dialogue).

1. Executive summary

The ESOPE Project sought *to contribute to an improved comparative understanding and evaluation of «precarious employment»* (henceforth, PE) *as one of the main facets of social and socio-economic insecurity and risks in contemporary European societies.* The main **research questions** were:

- How is PE *understood and appraised in both scientific and policy terms* in the five countries of our study (France, Germany, Italy, Spain and the United Kingdom) and also at the European and wider international levels?
- What are the *main factors accounting for the actual incidence and forms of PE* and what is the relative importance of *sectoral factors* and *State-based regulatory frameworks*?
- What *notion of PE could be more appropriate in scientific as well as operational terms* for understanding, measurement and policy making?

Three main strands of research were undertaken: literature review, policy analysis, and empirical research through case studies. A ***literature review*** with a strong comparative orientation was conducted of the main studies and existing surveys on PE in the five European countries mentioned and at the European and broader international levels. The review of the international literature involved the analysis of studies and surveys commissioned or directly done by international organisations such as the OECD, the ILO, the Dublin Foundation, the European Trade Union Institute (ETUI), and by the EC itself in its annual Employment Reports. A comparative ***analysis of the institutional and policy contexts*** at both national and European levels was done.

The ***empirical research through case studies*** of three service sectors characterised by their dynamism in terms of comparatively high employment growth, high incidence of PE, and possibly differential sectoral dynamics, was the core of our project. Two strands of case study research were done: the first and most important strand involved the ***study of PE in three expanding service sectors***, while the second, much more modest strand focused on *locally-based innovative initiatives* within the same service sectors. Three expanding service sectors were the object of in-depth case study research: ***Call Centres***, studied in Spain, Italy and Germany; the ***Performing Arts***, studied in France and the UK, and, through existing surveys, at the EU-15 level; and ***Domiciliary Care for the Elderly***, studied in Spain, France, Italy, and the UK (England). A fourth sector, that of the *multimedia industry in Germany*, was also researched, mostly for cross-sectoral contrasting purposes.

The notion of ‘precarious employment’ and its scientific use

Notions of insecure, poor quality, bad or indeed *precarious* employment have been found to be used to very varying extents in the five countries of our study (France, Germany, Italy, Spain and the United Kingdom), where the debates about employment

and its quality are greatly varied in scope, emphases, and the very terms normally used. Often, these debates have been one way or another related to wider debates about the end of work and more recently about its future. Overall, the term ‘precarious employment’ has been found to be commonly used in France, Spain and Italy, while in Germany it is mostly used in a rather restrictive way by social scientists but has not entered the public debate, and in the UK it is rarely used and has no relevance at all in the national debates. All in all the national debates about PE and/or similar notions show important cross-national differences, and also a few common tendencies. Nevertheless, it is clear that despite these national differences, there is no direct nor indeed necessary relationship between the linguistic usage of this term and the reality of the labour market. The key question is whether and to what extent the notion of PE is a useful category in theoretical, empirical and policy terms.

Employment relationships and jobs have been found to be referred to in *evaluative* terms, that is, involving a reference, often implicit, to a *standard* or *norm* in relation to which any particular employment relationship is appraised or simply named. Our research has shown that in the countries of our study there is such a reference to a standard or a norm which corresponds to what each country values in relation to employment. Thus, in France, Germany, Italy and Spain the standard or normal employment relationship finds a specific contractual form, usually an open-ended contract with statutory protection enshrined in a labour code, and non-standard forms are subject to specific legal conditions. But even in the UK there exists a broad conception of what is a ‘regular’ employment relationship, although in contrast to the other four countries, there is not a legal equivalent of a workers’ statute or a labour code, but a common law of contract which has historically governed the employment relationship. Overall, we have found that such a standard or norm is particularly strong in Germany, and also very strong in the three Latin countries, while in the UK it appears comparatively more loosely defined and encompassing nearly all but truly exceptional forms of employment.

Our research brought out the importance of distinguishing between empirical and normative standards: *empirical standards* are those set up by reference to facts, data and statistics, while *normative standards* are set up by reference to a norm located outside of the empirical world and, in the terrain of employment, expressed in terms of rights, of employment protection legislation, and of collective protection. A good example of an empirical standard is ‘atypical employment’, which refers to forms of employment which fall *outside* of what is statistically typical and implies an *empirical evaluation*. ‘Precarious employment’, in contrast, refers to forms of employment which fall *below* a standard or norm, which involves a *normative evaluation* of these forms of employment. ‘Quality of employment’, for its part, refers to standards which are mainly, although not only, empirical and in general voluntarily set up by a company or the social partners, e.g. in an industrial sector; it is thus more related to self-regulation and ‘soft regulation methods’ with their goal-setting frameworks than to legislative regulation.

‘Atypical employment’ is a problematic category because it includes all forms of employment whether better or worse than a given standard; furthermore ‘a-typicality’ is problematic because it is not clear-cut in some countries, e.g. the UK, or what is atypical in a country, e.g. part-time work in Italy, is typical in another, e.g. in the UK. The problem of the notion of ‘precarious employment’ lies in the difficulty of finding

appropriate indicators in the mainstream statistical sources or developing them to measure it. ‘Quality of employment’ presents the same problems: difficulty of finding appropriate indicators or developing them to measure categories of quality of employment which are themselves very difficult to define in a methodologically satisfactory fashion, as the attempts presented in the EC’s Employment in Europe reports show. The relation between the categories of precariousness and quality may be considered as similar to that existing between ‘wealth’ and ‘poverty’. Just as ‘poverty’ is related to ‘wealth’, PE would refer to the negative aspect of quality, identifying socially unacceptable forms of employment. The two categories would thus – from this stand point – be complementary. Some authors, including some members of the ESOPE consortium, find it more theoretically and empirically productive an approach based on quality, while other authors, including other members of the ESOPE consortium, favour an approach in terms of precariousness and resort to quality within this framework.

Four major difficulties in the scientific and operational use of the notion of ‘precarious employment’ were identified: firstly it is not a statistical category. Secondly, existing statistical categories with high shares of PE (‘fixed-term’ contracts, ‘temporary’ employment, ‘part-time’ jobs, and ‘self-employment’), cannot however be simply equated with PE. Thirdly, significant shares of PE are not counted in current statistics (few hours part-time, e.g. less than fifteen, and other forms of underemployment, quasi self-employment, and undeclared work). Finally, the growing blurring of boundaries between major employment categories and statuses makes increasingly difficult to determine who is an employer, who is an employee, and who is a self-employed – a tendency highlighted in the literature – and thus not only the study of PE and employment quality but, more generally, puts into question some of the foundations of the statistical sources.

These difficulties, together with a *multidimensional* understanding of PE, led ESOPE to start from an operational, multidimensional definition inspired in the four dimensions of precariousness defined by Rodgers and Rodgers (1989): Temporal (degree of certainty over the continuity of employment), organisational (workers’ individual and collective control over work in what concerns working conditions, working time and shifts, work intensity, pay, health and safety), economic (sufficient pay and salary progression), and social (legal, collective or customary protection against unfair dismissal, discrimination, and unacceptable working practices; and social protection, that is, access to social security benefits covering health, accidents, unemployment insurance).

With respect to measurement, what identifies precarious jobs is diverse combinations of insecurity, poor working conditions, insufficient pay, and lack of protection. The problem is thus *how to combine these dimensions in an integrated measure* of PE. As far as we are aware, no satisfactory solution to this challenging problem has ever been provided in the literature, and comparative surveys have failed to provide an aggregate indicator of ‘precariousness’ not less – let us emphasise – than of ‘a-typicality’ and ‘quality’. The lack of theoretical and methodological means to establish the relative weights of each dimension makes it not possible to give a general, universally valid answer to the question of how much each dimension should weight in terms of precariousness. In view of this problem, we chose, firstly, to study each dimension separately; secondly, to use the radar chart methodology in order to simultaneously consider a number of indicators of PE; and thirdly, to provide approximate estimations of the overall incidence of PE.

On the basis of the aforementioned definition and of the subsequent results of our empirical research, a possibly wider definition was provided according to which PE is understood as *a variety of forms of employment* (e.g. temporary employment, underemployment, quasi self-employment, on-call work) *established below the socially accepted normative standards* (typically expressed in terms of rights, of employment protection legislation, and of collective protection) *in one or more respects* (the four dimensions) *which results from an unbalanced distribution towards and amongst workers* (towards workers vs. employers, and amongst workers, which leads to the segmentation of labour) *of the insecurity and risks typically attached to economic life in general and to the labour market in particular.*

Incidence and main forms of precarious employment at the national level

PE was found to take, as one would expect from a multidimensional approach, many forms, often combining precariousness in two or more of the aforementioned four dimensions: *temporary or non-permanent employment*, *part-time employment*, *low wage work* and the *working poor*, *undeclared work*, and a variety of *hybrid forms of employment* combining characteristics of waged employment and self-employment which have substantially grown in the last fifteen years such as *bogus self-employment*, *economically dependent work* and other forms of *quasi self-employment*. At the national level this variation involves different levels of both precarious employment and labour market flexibility depending, on the one hand, upon national institutional traditions and employment and welfare regimes, and, on the other, upon the relative situation of each country, e.g. in terms of competitiveness, vis-à-vis other countries.

Temporary or non-permanent employment (i.e. employment not based on an open-ended and continuous contract, but limited in time such as, in particular, fixed-term contracts, temporary agency work and casual or seasonal work) constitutes an important proportion of employment in our countries and indeed in western Europe. It is by far the main form of PE in Spain (about one third of all employees), but is also common in the other four countries (around 8-15% under rather conservative estimations). In all countries it is also found in the public sector. Non-permanent employment is particularly associated with low wages and reduced social protection (both because of lower entitlements and because of discontinuous careers).

Part-time employment is also substantial in all countries (from about 8% of total employment in Spain to about 25% in the UK, where it has become a structural feature of its labour market). Most part-timers are women. Contrary to prevailing views, there are very high shares of *low waged part-time* (estimated % of low-waged part-timers: UK: 67, Germany: 59, France: 52; it is much lower in Italy: 38, and in Spain: 39, where low remuneration rates for full-timers are the major explanation behind low wages), and most female part-time is *constrained part-time* (Germany: 79%, France: 73%, Spain: 68%, UK: 59%, Italy: 46%).¹ It must be pointed out that low waged and constrained part-time would probably yield still

¹ Source: based on Marlier and Ponthieux (2000) relying on the 1996 ECHP survey.

higher figures had the employees working less than 15 hours a week not been excluded from the ECHP data set; our empirical research has showed the importance of *underemployment* (including less than 15 hours a week) as a predominant form of PE in the three service sectors studied.

Low wage employment and *working poor* are the main expression of precariousness in the economic dimension of employment. Although research on low wage employment is rather patchy and definitions vary considerably, low wage employment has been found to represent a significant proportion of employment in the EU, with about one (full-time) employee in seven being low waged – an estimation which becomes one in five in the UK and is also very high in Germany. Most low wage employees are women: 77% in the EU, and as high as 81% in the UK. As to the working poor (employees whose salaries are below a standard poverty threshold), available estimations indicate that about 8% of employees in the EU are working poor, with Germany and Italy showing the highest levels of working poor.² It must be pointed out that these two forms of PE are tightly associated to growing *earnings inequality*.

Hybrid forms of employment (combining characteristics of waged employment and self-employment, as the boundaries between these become more blurred) constitute one of the main and relatively most recent manifestations of PE. Although by their very nature as hybrids they do not afford measurement through regular statistical sources and standard surveys, and of course research is very scarce, these forms of PE are considered to play an increasingly important role in European labour markets. There are no data nor even approximate estimations of *bogus self-employment* (subordinate employment disguised as autonomous work). The existence of *economically dependent workers* (workers without employment contracts as waged employees who are economically dependent on a single employer for their income) is documented in a number of European countries such as, among our group, Italy, the UK, Germany, and Spain. In Italy, its incidence has been estimated at 28% of self-employment, and more than 6.5% of total employment, whereas in other countries where it has been studied such as Germany it stands at much lower levels.

Undeclared work is also fundamental to study employment and in particular to estimate the incidence of PE, the more so since, according to recent studies, it seems to have grown all over Europe.

Volume of PE: if we take the category of ‘low quality jobs’ as defined by the EC in the 2001 Employment in Europe report as ‘precarious jobs’, it has to be said that *one quarter of all jobs in the EU can be considered as precarious or low quality jobs*. The share of “low quality jobs” in Spain amounted to about 40%; in Italy, the UK and Germany was roughly at EU average, i.e. about 25%. Especially in the UK and in Germany the main bulk of them were low pay/low productivity jobs (approximately 20% of all jobs in these countries).

² Source: Eurostat (2000): ‘Low wage employees in EU countries’, *Statistics in focus, population and social conditions* No. 11/2000, on the basis of the 1996 ECHP survey (figures do not include employees working less than 15 hours a week).

Growth of PE: PE has increased over the last two decades in most countries, while the standard employment relationship itself, even though it continues to be by far the predominant form of employment in empirical terms, has been eroded on account of the combined effects upon it of weakened employment protection legislation and institutions, the regular occurrence of lay offs, and the very existence of significant proportions of PE and unemployment.

Analyses of the Third European Survey on Working Conditions through the *radar chart methodology* yielded some interesting results, although they have to be taken with caution: it confirms Spain as probably the country with the highest rates of PE; it likewise confirms Italy as the country where PE in its different forms is most underestimated – although this effect may also occur to a lesser extent in the other countries (see, e.g. the extent of constrained part-time in Germany, of working poor in Germany, Italy, the UK, Spain and France, and the extent of quasi self-employment and undeclared work in all countries). Data analysis shows that on EU average at least one of the 8 indicators applied to 70% of the respondents; in Germany, this share was lower (65%), followed in this ranking by Italy (67%), France and the UK (74%) and finally Spain (79%). However, the respective shares are significantly lower if at least two of the characteristics are valid with the following only slightly modified ranking: Italy (36%), Germany (38%), France (43%), UK (45%) and Spain (52%). Taking ‘at least 3 indicators valid’ as measure of a given degree of employment precariousness, the incidence of precariousness is much lower, with both Germany and Italy experiencing the lowest shares (16%), followed by France and the UK (20%) and finally by Spain (30%). It should be added that ‘at least four indicators valid’ were stated by 5 to 6% of the German and Italian respondents, 7 to 8% of the British and French respondents and by 13% of the Spanish ones.

The analysis reveals that PE is highly concentrated on young persons and on less skilled workers. In addition, female workers are more likely to be found in low paid jobs and short-term jobs while men are more likely to be in a job with unfavourable physical job conditions. The data show that the chosen indicators are significantly higher for 15 to 23 years old, and major differences between men and women in all countries. In particular the women in all countries under review but France situating themselves within the lowest income groups are more likely than men to have job tenures below one year.

A crucial question is whether individuals affected by PE are *trapped* or whether they *are able to move to better positions*, although the fact that they might be able to move should be distinguished from an idyllic vision of PE serving as a springboard. The 2002 Employment in Europe report shows that, between 1997 and 1998, approximately 33% of those in low quality jobs in Italy, 31% in Germany, 30% in Spain, 25% in the UK, and 20% in France moved *to a higher quality* job, the rest remaining in low quality jobs or moving into unemployment (especially in Spain and France), or into inactivity (especially in the UK). The measure of transitions between “dead-end jobs” and “low pay jobs” into “higher quality jobs” is obviously much better, from a comparative standpoint, than from temporary *into permanent* employment, because of the “national specificities” in terms of atypical or less frequent forms of employment.

Incidence and main forms of precarious employment in selected service sectors

Overall, the research evidence showed *a very high incidence of various forms of PE in the three service sectors studied*, and much less so in the sector of multimedia industry in Germany. An overview of the incidence and main forms of PE, as well as of their meaning, can be best gained in Table A:

Table A.- Precarious employment in selected service sectors: incidence and meaning

	Employment characteristics & patterns	Employment trajectories
<i>Call Centre (i.e. call centre companies)</i>	Extremely high proportion of <i>limited duration temporary employment</i> (including <i>fixed-term, marginal, agency, and casual employment</i>), <i>low number of hours</i> , and <i>quasi self-employment</i> .	There are <i>no employment trajectories at all</i> . Jobs and employment patterns appear <i>completely disembedded</i> from any professional development rationale, to the point that even <i>seniority and salary progression are regularly denied</i> through the strategy of frequent contractual changes.
<i>Performing Arts</i>	High shares of complex patterns of <i>self-employment, fixed and short-term, project-based employment, with frequent sequential stop/start periods, and multiple employment</i> (particularly <i>second job holding</i>).	Jobs and employment patterns do appear <i>developmentally embedded</i> in professional trajectories, but this is essentially due to the fact that <i>work here is felt as a vocation</i> . Yet, these <i>trajectories are discontinuous, mainly project-based</i> , often lacking progression routes, and produce a <i>very high exit rate</i> .
<i>Domiciliary Care for the elderly</i>	High shares of rather <i>heterogeneous precarious employment patterns, predominating patterns of low working hours, undeclared and illegal work, on call employment, temporary employment, and multiple job holding</i> .	Employment patterns are to a certain extent developmentally embedded, but <i>professional trajectories are rather unpredictable, lacking coherence</i> (e.g. improved qualifications do not translate into better employment conditions), with a <i>weak professional identity</i> despite the dedication of care workers, and <i>high exit rates</i> .
<i>Multimedia Industry</i>	High shares of <i>free-lance employment</i> , and attached to this, usually multiple work remits linked to different projects.	Employment patterns are embedded in <i>emerging professional heterogeneous trajectories</i> , as a rule <i>individually developed</i> on a highly specialised basis, lacking pre-defined progression routes, and strongly dependent on the mutable business cycles of the new economy.

The forms of PE found in these service sectors involve, to a greater or more limited extent, a degree of precariousness along the four main dimensions of the employment relation:

Temporally: in most cases there is no guarantee of continuing employment, either because of the overwhelming predominance of limited duration employment relations (75% to 90% with precarious contractual modalities in Spanish call centres and 80% of theatrical performers in France) or, as is often the case in the domiciliary care sector, because of the prevalence of low working hours and on-call work (70% of the private providers in England, representing about two thirds of the

market, do not guarantee hours to their staff). *Unstable and insecure employment relationships* are thus predominant in the sectors studied.

Organisationally: hard working conditions, with unpredictable work locations, unsocial working hours (37% of domiciliary carers in England), and continuous changes in working times, schedules and shifts. In the case of call centres working conditions are particularly bad, with workers subjected to highly intrusive and even degrading high-tech continuous *surveillance* and disciplining systems, and not infrequently working under appalling working environments in terms of health and safety. In the performing arts sector, working conditions can be said to be precarious when rooms and equipment are unsuitable, health and safety regulations are hard to abide by, and working hours are variable and often “unsocial”, e.g. in the case of small companies struggling to make their way.

Economically: low and very low wages and/or earnings are the rule (e.g. € 541 net average monthly wage of the Spanish call centre operators; or € 5.55 hourly wage of the French home-care workers at the entry level), and salary progression either does not exist or is practically irrelevant. In the performing arts, rather than low wages, we find wages which are lower than those of equivalent professional categories in other sectors.

Socially and collectively: access to social protection is greatly impaired by precarious contractual conditions, and often workers find many obstacles to accessing basic protection entitlements – the exception here being the French performing arts sector, where the intermittent employment regime allows for the combination of periods of waged work with periods of protected unemployment, even though the working hours threshold to access unemployment benefits leaves out many artists, performers and technicians. Collective protection representation and coverage are usually low and, where they exist, have proved unable to guarantee either access to minimal standards or compliance with actual legislation and regulations (unions claim that 50% of providers do not comply with the collective agreement in Spanish home care services).

With respect to the incidence of PE, and taking into account the difficulties, and often the impossibility, of accessing reliable information, we can additionally highlight:

- *Call centre companies*: In addition to the very high shares of precarious contractual modalities, successive chaining of temporary contracts is regularly done in Spain (e.g. 82,353 temporary contracts done in 2001 for 33,155 temporary employees), and more or less the same effect is achieved in other countries by other means, e.g. through temping agencies or casual work in Italy, and marginal employment in Germany.
- *Performing arts*: in England, self-employment is highest amongst musicians (77%) and actors, entertainers and directors (60%); underemployment (40% among artists; only 33% of actors were employed for more than 10 weeks in 2000). In France, fixed-term contracts in 1999 among theatrical performers and dancers (80%).
- *Domiciliary care*: In Spain, about an 80% share of temporality combines with 4-6 hours working days, and the vast majority of workers, particularly immigrants, are directly and often illegally employed by users without social security, 24-hour availability and extremely low wages. In France, average working weeks of 16 hours (staff employed in third sector) and 11 hours (directly employed by users). No estimations for Italy. Unpredictable work volumes is a generalised feature of the sector in all countries.

Explaining precarious employment

The understanding of PE as a multidimensional phenomenon, and the fact that waged work is the very foundation of economically advanced societies, makes it particularly difficult to explain PE by resorting to some single mechanism or factor, or to a combination of them. A review of the main theories and factors which may contribute to explain PE showed that its causes are very complex and can only be accounted for within a perspective which takes into account various levels of analysis and diverse factors the precise influence of which cannot be easily ascertained, as these factors of course produce constant interaction effects. Nevertheless, an abundant strand of the literature, involving jurists, economists and sociologists has argued that the *diversification of forms of employment* which has taken place in the last two decades has led to a questioning of the categories on which the standard employment relationship was based and to an erosion of the protection derived from the labour law, collective agreements, and the employee status in general. Key among such diversification stands the blurring of boundaries between employment and self-employment, with the subsequent creation of hybrid forms of employment very difficult to capture through the standard statistical and survey methods, and, more generally, between employment and work. A number of authors see *re-commodification* of work as the process which underlies PE – work, which had been partially, but fundamentally, de-commodified, particularly after the second World War, is being again partly, but critically, re-commodified. Such re-commodification is directly linked to labour market deregulation, the encroachment of commercial law on labour law, and the spread of practices such as outsourcing, contracting-out and new organisational forms. In particular, our empirical research has provided ample evidence about the rise of new modes of business organisation in the service sectors studied and their direct link with the production of PE.

Our review of policies showed the usefulness of addressing the causes of PE within what we have termed specific '*flexibility-security-quality*' regimes (comprising welfare and employment regimes, prevailing values and industrial relations systems) which differentially respond, partly depending on their past history, to new situations. From this stand point perhaps the first finding in the policy terrain is the *explanatory ambivalence of regulations and policies*. For instance, the flexible UK labour market seems to produce similar levels of PE to those of 'Latin' labour markets, often assumed to be over-regulated; nevertheless, this assumption is very doubtful, not least because of the frequent lack of compliance. In Spain, Italy and France, *flexibility of employment has been introduced by way of exceptions to the normal or standard employment relationship*, whether allowed in some circumscribed cases (e.g. insertion contracts in France), without much restriction (e.g. temporality in Spain, and partly the promotion of part-time in France; the current reforms in Germany seem to go in this direction too), or it rather constituted a *fait accompli* (the expansion of the 'parasubordinati' in Italy). Often these policies have resulted in the spread of precarious and insecure jobs; data such as those provided in the Employment in Europe Reports about the extent to which these jobs are only 'entry' jobs and open up to subsequent career prospects are not very

encouraging. Now, *policies which have sought to alleviate or to prevent the negative consequences of PE have only partly and selectively been effective*. Overall there is growing evidence pointing towards the inadequacy of current protection for certain categories of people, but also towards the problems of employment careers and transitions for certain categories that appear as durably disadvantaged.

At the service sectors level, the conclusion drawn from the empirical research is that the prevailing PE forms found in the service sectors studied and their high incidence largely derive from *the combined effects of government policies and business practices and strategies*, with the unions playing a curious double role, partly acting as a brake to further flexibilisation and precariousness or even achieving quality gains, and partly contributing to normalise PE, e.g. by bargaining derogatory collective agreements. Empirical evidence showed that *the generation of PE is directly linked to the emergence of new modes of business organisation based on a redefinition of what their economic activity consists in, which directly results in a redefinition of employment itself as a set of circumscribed work tasks, projects or assignments*. This has been found particularly in call centre and domiciliary care services, but also in the performing arts, as the latter has traditionally resorted to project work. These new organisational forms, mainly created as a result of externalisation processes, but also in cases of specific public funding frameworks, are usually made up of a big client company (and, in the call centres, often a parent and client company) and one or more subsidiary and/or sub-contracted service providers which act as labour market intermediaries. In this mode of business organisation, providers are not supposed to have a legal autonomous identity beyond the assignments given by their client companies through *commercial contracts*. Typically, workers are hired by providers and contracted for a *particular* work task or project, e.g. a sales campaign or a care plan for an individual user, in such a fashion that *the employment contract with workers is directly linked and subordinated to the commercial contract with client companies* – thus showing the encroachment of commercial law on labour law, a process widely considered in the literature as one of the main causes of the spread of PE. The use of precarious contractual modalities (temporary contracts, on call contracts, changing and low volumes of working hours) is justified by a reference, not to the provider organisation as a whole, but to the *specific assignments taken as separate entities*. In such mode of organisation, the insecurity and risks attached to the provision of services are straightaway displaced to the individual workers. Clearly, such organisational forms are designed on the basis of the availability of PE forms.

The emergence of service providers acting as labour market intermediaries is also apparent in the performing arts, as cities, public institutions and private companies increasingly resort to sub-contracting ‘event organisers/managers’ for organising whole cultural events and recruiting staff. This has led to an explosion of what some authors call ‘*ad hoc*racies’ partly induced by more restrictive and very complex funding frameworks and the availability of flexible labour, including the intermittent employment regime in France, which acts as an indirect means of subsidising cultural production by lowering labour costs. Evidence shows that in domiciliary care *public authorities play a key role in structuring emerging service activities and the regulatory context crucially affects the incidence of PE*. Thus, poor (Spain and Italy) or increasingly insufficient (England) funding, and very restrictive access regulations to public domiciliary care (Spain, Italy and England) has led to market segmentation in the three countries and the development of illegal work (Spain and Italy). The APA

(Personalised Allocation of Autonomy) in France led to the transformation of domiciliary care into a universal service for dependent elderly people; however, funding difficulties have already prompted a reform which restricts the scope of the benefit and increases user participation. Overall, our review of the different systems of domiciliary care in place in the various countries suggests that *universal access to publicly funded domiciliary care and comprehensive coverage can indeed make a difference with regard to undeclared work*.

Although there still are a myriad of small local providers in domiciliary care (and also in the performing arts but less so in call centres), research evidence shows that large business groups with subsidiaries devoted to social proximity and personal (and often health) services are consolidating a dominant position (including in domiciliary care) by offering local authorities integrated packages at the lowest costs; in Spain this has been done mainly through a combination of aggressive acquisition of public procurement markets in a variety of sectors, whereas in England the last years have seen a speeding-up of mergers and acquisitions whilst particular national standards (formerly set by local authorities) were obtained which seem to clearly favour large providers. In Italy and France, although the private for profit sector has only marginally developed and therefore a national market proper does not exist, providers belong to national networks involved in lobbying public authorities. In Italy the situation differs between areas where local authorities organised price-based competition to which third sector providers respond by a race for the lowest price and joint action for a change in selection criteria, and areas with fixed prices where providers struggle to develop their local reputation. In France competition between organised providers is kept at a minimum and if anything there is a lack of supply; business strategies include developing one's local reputation, diversifying into as many related markets as possible and becoming an indispensable local actor on various fronts.

Research evidence showed that collective bargaining and the presence of unions has proved unable to put a brake on the development of call centres and domiciliary care on the basis of PE, although it might well be the case that still higher rates of PE would exist were it not for the unions presence. Overall *unions representation and collective agreements coverage* in the sectors studied *have not served to guarantee either access to minimum normative standards or compliance with actual legislation and regulations*, including those collectively bargained. Unions in call centres in Italy and Spain and work councils in Germany face many difficulties to carry out their function and to secure fulfilment of legal regulations, and when a call centres-specific agreement is reached, as in Spain, the agreement itself served to normalise and legalise the existing PE conditions. All in all, call centre companies in the three countries have shown to be very skilful, first of all, in *not allowing collective regulations to incorporate brakes to their enormous discretionary power over workers*, and secondly, in *circumventing regulations* when these exist.

Research evidence in the performing arts showed that the highly structured, if diversified and complex, logic of professional associations, and thus of unions, does not always coincide with the logic of artistic and cultural activities. Thus, in France, with diverse unions and four collective agreements in the sector, intermittent and fixed-terms workers frequently shift from an agreement to another, as they often have many employers. In Britain collective bargaining in the cultural industries presents rather fragmented representative structures on both sides, without a clear definition of

bargaining actors and issues, although minimum standards are negotiated by the actors' union, which focuses its activity on assuring compliance. Agreements in domiciliary care are usually included within wider sector agreements (except in some Spanish regions) and collective coverage is not extended to the workers directly employed by users. The main function of agreements has been found to be promoting the image of the sector by structuring the profession and designing new qualifications. Standards fixed by national agreements are extremely low; in some cases collective agreements at the national level can even be said to have undermined acquired rights in some regions or companies, although there could be some achievements in others. In the public sector, collective bargaining in England and in Italy is strongly affected by relentless subcontracting which has weakened the bargaining power of public sector staff. In the private sector, wages have been established at very low levels, with little recognition of seniority or official qualification (which contradicts the agreements' attempt to promote upward mobility), and often no mention of travel expenses. Nor have generally standards been fixed on the minimum numbers of hours. Finally, huge compliance problems arise. In the case of individual care workers, the users who employ them are often unaware of labour law or collective agreements. But the unions' capacity to monitor and denounce non compliance also appears extremely weak.

Policy implications

Through the prism of PE, the ESOPE research project has thus cast further light on the great diversification of forms of employment which has taken place over the last two decades, and which is very imperfectly reflected in official statistics precisely because of this shifting character. It has also vindicated the starting hypothesis of the research that both an analysis of recent employment, including sectoral, policies and regulations, and of how they are mobilised by business strategies, is crucial for accounting for PE. However, the case study research, in particular, has shown that a lot remains to be done to understand the new forms of business organisation which have emerged on the basis of the availability of precarious labour.

For these reasons, it is particularly difficult to address the question of policy implications of this research. In any case, the improvement of the current European and national statistical surveys and data gathering instruments and the necessity for further research are preconditions to making adequate policy recommendations: as a whole, the statistical tools available are still very rough to capture what cannot be seen anymore as the margins of the world of work, and research on the impact of flexibilisation measures, on the one hand, and on the new forms taken by businesses is in its early stages. We can draw policy implications at three levels: implications concerning the statistical measures, implications with regard to areas in which further research would be required, and implications regarding the policy making area *stricto sensu* at the European, national and social dialogue levels.

Implications concerning measurement

One important strand of ESOPE findings is directly related to the existing problems with current measures, pointing out possible ways to correct these problems and the requirements for developing new measures. The main current challenge for surveys surely lies in the growing blurring of boundaries between major employment categories: if this makes it increasingly difficult to determine the standard statuses of employer, employee, and self-employed, the more so in the case of precarious statuses. Major problems with existing measures concern temporary employment in its diverse varieties, constrained part-time employment and underemployment, low wage employment and the working poor, and quasi self-employment (including bogus self-employment and economically dependent work). There are also problems with the questions posed to the population in official surveys, sometimes because the questions included may be inadequate, and in other occasions simply because the lack of certain important questions. Finally, the improvement of the measuring instruments can also contribute to a much needed enhancement in the comparability of data.

Temporary employment, as measured by the European LFS (item n° 45: ‘permanency of the job’), is too highly aggregated a category which includes permanent employment, e.g. the ‘contractuels’ in France, and German apprenticeship contracts. Part-time employment poses major measurement problems which are of the greatest relevance for evaluating PE. *Constrained part-time* is highly underestimated by posing the standard question ‘would you like to work more hours?’ – an inappropriate question, for it does not separate aspirations from actual constraints; a way to solve this is by simply using the multiple options question posed in the 1996 ECHP survey. The same obtains in the case of *underemployment*, which cannot be measured by simply asking whether employees would or would not like to work more hours. The key for an appropriate survey question lies in *separating aspirations, e.g. desire to work more hours, or have a better job, from constraints, e.g. the lack of better jobs, the lack of child care facilities*. It is also absolutely fundamental to capture the reality of *quasi self-employment* and to distinguish *bogus self-employment* and *economically dependent work*. By thus doing real constrained part-time, real underemployment and real self-employment can be measured.

There are also serious problems with *wages and low wages*, as current measures do not fit the real situation of labour markets. Low wages should be measured rather than low incomes, in order to separate the actual characteristics of jobs from the effects of social protection (especially tax) regimes. Low wages are seriously underestimated, as most studies only consider full-time workers, often excluding both part-timers and workers working less than 15 hours a week, and no information is provided about low wages in the hidden economy. Furthermore, there are wide divergences in the definition of low wages, as different conventions (annual pay, monthly wage, hourly pay) are used at the European and national levels, which yield sometimes quite different results and makes comparison practically impossible. The same applies to the *working poor*, the definitions of which are as diverse as those of low wages, which means that the working poor are highly underestimated and comparison is not possible. Finally, there is also the issue of *undeclared work*; we believe that any assessment of low quality jobs or PE should take account of an approximation to undeclared work.

We believe that the Employment Committee's interesting work on indicators to compare national achievements under the EES will benefit from taking these implications into account. Considering the progress already achieved by the indicators, and considering the need for better implementation and monitoring of the EES, reinforcing the measurement instruments in the direction just pointed out and consequently enhancing the EES seems a good way forward. With this aim in mind, the following points could be taken into consideration:

(1) Improved survey instruments will inform the Committee's task with more reliable, less contestable and more internationally comparable data. In absence of such instruments, the estimation of the real incidence of temporary employment, constrained part-time, underemployment, self-employment (including both bogus self-employment and economically dependent work), low wages and the working poor, and undeclared work could be done by relying on existing specific studies and surveys addressing these forms of employment.

(2) Our own research does strongly suggest that the lack of appropriate instruments to measure the real incidence of all these new forms of employment may be distorting the comparison of the quality of employment. This is particularly the case of undeclared work; in this respect, the assessment of labour market rigidities, the volume of PE and other significant dimensions of the labour market may be wrong in comparative terms because the hidden economies have different sizes and features in each country and region. As the Council Decision of 2003 July 22nd states, "Improving knowledge about the extent of undeclared work in Member States and the European Union should be encouraged." "Broad actions and measures to eliminate undeclared work" will only be credible and effective if they are based on a much better knowledge and understanding of this issue than is currently possible.

(3) Measuring PE and quality of employment in objective terms, that is, attending to the actual characteristics of current jobs, and by these means addressing also the point of view of the workers (i.e. what "fulfils the wishes of the employees" as distinguished from "the requirements of competition" in the framework agreement on fixed-term work).³ Some of the proposed indicators address both quality and productivity. However, there might exist conflicts between these two dimensions for the employees as well as the employers. Thus, the indicators have to be handled with caution. Both notions, quality and productivity, are equally interesting for the analysis of European labour markets, and interactions between them should be studied.

(4) As is recognised in the EES, "Quality is a multi-dimensional concept addressing both *job characteristics* and the wider *labour market*." A lot of indicators are oriented towards assessing the labour market in general (working age population participating in education and training, transitions, employment rate, labour productivity and so on). Of course nobody can doubt the usefulness of these context indicators: the policy implications of the incidence of "bad jobs" may be quite different if unemployment figures and low employment rates are taken into consideration. However, we lack key indicators to assess jobs directly. Further information on physical working conditions, working time or social rights should be included.

³ Council Directive 1999/70/EC of 28 June 1999 concerning the framework agreement on fixed-term work concluded by ETUC, UNICE and CEEP.

Implications concerning further research

After what we have argued in the previous section, it seems clear that further research, both qualitative and quantitative, is clearly needed to capture in as close a fashion as possible the reality of European labour markets. Two major, interrelated research strands might be emphasised in relation to further European research on employment:

- Overall, qualitative and quantitative research is clearly needed to capture both the nature and the incidence of the new forms of employment: temporary or non-permanent employment, constrained part-time employment and the diverse forms of underemployment, low wage employment and the working poor, new hybrid forms of employment (and particularly autonomous work, bogus self-employment and economically dependent work), and undeclared work. Specific, targeted studies about these forms of employment could be commissioned which rely heavily on existing research (e.g. by the European Industrial Relations Observatory of the Dublin Foundation) already focused on such forms of employment. Such studies should seek both to define the nature of those forms of employment, e.g. through in-depth case studies, and to design appropriate survey questions to measure their incidence (appropriate survey questions must clearly separate the aspirations of people from the constraints encountered to fulfil such aspirations).
- In this connection, our empirical research on three dynamic service sectors clearly points out to the need to study the link between those forms of employment and new forms of work and business organisation, paying particular attention to diverse business groupings involving chains of providers, subsidiaries, franchisees, allies and/or partners, and to the new labour market inter-mediation functions thus created. There is already some important research in this terrain, some of which we have quoted in this report, but this is clearly insufficient. In this respect, the study of the generation of PE in new service sectors with considerable economic and employment growth seems particularly needed. However, the very idea of ‘sector’, although undoubtedly useful, may not be the most appropriate to address the new forms of work and business organisation. Our empirical research has shown, for instance, that both call centres and domiciliary care for the elderly are better conceived of as new forms of work and business organisations than as new sectors.

Implications concerning European policy making

At least two types of policy processes at European level are relevant for the evolution of PE in Europe: the European Employment Strategy, steered through the Open Method of Co-ordination, and legislative activity (European Directives), sometimes preceded by European Social Dialogue. Both instruments may be important sources of “innovation” at the national level. The ESOPE findings are especially relevant to the second overarching objective of the new EES (Defined by Council Decision 2003/578/EC of 22.7.2003), namely, quality and productivity, although more in the questions they raise than in the responses they bring:

- Thus, although it is valuable to jointly analyse productivity and quality, the link between the two should not always be taken for granted; on the other hand, our empirical research has shown, in the call centre sector, a tendency of large operators to retain the more productive services in-house and to externalise the less productive ones, which is one of the dynamics underpinning the formation of a precarious call

centre sector. We have found a high level of flexibility in the sectors studied, but it is an “insecure flexibility” which translates in higher PE. Some sectors (e.g. call centres, domiciliary care) have made of *PE one of the key issues for their competitiveness or survival strategy* (and something similar could be said about some countries or regions, e.g. in Spain). And this strategy becomes a vicious circle that thwarts even reformers’ attempts to improve employment quality. Extending the quality-based European Employment Strategy all over Europe will probably require specific policies with complementary measures adapted to countries, regions or activity branches, in order to break this vicious circle. Otherwise, maintaining economic models based on low productivity, low quality and low wage patterns will be increasingly incompatible with the notion of an incipient “European social model”, producing in social and employment terms, a “two-tiered Europe”.

- Similarly, the indicators of quality adopted in the new EES establish a link between flexibility and quality which can be questioned. In that sense, our research has drawn the attention on part-time work, which tends to be praised too quickly as a contractual form associating flexibility with personal satisfaction.
- Finally, on the basis of the findings of this research, there would seem to be a need to probe more in-depth into the assumption that the “knowledge based economy” secures high quality jobs, as two of the sectors studied in this research, call centres and the performing arts, are usually regarded as pertaining to such economy, and are nevertheless largely based on the mobilisation of precarious labour. This links into our earlier recommendation that research on the production of PE could usefully be extended to more sectors.

It should be pointed out that the only EES guideline in which the application of sanctions is advocated is the fourth one, on undeclared work. In this respect, the Employment Taskforce Report (Wim Kok 2003) asks for a mixture of information (improved statistics), effective regulation (sanctions and law enforcement capacity) and positive measures (simplifying business environments and improving the incentive effects of taxes and benefits) “to cut undeclared work”, which will probably have a positive impact on the reduction of PE. However, the results of our empirical research, especially with regard to the abuse of temporary employment (e.g. through illegal renewal of temporary contracts), suggest that control of compliance and sanctions could also usefully be advocated for other guidelines, in particular for guideline 7 (adaptability).

Of higher importance may have been, on the other hand, the incorporation of EU directives into national labour laws. However, our literature and policy reviews showed that there is little research on the impact of the European legislative work in employment matters. Nevertheless, it is likely that the influence on French and German legislation can be altogether considered as limited (except on the question of equal opportunities for men and women); it may have been more substantial in Spain and Italy with regard to the implementation or the passing of regulations allowing for more flexible contracts, part-time regulations and temporary agency work. There is also research evidence quoted in this final report that the effect of the 1999 Directive on fixed-term employment in Italy was paradoxically to facilitate resort to this form of employment, when the intention of the Directive was to limit its use. Yet, the largest influence seems to have occurred in the UK since the adoption of the Social Chapter: this is consistent with the fact that the labour market there has been the least regulated. Exceptions to a universal and extensive adoption of European regulations in the UK however remain, as for instance, in the case of the working time regulation. In our

review of developments in the performing arts for example, we highlighted that the campaign by the Broadcasting, Entertainment, Cinema and Theatre Union (BECTU) resulted in an European Court of Justice ruling in 2001, that the UK government was in breach of the European Working Time directive in denying freelance workers and those on short-term contracts the right to four weeks paid annual leave.

Hence, and on the limited basis of our research findings, it seems safe to say that, in some countries, European regulations have accompanied the spread of employment flexibility and possible negative effects in terms of PE, whereas in the UK positive developments have occurred. However this was not a major focus of our research, and we have little evidence to substantiate our claim. This points to the current lack of monitoring of the transposition of EU directives to national legislation or collective bargaining, and the lack of impact studies. Given the evidence brought by our research on part-time employment, it would seem particularly important to review the impact of the Part-time Directive (a study of ETUI has looked at the transposition of the Directive, but very little at impacts). Overall, the positive normative influence is clear – albeit with limited evidence of substantive change – in the domain of equal opportunities for men and women (see the Commission’s communication on the ‘new’ EES).

Implications for national policy making

Thinking in terms of national flexibility/quality/security regimes is easy to see the crucial importance of labour market and social protection norms. Three trends of policy measures can be detected: measures for extending minimum protections to all workers; measures for the improvement of means of implementation of existing legislation and regulation; and measures organising direct trade-offs between flexibility and security.

Measures for extending minimum protection to all workers: The diversification of employment forms and the multiple segmentation of the workforce call for adequate social protection of workers. There are recent examples of such attempts.

The setting up of a national minimum wage: The setting up of a minimum wage in the UK has not contributed towards decreasing the number of low wage workers, but has rather lowered the number of very low wage workers – which is consistent with the focus on social exclusion rather than on PE. Attempts have been made in that direction in Italy, with regard to freelance co-ordinated workers, but with little success so far. However this route is worth pursuing. In Spain, the unions’ request that the minimum wage be raised (from the current level of 516 to 600 Euros), as its current level is unable to prevent poverty and gives rise to high wage inequalities, has been taken up by the Socialist Party in its electoral platform. However, the results of our empirical research as well as recent research in France on the working poor phenomenon have unravelled limits to the influence that the minimum wage can have on putting a brake to the number of working poor, especially due to the development of part-time employment and its relationship with low wages – which, again, highlights the critical importance of part-time when assessing PE.

The extension of a floor of rights to all workers: It is useful to mention here some of the provisions currently discussed in Italy, which go in that direction: extension of labour protection to every worker irrespective of the form of employment, increasing the value of collective bargaining and playing down of individual bargaining, and clearer rules of service contracts. These are very interesting developments, also advocated in some UK literature. Of course, such a strategy may lead to further discard the possibility of

worker actions in the courts for the requalification of economically dependent work into waged employment, whereas our review of the call centre sector in Italy has shown that most economically dependent workers in the sector are in fact subordinated to the call centre company. In that sense the existence of a registry of economically dependent workers already constitutes a breach with the traditional distinction between waged and self employment, as the evidence that a worker is not an employee lies in his/her registration as economically dependent worker rather than in the analysis of the factual relationship with the client/employer.

Measures for improving the means of implementation of existing legislation and regulation: Despite the availability of a wide array of flexible forms of employment, legal abuses exist, as is well-known and as our research has illustrated.

In Spain, for example, the unjustified renewal of fixed-term contracts is one of the main reasons for their growth. The Spanish legislation (ahead of the 1999 Directive on fixed-term employment) strictly limits the possibilities of renewals of fixed-term contracts, but this has had very limited impact because of the lack of control. This points to the need for increased monitoring of implementation and setting up arrangements for ensuring *compliance*. Reinforced labour inspections might at least curb abuses, and perhaps have a more general symbolic effect. In this respect the evolution of the missions and numbers of labour inspectors in some of the countries reviewed (e.g. France, Spain) is a worrying issue. The issue of compliance will probably be increasingly present in relation to the EES, although strict control and sanctions are only advocated in relation to undeclared work.

Measures organising direct trade-offs between flexibility and security:

When it comes to measures organising the trade off between flexibility and security, the reforms introduced between 1997 and 2000 in Spain are especially interesting, as they may represent a historical change contrary to the trends of the two previous decades because of the expansion of stable employment. Nevertheless the ratio of involuntary fixed-term contracts remains the highest in the EU. In the face of this persisting reality, unions have precisely been asking for reinforced controls of the “chaining” of temporary contracts. Currently Germany is also looking for a new balance between flexibility, quality and security. Measures and reforms where an overall protection of workers is oriented to maintaining a balanced flex-security combination are possibly needed in the future: fair monetary and non-monetary job guarantees, extending to every long-term worker economic safeguards as to the income, the working time, mobility, training, insurance and social security aspects, with particular reference to health, maternity, industrial accidents, the exercise of rights of association and collective representation and information. Reductions in social contributions for permanent employment have been an effective incentive in Spain during recent years, especially for contracting vulnerable groups, and have also had a contrasted impact in France for low paid jobs. These policies could be broadened to promote better employment quality. Nevertheless, this engineering measures should be taken with much caution; e.g. they could affect the future of the Social Security in a context of aging population. For this reason, new forms of collective protection of the workers should be studied while legal and social responsibility of companies is maintained.

With regard to *social policy*, a generous, egalitarian and consensually managed system of social protection appears as a particularly adequate means to prevent the possible permanent installation of PE. This conclusion is important because it focuses on *the role*

played by the socialisation of risks and on the de-commodification dimension, i.e. the ability of social protection (in the wide sense accepted here, including education and ‘employment protection’) to create the conditions for safe life and to widen the ability to reject precarious jobs. In this respect, the quality, the generosity and efficiency of social protection in preventing and/or alleviating the consequences of PE may have a substantial cumulative social impact. Presumably, this is because efficient and equitable social protection systems are not only able to prevent and address the “failures” of employment as a panacea policy against poverty, but also to raise security and welfare in society in general, including for those who do not derive their income from immediate work. In some cases special social protection schemes should be introduced (or maintained where they already exist) in order to address adequately the needs of specific groups of workers potentially affected by precariousness because of the nature of their jobs. There are groups of workers who have not secured a proper system of social protection adapted to their specific needs. In the sectors analysed, the case of domestic workers is perhaps the most significant, especially in Spain and Italy. Unprotected work (with no unemployment insurance and without dismissal compensation), even when the job is declared, reinforces other aspects of their precariousness. The French experience of improving the working conditions of domestic workers, based on the creation of an universal dependency benefit and on an incentive for domestic workers to join associations which manage their employment contracts should be analysed as a possibly transferable practice to other countries. Conversely, the voucher system had already proved its limits.

More generally, access to social protection is becoming a serious issue, in particular because sub-standard contracts lead to discontinuous careers and low earnings, which, in contributory regimes, themselves lead to impaired access to unemployment benefits and pensions and/or to low entitlements. Thus employment precariousness directly links into social precariousness, which will become particularly evident when the current generation of young people reaches retirement age. Not enough thought has been given to this most serious problem. Similarly, it has been too long assumed that women could “afford” part-time jobs as these represented an added-on to the family income, and women could enjoy social protection through their husbands. Yet, there is evidence showing that many women working part-time have become the bread-winners, either because they are lone mothers or because their husband/partner is unemployed. Reforming social protection becomes thus a highly complex issue, whereby it has to ensure basic protection catering for these increasingly frequent “a-typical” situations, whilst at the same time refraining from giving incentives to employers for abusing flexibility due to the existence of a safety net and the socialisation of risks.

Public authorities play a most critical role with respect to employment, a role as employers, as contracting parties in public procurement, and as funding and regulatory actors in some sectors. When the State is the employer, it sometimes becomes a generator of precariousness (e.g. temporary employment in the public sector). The case of domiciliary care services in Pamplona has shown the limits of the capacity of the public administration to reduce precariousness through the expansion of public employment without reforming general regulations. When the State is the client, the definition of the selection criteria for public tendering procedures is especially important. Using public procurement criteria to combat PE first demands that public procurement is not used as a “screen” to discharge public authorities from their responsibility with regard to the law. The record of tenderers in terms of compliance

with labour law should become a compulsory criterion in all public procurement procedures. The introduction of social criteria or standards of employment quality in public tenders has been analysed as an interesting measure. Of course, defining and introducing these criteria has complex implications and consequences – e.g. in terms of price levels, but also because these practices have sometimes been identified as contrary to fair market competition and European, national, regional or local authorities have refrained from using them – and are thus likely to be met with considerable obstacles. Given that a major motive for contracting out is precisely to cut costs, such practices have to be studied more in depth in each particular context. Anyhow, this should not be seen as an automatic reason for discarding these options and a wider approach may be developed that allows for the overall collective interest.

But public responsibility in structuring emerging services is not limited to the labour dimensions. A regulatory framework for service quality has also been analysed as an indirect way to improve employment quality. Many aspects could be considered as transferable in this respect, in the case of domiciliary care: the role of social policy regulations, the extension of the services and the articulation of public financial support with partial payment by the families/users could introduce significant improvements in employment quality, at least in countries like Spain and Italy. However, reinforcing controls should go hand in hand with ensuring adequate resources or other supportive actions. In this respect it does not seem correct to present expanding service coverage and improving job quality as alternative options (in a context of limited funds). Neither is it always the case that high quality employment means automatically better quality service for the user. The role of public authorities in structuring emerging service activities has proved crucial in our empirical research; this could perhaps be generalised to other public procurement and subsidised markets. Further research in other similar sectors would be useful to clarify the possibilities and limits of this kind of strategies. Here the scope for EU level influence in fostering change is limited to two directions: contributing to the conception of universal frames of reference, and contributing to tailoring them to existing types of social protection systems, and disseminating pertinent innovations among countries. However, in the distant future, the option of the EU to contribute to the funding of a cross-EU domiciliary care allowance cannot be discarded altogether.

Implications for collective bargaining

The role that unions have played and could play in combating PE has been an object of debate in our project. There is, however, no doubt about its importance. Social dialogue has been a way to introduce diverse reforms at national, sector and company levels; it is slowly widening at the European level, with recent examples of its impact on European regulations, such as the framework agreement on fixed-term employment, although this directive's ability to transform the actual working conditions of 'temporary' workers seems rather limited. The involvement of social actors may be understood as a powerful mechanism to design more balanced reforms in the sense of paying attention to the quality of employment and jobs. Now, our empirical research has shown that unions involvement in call centres and domiciliary has not always implied a brake to the spread of PE, and in some occasions the collective agreements signed have normalised the PE existing in the sectors. In other sectors not studied in this research, some of which are strongly unionised, strategies to deal with the flexibility demands and during restructuring processes have included negotiating trade-offs between salary moderation and employment promotion, converting fixed-term into permanent contracts, have been

common union strategies at company level to improve employment quality. Nevertheless, nothing clearly suggests that this development will appear in the domiciliary care sector or in the call centres. More in general, we have not identified clear union strategies other than initial developments in collective bargaining at the (cross-national) level of identified business groups to deal with the new forms of business organisation (i.e. networked forms of organisation and business groupings involving chains of subsidiaries, providers, allies and/or partners) emerging precisely in the most economically dynamic sectors and their critical consequences in terms of PE.

2. Background and objectives of the project

The **aim** of the ESOPE project is *to contribute to an improved comparative understanding and evaluation of «precarious employment» as one of the main facets of social and socio-economic insecurity and risks in contemporary European societies*. By thus doing the project sought both to *increase knowledge* and to *inform current policy debates* on the future of work and welfare, and on the interrelations between the modernisation of systems of social protection, the activation of employment policies, and the «quality of employment» in Europe. The main *research questions* were:

- How is precarious employment *understood and appraised in both scientific and policy terms* in the five countries of our study (France, Germany, Italy, Spain and the United Kingdom) and also at the European and wider international levels?
- What are the main factors accounting for the actual incidence and forms of precarious employment and what is the relative importance of sectoral factors and State-based regulatory frameworks?
- What *notion of precarious employment could be more appropriate in scientific as well as operational terms* for understanding, measurement and policy making?

In order to achieve these purposes, the project was divided into three major *phases*:

1st Phase: *Literature review and policy analysis*: (A) Conducting a state of the art and comparative review of the main studies and surveys of employment security and precarious employment at the national (France, Germany, Italy, Spain and the United Kingdom), European and more broadly international levels. (B) Carrying out a comparative policy review and analysis focused on the national models of management of labour market related insecurity and risks as these are defined by, essentially, welfare regimes, labour law and employment policies.

2nd Phase: *Empirical research through case studies*: This phase consisted in carrying out a major strand of empirical research focused on comprehensive case studies of selected service sectors and complemented with focused case studies of locally-based innovative initiatives. *Sectoral case studies* of

precarious employment in three expanding service sectors or sub-sectors (call centres, performing arts within the cultural sector, and domiciliary care for the elderly) were conducted. In addition, *case studies of locally-based innovative initiatives* in the aforementioned service sectors were also conducted.

3rd Phase: *Policy implications and dissemination activities*: Informing current policy debates at the European and national levels on employment policies and the quality of employment, modern protection systems and new models of insecurity and risks prevention and management by *drawing policy implications* from the main findings of all the all the research strands of the project (i.e. from the literature review, the policy analysis and the empirical research). And disseminating the research outcomes and results of the project to both the scientific and the policy-making community, through workshops with external experts and an important scientific seminar.

A wide debate was needed to establish a common understanding of precarious employment and to develop methodological and operative criteria for the research. The debate about the theoretical understanding of precarious employment continued to the end of the project, and was never completely settled. And yet, this debate among the partners considerably enriched the project and the understanding of the partners themselves.

More attention than originally envisaged was devoted to the activity focused on the literature review and particularly the policy analysis. This was largely due to the fact that the Consortium thought it necessary to strengthen as much as possible the scientific anchorage of the project constituted by the literature and the policy reviews, particularly by carrying out a more in-depth analysis of the institutional and policy contexts; this mainly implied paying more attention to the notions of precarious employment and similar terms such as e.g. insecure employment commonly used in each country at both the research and policy levels, and to the relationships between labour market policies and precarious employment. Of course this enriched significantly the initial approach taken by the project, but had no major effects in terms of re-orienting it.

3. Scientific description of the project results and methodology

This section provides an extensive description and analysis of the research carried out and the results of the project, linking them to current research and policy debates in the fields of employment, work, welfare and the labour market. The section is divided into seven major subsections. Sub-section 3.1 deals strictly with the methodological description of the project, while the rests of sub-sections describe the main results of the research at different levels: the notion of precarious employment and the debate about the quality of employment (3.2), the scientific use of the concept of ‘precarious employment’ (3.3), the incidence of precarious employment at the national level (3.4), the incidence and main forms of precarious employment in the service sectors empirically investigated (3.5), the explanation of precarious employment (3.6), and specific policies and local initiatives addressed against precarious employment.

3.1. Methodology

Three main strands of research were undertaken (literature review, policy analysis, and empirical research through case studies), which we shall address here from a methodological stand point.

Literature review: A state of the art literature review with a strong comparative orientation was conducted of the major studies and existing surveys on precarious employment in five European countries (France, Germany, Italy, Spain and the United Kingdom) and at the European and broader international levels. The objectives of this exercise were to provide precise information about what are the strongest points of existing studies and surveys in terms of findings and well investigated areas; what main theoretical framework are resorted to for explaining precarious employment, the transformation of the employment relationship and related issues; what are the major empirical and methodological lacunae in knowledge; and to what extent do existing studies and surveys account for precarious employment by relating it to the main factors shaping its incidence, distribution and forms.

National studies and surveys were thus reviewed, as were those carried out by the European Commission itself in its annual *Employment in Europe* Reports. The review of the international literature involved the analysis of how employment security and precarious employment is addressed in studies and surveys commissioned or directly done by international organisations such as the OECD, the ILO, the European Foundation for the Improvement of Living and Working Conditions, and the European Trade Union Institute (ETUI).

Policy analysis: An analysis with a strong comparative orientation of the institutional and policy contexts at both the national and the European levels was carried out. The analysis mainly sought to identify and compare national models for managing labour market related insecurity and risks as these are defined by, essentially, welfare regimes, labour law, industrial relations, and employment and labour market policies. A critical objective of the policy analysis was to provide evidence of the extent to which particular employment and labour market policies, in interaction with welfare, labour law and industrial relations regimes, contribute, explicitly or through side effects, to produce or to prevent precarious employment.

Empirical research: Two strands of case study research were done. The first and most important strand involved the analysis of precarious employment in three expanding service sectors, while the second focused on locally-based innovative initiatives within the same service sectors. The aim was to provide *new empirical evidence* on the actual incidence and forms of precarious employment in particular sectors, and on how this is affected by economic competition and flexibility, social and employment regulations, human resource management policies and the structure of employment. But by doing this empirical research we also sought to cast light on the mechanisms and strategies through which, at the sectoral level, precarious employment is produced.

Sectoral case studies: Three expanding service sectors were the object of in-depth case study research in a number of European countries:

- *Call centres (communication services sector)*, studied in Spain, Italy and Germany.
- *The Performing Arts (cultural sector)*, studied in France and the UK, and, through the already existing surveys, at the EU-15 level.
- *Domiciliary care for the elderly (social services sector)*, studied in Spain, France,

Italy, and the UK (*England*).

A fourth sector, that of the *multimedia industry in Germany*, was also researched, mostly for cross-sectoral contrasting purposes, as this sector is also highly dynamic in terms of employment growth but does not have a high incidence of precarious employment. In total 10 case studies were done.

The *selection* of sectors was done at the very conception phase of the project on the basis of the following broad criteria: (1) *high employment growth* in comparison with other sectors, which leads to service sectors. (2) *high incidence of precarious employment* in comparison with other sectors, as was known to be the case of the call centres, the performing arts and the domiciliary care for the elderly. And (3) *differential sectoral dynamics* among the chosen sectors in terms of novelty of the services (call centres essentially provide new services, most of which did not exist some years ago; performing arts is a traditional activity, although increasingly more dynamic; the provision of care to the elderly is rapidly shifting from the family to professional provision) and thus, potentially, in terms of the extent to which other sectoral dynamics (e.g. industrial relations, business structure of the sector) are present in each sector.

Of course the selection is not fully exhaustive, as other sectors could also be chosen which fulfilled the criteria. It is here where other considerations have to be taken into account. First of all, the funding limits, which prevented us from both studying more sectors and carrying out more case studies in the chosen sectors; the latter explains why we did not study the three service sectors in the five countries involved in the project. And secondly, the partners' own research background, expertise and preferences.

The *scope* of each case consists in the study of «*a service sector in a country*». For practical research purposes, each sector was considered at two levels: the '*sectoral level*' proper in each country, and what we called the '*site level*', the latter consisting in call centre platforms or premises and companies, arts organisations and companies, domiciliary care providers, and local authorities. *In-depth interviews* and *documentary analyses* were carried out both at the wider sectoral level and at the site level:

Sector level: About 5 to 7 *interviews* for each case study were conducted with policy makers from the (central, regional and/or local) administration, union representatives, employer representatives, labour inspectors (mainly in Spain and in relation to

call centres), provider networks, client/user organisation, and experts from consulting companies involved in the sector. *Documentary analyses* involved reviewing relevant legislation and – if existing – collective agreements, industry-oriented studies mainly carried out by consulting and marketing companies, and of course scientific studies and surveys.

Site level: About 15 to 25 *interviews* for each case study were conducted at site level (call centre platforms, arts organisations and companies, domiciliary care providers and municipal authorities) with managers, local authorities (domiciliary care), employees, and union delegates (members of the workers councils or committees). Interviews with employees, whether union delegates or not, took place both individually and in group. Usually, at least two sites were visited for interviews, e.g. two call centre platforms, or two arts companies; in the case of the sector of domiciliary care, at least one provider was visited as well as the *local* authorities. *Documentary analyses* mostly involved reviewing documents provided by companies and particularly by staff delegates. Two important sets of documents accessed through the field work which proved to be crucial and were the object of an in-depth analysis were collective agreements (in the domiciliary care sector and the call centres) and several court rulings and sanctioning reports by the Labour Inspection Services (call centres in Spain).

Field work in general and interviews in particular were all done following *interview guidelines* done mainly on the basis of the results of the first phase of the project (literature review and policy analysis) to ensure the coherence of the research.

Case studies of locally-based innovative initiatives: Seven case studies of local initiatives in the aforementioned three service sectors were carried out, mainly through interviews with relevant actors at the local level, including workers. The initiatives were supposed to have an important innovative component, particularly in terms of security and risks distribution and management.

The initial major aim was to evaluate the extent to which such initiatives can be said to be a collectively efficient response to socio-economic contingencies and hazards, and what are the main economic and policy related factors at the local, sectoral and national level which affect the emergence and development of such responses. By thus doing, the project expected to further policy-relevant understanding about viable measures at the local level for promoting employment of quality. However, local innovations of the sought for type in the three service sectors of our study have been particularly difficult

to identify, precisely because precarious employment characterises the very employment structures of these sectors and there are very limited possibilities for the development of employment of quality. In practice this has meant that the results of these cases studies of locally-based innovation have been much poorer than expected, particularly in terms of providing evidence of collectively efficient responses to insecurity and risks prevention, distribution and management.

3.2. The notion of ‘precarious employment’ and the debate about the quality of employment

Notions of insecure, poor quality, bad or indeed *precarious* employment have been found to be used to very varying extents in the five countries of our study (France, Germany, Italy, Spain and the United Kingdom), where the debates about employment and its quality are greatly varied in scope, emphases, and the very terms normally used. Often, these debates have been one way or another related to wider debates about the end of work, now definitely receding, and more recently – and more judiciously – about the future work. All continental European countries surveyed have debated these issues, although perhaps none as intensely as Germany and France.

Overall, the term ‘precarious employment’ is commonly used in France, Spain and Italy, while in Germany it is mostly used in a rather restrictive way by social scientists but has not entered the public debate, and in the UK it is rarely used but has no relevance at all in the national debates (Barbier *et al.* 2003a; Düll, 2003).⁴

Whilst the concern with precariousness can be dated back to the fifties in some countries, when it was found out that the new protection systems put in place after the Second World War were leaving aside whole parts of the population, it became a widely used concept in the 1990s. However, major differences appear with regard to the attention paid to precarious employment: while in some of the countries studied (particularly France and Spain) it is feared that precariousness is becoming a structural feature of the contemporary world of work, other countries, like the UK, are not

⁴ Most Information in this section is taken from the first and second deliverables of the project, written respectively by N. Düll (Düll, 2003) and J.-C. Barbier (Barbier *et al.*, 2003a) on the basis of the national

addressing the question of precarious employment as such.

It would seem that in all countries the debate about precarious employment is to a greater or lesser extent marked by its origins: poverty studies in France, hidden employment in Italy and Spain, and labour market regulation in Italy and Germany. However, this influence seems to have operated in very distinct directions, according to the dominant research traditions in each country. In contrast to the continental European countries under review, in the UK the individual choice approach is dominant; and yet, even in the British debate notions of “risk” and “insecurity” have emerged as an important new focus, especially in relation to jobs (Hogarth and Lindley, 2002).

In France and partly in Spain the focus is on the societal aspect, while the German, Italian and partly the Spanish debates are concentrating on industrial relation issues. At the core of the French debate lies the idea of ‘*statut*’ (status) as a key to social cohesion, personal security and sense of worth. Since employment is the very foundation of *statut*, its erosion is seen as a danger potentially affecting society as a whole; hence the French emphasis on legal and social rights. In Germany, the question is whether an *Erosion der Normalarbeitsverhältnisse*, that is, erosion of collectively regulated employment relationships, can be observed, while in Italy the problem of collectively regulating the labour market is more controversial and a greater emphasis is put on the role of the collective actors at the macro-level.

In Spain, the societal aspect of the debate has mainly been addressed through the role of families in the context of the persistence of precarious employment (Laparra 2002). The Spanish debate is focused on the idea of *precariedad laboral* (employment precariousness), but this is mainly addressed as a problem of temporary employment, with a large body of research seeking to describe and explain what many authors consider as a structural feature of the Spanish labour market: the extremely high incidence of diverse modalities of fixed-term, temporary employment.

Another strand of the debate in all countries refers to the increasing flexibility of the labour market. The flexibility debate in the UK has been principally about raising efficiency and productivity. Flexibility and economic constraints have been important in the debate in the UK, and significant in Italy and Spain. These cross-national differences reflect in particular the diverging role of the State and the expectations from

reviews of the literature and of national policies made by each partner, as well as of a review of the

the Welfare State in the national context. In Italy the academic debate has been very much in touch with policy making and fuelled its analyses of the successive labour market reforms. The concern with the employment relationship was subordinated to the discussion about competitiveness, and from the 90s onwards, financial recovery and stability. Interestingly, the current labour market and social reforms in Germany were anticipated by labour market researchers who brought to the agenda a then new line of argument emphasising the positive effects of new, less stable and less protected forms of employment.

In France two strands of research which might be grouped around the regulation school and general political sociology have dedicated particular attention to the issue of flexibility addressed mainly from the stand point of the flexibility strategies at the level of firms. A very different way of addressing flexibility has been observed in Spain and the UK; in these countries the issue of low labour costs has been at the centre of the flexibility debate, which may partly be explained by the peculiarities of their production models. In Germany, although the debate on increasing flexibility has undoubtedly gained importance, economists have been discussing the permanency and evolution of an economic model chiefly based on high value added and high productivity sectors, in contrast for example to Italy, where deregulation is considered an imperative to adapt the labour market to organisational, technological and market changes of the knowledge economy in order to improve the competitiveness of the Italian economy.

Now, as it is shown in Düll (2003), the predominant perceptions of precarious employment at the national level and the relative weight of this notion in national debates do not necessarily reflect the incidence of precariousness. For instance, the actual incidence of precarious employment in France seems to stay at a comparatively middle level in relation to the other countries of our study, while France is probably the country where precarious employment has retained the highest interest in the academic and in the public debate. In contrast, in the UK, where the data suggest that the actual incidence of precarious employment is higher than in France, the question of precarious employment is not addressed as such. In brief: the fact that the term ‘precarious employment’ is not used in a country does by no means imply that there is not precarious employment in this same country. This means that despite these national differences in the uses of the term ‘precarious employment’ and in the nature of the

international literature also made as part of these research activities (Darmon and Frade, 2002).

scientific and public debates about employment, there is no direct nor indeed necessary relationship between the linguistic usage of this term and the reality of the labour market (Laparra 2003).

The question which this discrepancy between the linguistic uses of the term ‘precarious employment’ and the reality of the labour market poses – a question the Consortium has been debating from the beginning of the project – is whether and to what extent the notion of precarious employment is a useful category in theoretical, empirical and policy terms. To put it briefly: Can the category of precarious employment make a significant contribution to explaining the situation of employment, providing a sound basis for assessing the actual incidence of very diverse forms of employment in terms of quality, and informing policy? The very attempt to answer this question requires to clarify the options at hand and their implications.

3.2.1. *Standard and non-standard employment relationships*

There are different ways of referring to employment relationships which are considered bad or not good in one or more respects. What is important to emphasise in this respect, as our research has made manifest, is, first of all, that employment relationships and jobs are very often referred to, whether in scientific debates or in the public arena, in *evaluative* terms, which is not surprising at all given the centrality of work and employment in our societies. And secondly, that such ways of addressing employment always involve a reference, often implicit, to a *standard* or *norm* in relation to which any particular employment relationship is appraised or simply named.

Now, our research, and particularly our policy review and analysis (as reflected in Barbier *et al.*, 2003a), has shown that there is in the countries of our study such a reference to a standard or a norm which corresponds to what each country values in relation to employment. Thus, in France, the standard or normal employment relationship is under a CDI contract (*Contrat à durée indéterminée*), a norm enshrined in the Labour code (*Code du travail*) since the actual regulation of fixed-term contracts in 1979, but in fact gradually regulated via a number of legal provisions from the early 1920s. Other forms of employment have hence been considered as “particular” (*Formes particulières d’emploi*, *FPEs*) or precarious (*situations précaires*).

In Spain the standard employment relationship is usually referred to as *empleo fijo*

(permanent employment), which stands for stable, secure, full-time employment. Such a standard is recognised in the Spanish Constitution, enshrined in the *Estatuto de los Trabajadores* (Workers' Statute) and, until recently, in the jurisprudence. The latter used to refer to the diverse modalities of non-standard employment, which in Spain essentially means temporary employment, as "exceptions to the norm" – in the expression of a typical sentence by a labour tribunal – the existence of which must be motivated, in contrast to permanent employment, which, being the norm, does not need any reference to the particular circumstances which cause its existence. In Italy, the employment relationship considered typical and standard (*lavoro tipico*) is, like in Spain and France, an open-ended full time contract with legal protection against dismissal and full social protection; the essential category of employment which falls outside or below the norm is the atypical contracts which include the *parasubordinati* (quasi-subordinate workers) category that concerns a status of employment involving characteristics of subordinate employment and self-employment and that covers various contractual modalities: *collaborazione coordinata continuativa*, *lavoro occasionale* and *associazione in partecipazione* (Frey, Cavicchia and Pappadà, 2002).

In Germany the normal employment relationship (Normalarbeitsverhältnis) is also very deeply entrenched in society, historically perhaps even more entrenched than in the Latin countries. It is strongly supported by many principles in the organisation of society, the constitution and the ethos of Sozialmarktwirtschaft. Basic contractual regulations in Germany date back to the 1950s, including the norm of full time open-ended contracts with social contributions and social rights attached. This deep social embeddedness explains why the focus of the German debate has been for many years on the erosion of the normal employment relationship (*Erosion des Normalarbeitsverhältnisses*) and on the increase of atypical employment. This notion includes in the German context not only fixed-term contracts but also all forms of part-time employment. Here the debate about the event of insecure, low wage and low hours part-time work ("*geringfügige Beschäftigung*") has retained much attention in the public academic debate and can more easily be linked to the debate on precarious employment than the more general debate on 'atypical employment'. *Geringfügig* can be translated as 'marginal', and refers to contracts of a number of hours or a certain amount of pay under which social contributions are paid differently. 'Marginal' jobs are often considered as 'second' or 'additional' jobs, usually in couples. At the same time,

attention has been given to certain types of non-standard employment relationships, notably Scheinselbstständigkeit (quasi self-employment) and others with some sort of uncertainty of circumstances (Unsicherheit).

In the UK the situation is different. And yet, even in the UK there exists a broad conception of what is a ‘regular’ employment relationship, although in contrast to the other four countries, there is not a legal equivalent of a workers’ statute or a labour code. This does not imply that the UK legislation is alien to a model, however wide, of normal or regular employment. According to Earnshaw, Rubery and Cooke (2002), “although historically the common law of contract governed the rights and duties arising out of this [employment] relationship, from the mid-1960s onwards it was increasingly supplemented by statutory employment protection which laid down a floor of minimum rights ... On the whole, these new rights were based on a model of permanent, full-time employment for a single employer and limited to ‘employees’ who had completed a continuous period of employment working at least 16 hours per week ... The 1999 Employment Relations Act providing for trade union recognition is founded on this premise”. Nevertheless, it may be true to say that such a model of regular or normal employment encompasses a much greater variety of employment relationships than what is the case in the other countries, and that it is mostly exceptional situations (e.g. zero-hour contracts, casual employment) which attract attention.

We can thus see that the employment relationships which more or less implicitly correspond to a ‘normal’ situation – a situation that as a matter of fact corresponds to a social norm inherited from the Fordist years – are described in each national language with words which are deeply embedded in the national polity and deeply influenced by what may be named ‘normative systems’, i.e., the combination of formal regulations, labour laws, customary practices, forms of legitimisation, which signal what is considered ‘normal’ in terms of the essential qualities of an employment relationship (or a type of work), and, in extreme cases, what is considered ‘acceptable’, even if only for derogatory practice concerning certain sections of the workforce.

On the other hand, different national normative systems also define the broad and particular dimensions of what is or is not ‘acceptable’ or ‘suitable’ (*zumutbar*, *convenable*, *adecuado*, are among the terms used) with regard to employment relationships (Barbier *et al.*, 2003a). These are valid at a certain moment of history and

within a particular society. They include demands put on employees in terms of instability, working conditions, labour standards, wages, insecurity. Although different, these demands are very intimately linked and articulated with the parallel and various ‘acceptability’ demands put on the unemployed or the recipients of benefits – a question hotly debated in 2002 in four of our countries, Italy, Spain, France and Germany.

Very often, within a country, a great part of the normative framework is implicit. But, the differences emerging from cross-national comparisons make this part appear in full light. Understanding employment precariousness (and the grounds upon which policies are designed and legitimated) thus entails an in-depth analysis of these standards of acceptability. These diverge very considerably across countries. Moreover, sub-sections of the active population suffer from situations which can be much less acceptable to the majority, the latter enjoying a better situation. For instance, administrative requirements involving precariousness for the young, or for women, are legitimised in France and Spain, while no such requirements are made in the case of 25+ male employees. It is thus possible to talk about the existence in each country of more or less implicit or explicit *Flexibility-Security-Quality (FSQ) regimes* (Barbier et. al., 2003a), which will include such main component as (1) the national system of social protection (NSSP), or welfare regime; (2) the set of values and norms pertaining to the dominant political discourse and compatible with the NSSP, valid at a certain period; (3) the industrial relations system and its actors; and (3) the employment and activity regime.

Three types of norms are of prominent importance within the FSQ regime’s framework: norms explicitly devised to limit and contain employment flexibility as well as employment insecurity, or to enhance the quality of jobs; social norms that have the same effect without being agreed upon for such an explicit purpose; and social norms which, on the contrary, increase employment flexibility and insecurity at the same time, or degrade the quality of jobs. Overall, a FQS regime encompasses the whole range of institutions and social norms (legal, collective agreement based, firm-based) that command the particular substantive content of *flexibility of employment relationships, security of employment and quality of employment* in each particular country, and which, eventually, are the outcome of collective action.

To summarise: there is a reference to a standard or normal employment relationship in the five countries of our study. Such a norm seems particularly strong in Germany, so

much so that it appears as if precarious employment relationships could not be conceived of, except at the price of denying the norm. It is also very strong in the three Latin countries, all of which tend to think about employment relationships by reference to such a norm, and thus to explicitly consider precarious all forms of employment which fall below it. In the UK the standard or normal employment relationship appears comparatively much more loosely defined and encompassing practically all but truly exceptional forms of employment which are referred to by means of terms such as casual jobs and insecure employment, but practically never precarious employment. There are also in all countries of our study, and indeed in all industrially advanced countries, a number of sub-standard employment situations affecting particular sections of the populations such as the young, the unemployed, and women, some of them directly resulting from administrative requirements, which may be taken to be a sort of ‘*de facto* standards’ of acceptability of particular jobs (Barbier *et al.*, 2003a).

3.2.2. Normative and empirical standards: atypical employment, quality of employment and precarious employment

Scientific research in the field of employment has often made use of a number of categories to refer to employment relationships which do not correspond to the standard one: *atypical* and *precarious* employment are amongst the most frequently used categories, but there are others such as, e.g. ‘insecure’ employment, ‘unstable’ employment, ‘casual’ employment, ‘dead-end’ jobs (EC), ‘decent’ work (ILO), ‘low-wage’ work and ‘contingent’ work – the two latter commonly used in the US (Appelbaum *et al.*, 2003; Wenger, 2004). Such categories can only be understood in relation to the standard to which they implicitly refer. But – and this is a crucial distinction – such a standard may be *empirical* or *normative*: characteristically, empirical standards are set up by reference to facts, data and statistics, while normative standards are set up by reference to a norm located outside of the empirical world of facts and in relation to which the empirical world is appraised – in the terrain of employment, such normative standards are expressed in terms of rights, of employment protection legislation, and of collective protection.

A paradigmatic case of an empirical standard is ‘atypical employment’, which usually refers to forms of employment which fall outside of what is *statistically* typical; this implies an *empirical* evaluation of the diverse forms of employment. The

peculiarity of the category of ‘precarious employment’ lies precisely in the fact that it usually refers to forms of employment which fall *below* the standard or norm, which involves a *normative evaluation* of these forms of employment. But even the notion of ‘atypical employment’ most often carries a normative evaluation, as it is shown by the fact that in usual parlance not less than in more specialised writing ‘atypical employment’ refers neither to the employment contracts of top executives nor more generally to forms of employment which are above or better than the standard, but rather to contracts or employment relationships which fall below the standard, although not exclusively to these. It seems only normal that the use of the category of ‘atypical employment’ both in the research and in the policy fields is meant to address the issue of forms of employment which are poor, low quality or simply precarious in one or more respects, rather than good employment and good jobs.

Precisely because of this discrepancy between the attempted meaning of the category of ‘atypical employment’ in ordinary and more specialised parlance, and the fact that it actually refers to employment which is not only worst, but also better than a given standard, it is essential not to take all atypical employment relationships as if they were precarious. It is indeed incorrect to equate atypical with precarious employment. This is well known, and yet some surveys aimed at studying precarious employment did just so. For instance, the European Foundation for the Improvement of Living and Working Conditions adopted a working definition of precariousness for its studies on precarious employment and working conditions wholly based on atypical contracts (Letourneux, 1998). In this and other studies precarious employment is equated with non-permanent contracts (fixed-term contracts and temporary contracts), to which sometimes self-employment and involuntary part-time employment, understood as under-employment, are added. It has to be acknowledged, however, that this use of atypical contracts to study precarious employment is largely due to the difficulties of finding appropriate indicators to study precarious employment.

To summarise: The notion of ‘*atypical employment*’ implies an empirical or statistical evaluation of the different forms of employment; it is a problematic category because it includes all forms of employment, whether good or bad, whether better or worst, which fall outside of the statistically most frequent form of employment, which has not infrequently led to incorrectly equating atypical with precarious employment. It thus presents a major conceptual problem. To this problem it must be added the

considerable cross-national variation in what is considered as atypical, and sometimes the difficulty of defining ‘a-typicality’ itself (this same problem also obtains in the case of precariousness, and quality). Thus, as our research has show, the notion of ‘a-typicality’ is not clear-cut in the UK context; or take part-time work, which is a-typical, i.e. infrequent, in Italy, while it is not at all in the UK, and not at all in the Netherlands; or the fact that part-time work is typical for British women, whereas it is not in the French case.

The notion of ‘quality of employment’ (or ‘quality in work’, or ‘quality’ of some other pertinent aspect or dimension) is probably the predominant one in Europe nowadays. It has been used extensively at the European Union level since the Lisbon summit and gradually defined by the European Council and the EC’s Employment in Europe reports as a variable set of very heterogeneous dimensions. Approaches based on quality come mainly from the business world but also from other fields, both scientific and policy-related. In its 2001 Communication on quality, the EC argues, quoting the Social Policy Agenda, for “extending the notion of quality – which is already familiar to the business world – to the whole of the economy and society [to] facilitate improving the inter-relationship between economic and social policies” (EC 2001a, p. 3). What is usual in a quality approach is that ‘quality’ refers to standards which are mainly, although not only, empirical, and in general voluntarily set up by a company, an economic sector or a profession. It is thus more related to self-regulation and ‘soft regulation methods’ with their goal-setting frameworks than to legislative regulation.

The notion of ‘*quality of employment*’ implies mainly an empirical evaluation of the different forms of employment. For some authors its greatest strength probably lies in that it enables evaluations of diverse forms of employment by reference to empirical standards and partly to normative ones. The greatest problem of this notion probably lies, just as in the case of the idea of precarious employment, in the difficulty of finding appropriate indicators in the mainstream statistical sources or developing them to measure categories of quality of employment which are themselves very difficult to define in a methodologically satisfactory fashion, as the successive attempts presented in the EC’s Employment in Europe reports show.

The concept of “quality in work” encompasses a range of further dimensions, as this concept is larger than that of “precarious employment” since it is embedded in the

European Employment Strategy which seeks to combine “quality” in a narrower sense with “productivity”, “flexibility” and the subjective point of view. As compared with the more focused notion of “precarious employment”, the concept of “quality in work” includes the following dimensions⁵:

Productivity (the 10th dimension within the EC definition) is not always directly related to other aspects of quality. In general terms, as the Employment Taskforce states, “higher levels of real wages and better working conditions are dependent on higher rates of productivity growth (and) raising the quality of jobs as skills levels helps to boost the efficiency and productivity of the economy” (Wim Kok coord. 2003). Nevertheless, sometimes ‘low quality’ jobs (in the sense of intensive, insecure, dangerous, low paid or “dead end” jobs) may also be very productive: the expansion of precarious employment (e.g. fixed-term contracts) has been demonstrated also in high value-added sectors (Polavieja, 2002). In addition, high quality jobs need not be associated with high productivity. We might usually expect that to be the case, especially in the long run, but market imperfections and power relationships can allow significant exceptions where high quality jobs (secure, well protected and high-wage jobs) are maintained in spite of their low productivity.

Flexibility (5th dimension) is also a distinct concept, which may or may not be connected with quality. Only when workers voluntarily seek flexibility (having other alternatives and supportive services which allow an actual choice) as reflecting a personal preference regarding their way of life, can we identify ‘high quality’ flexible jobs. Neither are workers likely to be more concerned with ‘labour market bottlenecks and mobility’ (within 6th dimension) than with their own security when they are looking for a good job.

Satisfaction with type of work (1st dimension) and with working time (5th dimension) introduces a subjective dimension of quality. Measures of acceptability to the individual should be used with particular caution in the context of international comparisons since satisfaction is strongly related to actual alternatives provided in each labour market and to the general characteristics of available jobs.

⁵ Various documents have been analysed here: The Communication from the Commission: *Employment and social policies: a framework for investing in quality*. COM(2001) Brussels, 20.6.01. European Commission: *Employment in Europe*, 2002 (p. 80) Employment Committee: Indicators for monitoring the Employment Guidelines 2002. http://europa.eu.int/comm/employment_social/employment_strategy/docindic_en.htm

Even *quantity of jobs* (activity and employment rate) does not bear directly on employment quality. Although this represents very significant information on the labour market situation, it does not automatically mean quality; nor does the lack of employment mean low quality, as the German case demonstrates. Different combinations of quality and quantity of jobs may be observed across Europe because of the independence of these two aspects of the labour market.

For these reasons, especially if we are focused on ‘low quality’ employment, these different characteristics of employment (productivity, flexibility, quantity or satisfaction) should be analysed separately. Only in this way will we be able to analyse interrelations between them and the quality of employment.

The notion of ‘*precarious employment*’, for its part, implies a normative evaluation of the different forms of employment. It is surely worth highlighting the fact that what for some authors is probably the greatest strength of the idea of precarious employment, namely, that it enables evaluations of diverse forms of employment by reference to normative standards, and therefore to rights, is what stands out as problematic for others. The greatest problem of this notion probably lies in the difficulty of finding appropriate indicators in the mainstream statistical sources or developing them to measure it, although it has to be acknowledged that using current indicators does allow to make very close estimations of the actual incidence of precarious employment.

The difficulty of developing an aggregate indicator applies to the three notions discussed, and comparative surveys have failed to provide aggregate indicators of ‘a-typicality’ not less than of ‘precariousness’ and ‘quality’. However, the three ideas are susceptible of being used in a non dichotomic fashion, that is, in terms of ‘*degree of*’ or ‘*level of*’ quality, precariousness, or a-typicality.

Having reflected upon the main differences between these notions, it may be worth stating that the categories of ‘precarious employment’ and ‘quality of employment’ are not to be seen as incompatible. The relationship between these two categories may be thought of as similar to that between ‘wealth’ and ‘poverty’. In this view, ‘precarious employment’ would be related to ‘quality of employment’ just as the concept of ‘poverty’ is related to that of ‘wealth’. Precariousness would thus refer to the negative aspect of quality (low and very low quality jobs), identifying socially unacceptable forms of employment (jobs which are below the socially established normative standards). The two categories would thus – from this stand point – be complementary.

Some authors, including some members of the ESOPE consortium, find it more theoretically and empirically productive an approach based on quality, while other authors, including other members of the ESOPE consortium, favour an approach in terms of precariousness and resort to quality within this framework.

3.3. The scientific use of the concept ‘precarious employment’

There are three main difficulties with the scientific use of the notion of ‘precarious employment’ which prevented us from developing a complete definition, theoretically explanatory and empirically operative, of precarious employment at the initial phase of the project. These difficulties can be summarised as follows:

- There is no statistical category ‘precarious employment’ or related notions such as, e.g. ‘precarious jobs’, ‘precarious work’, in the official statistical sources.
- Existing statistical categories which contain a significant amount of precarious employment such as ‘fixed-term’ contracts, ‘temporary’ employment, ‘part-time’ jobs, and ‘self-employment’, cannot however be simply equated with precarious employment. In other words: not all non-standard employment forms are precarious.
- As had already been pointed out by J. Rubery, and our own research has amply showed, there are cross-national differences in the signification and meaning of the very distinction between precarious and non-precarious employment. For example, in the UK, according to Rubery (1989, p. 49), the significance of such a distinction has been further reduced due to “the generally low levels of protection for direct regular employment in the UK, and the recent erosion of such protection”. What is considered precarious in a country may be differently evaluated in another country; this certainly depends on what each country takes to be the standard or normal employment relationship which we have explained above (section 3.2.1). On the other hand, employment protection for part-time and fixed-term workers has increased since the 1990s.

It must be pointed out that these same difficulties also obtain in the case of the categories of atypical employment and quality of employment. These difficulties,

together with the clear understanding of precarious employment as a *multidimensional* phenomenon, led us to start from an *operational, multidimensional definition* of precarious employment inspired by the four dimensions of precariousness defined by G. Rodgers (1989, p. 3):

Temporal dimension	<i>Degree of certainty over the continuity of employment.</i> This makes the type of contractual relationship and employment duration key indicators to measure this dimension.
Organisational dimension	<i>Workers' individual and collective control over work:</i> working conditions, working time, shifts and schedules, work burden and intensity, pay, and health and safety conditions.
Economic dimension	<i>Sufficient pay and salary progression.</i>
Social dimension	<i>Legal, collective or customary protection</i> against unfair dismissal, discrimination, and unacceptable working practices; and <i>social protection</i> , that is, access to social security benefits covering health, accidents, unemployment insurance.

It may be worth emphasising three main aspects in this operational definition of precarious employment to do with its understanding, its measurement, and its interpretation. First of all, the understanding of the idea of precarious employment is directly related to the idea of “standard employment relationship” (SER), set out as the reference point by Rodgers. According to Rodgers, the SER is not to be understood as a mere empirical frequency (even if empirically this is undoubtedly the most frequent type of employment relationship, as diverse surveys have repeatedly showed), but as a normative pattern “developed under the aegis of legislation or collective agreement” and consisting in a relationship which “incorporated a degree of regularity and durability in employment relationships, protected workers from socially unacceptable practices and working conditions, established rights and obligations, and provided a core of social stability to underpin economic growth” (Rodgers, *ibid.*, p. 1). Precarious employment would thus be sub-standard employment.

Secondly, with respect to measurement, Rodgers made it clear that “the concept of precariousness involves instability, lack of protection, insecurity and social or economic vulnerability” (i.e. the four dimensions just described) and that it is “*some combination of these factors* which identifies precarious jobs, and the boundaries around the concept are inevitably to some extent arbitrary” (*ibid.*, p. 3, emphasis added). The question, and the difficult problem, then becomes how to combine these dimensions in an integrated measure of precarious employment. As far as we are aware, no satisfactory solution to this challenging problem – a problem, let us emphasise, which also obtains in the case of the categories of atypical employment and quality of employment – has ever been provided in the literature. There are currently neither theoretical nor methodological means to establish the relative weights of, for instance, a certain degree of uncertainty over the continuity of employment and a poor level of access to social protection, in an integrated measure; it is not possible to give a general, universally valid, answer to the question of what is more precarious, lack of certainty over employment continuity or lack of social protection; this can only be done considering particular cases. Nor has the ESOPE project been able to solve this problem. Instead, we have chosen, firstly, to study each dimension separately (section 3.4); secondly, to use the radar chart methodology in order to simultaneously consider a number of indicators of precarious employment (section 3.4.1); and thirdly, to provide approximate estimations of the overall incidence of precarious employment (section 3.4.3).

And finally, with respect to the interpretation, it has to be emphasised that in addition to considering precarious employment as a multidimensional phenomenon, specific measures of precarious employment are to be interpreted as *continuous* rather than as dichotomic variables. This means that the dichotomy between precarious and non-precarious employment, and the dualism of regular, secure employment vs. irregular, insecure employment is to be much lessened in favour of an approach in terms of *degree of precariousness or vulnerability*, or *level of precarious employment*, a process which may also affect regular, apparently secure jobs. Although this interpretation does not completely dismiss dualistic theories, it does greatly moderate their explanatory weight. “In practice – Rodgers argues – an equally important issue may be the security and protection of regular jobs, if these are threatened” (Rodgers 1989, p. 5). The importance of threats in deteriorating regular or normal employment relationships, usually glossed over in mainstream literature, is highlighted by E. Appelbaum: “employers have used this ‘threat effect’ to substantially reduce the bargaining power of workers, and to hold down wages, impose overtime, speed-up work, and undermine unions” (Appelbaum 2001, p. 4). The ‘threat effect’ (both in objective and subjective terms, which should be distinguished, being the first related to the characteristics of jobs, activities and the markets which might ‘announce’ future worsening, and the second the threat as it is perceived by workers) allows us to understand the deterioration of standard employment relationship as an aspect of the wider process of expansion of precariousness. Of course these threats towards workers with standard jobs are very unequally distributed, which may mean different dynamics of industrial relations in different sectors of the labour market.

On the basis of this operational multidimensional definition and on the subsequent results of our empirical research, a possibly wider definition was provided according to which precarious employment is understood as *a variety of forms of employment* (e.g. temporary employment, underemployment, quasi self-employment, casual employment, on-call work) *established below the socially accepted normative standards* (typically expressed in terms of rights, of employment protection legislation, and of collective protection) *in one or more respects* (the four dimensions) *which results from an unbalanced distribution towards and amongst workers* (towards workers vs. employers, and amongst workers, which leads to the segmentation of labour) *of the insecurity and risks typically attached to economic life in general and to the labour market in*

particular (Frade, Darmon and Alvarez, 2003).

This definition, which maintains the multidimensional understanding of precarious employment, does certainly not solve the measurement problems we have just pointed out, but it does provide a wider theoretical understanding of the phenomenon, as it clearly links precarious employment with a very asymmetrical distribution of insecurity and risks among the economic actors and makes this process dependent upon both systemic and agency factors, i.e. upon *structural conditions* and *strategic actions*. Power relations, which are surely fundamental from an explanatory stand point, are thus brought to the core of the process of unequal insecurity and risk distribution. The particular manner in which such a distribution of insecurity and risks is arrived at of course varies across countries and for different periods, depending on how institutional traditions and industrial relations systems channel the power relations. It usually involves disputes and conflicts, but also negotiations. Often this unbalanced distribution has been implemented through one-way interventions by governments at the level of legislation and businesses at the level of new organisational forms and labour management practices; the unions themselves have sometimes engaged in bargaining processes which have resulted in less secure employment, although it has to be underlined that the unions have also been an important brake to further insecurity and precariousness.

3.3.1. Problems with existing measures and requirements for developing new measures

One important set of ESOPE findings are directly related to pointing out the problems with existing measures of diverse forms of employment, the way to correct these problems, and the requirements for developing new measures. The main problems with existing measures concern temporary employment and part-time employment; there are also problems with the questions posed to the population in official surveys, sometimes because the questions included may be inadequate, and in other occasions because the lack of certain important questions.

Temporary employment, as measured by the European LFS, includes, for example, all temporary employees of the French administration, whilst part of them, the ‘contractuels’, in reality have a permanent employment position (Barbier *et al.*, 2003a).

This is also the case in some parts of Spanish public administration. Temporary employment also includes the German apprenticeship contracts, which actually makes the figure of temporary employment appear to be almost the double than what it is in West Germany (however the difference between German figures and the European LFS is nil for Eastern Germany).

Part-time employment poses major measurement problems which are of the greatest relevance for evaluating precarious employment. There is a tendency to only consider “involuntary part-time” as precarious or low quality employment. However, there is a debate on the adequacy of this measure at the European level, as, among other things, *asking individuals whether they “would like to work more hours” does not take enough account of the many constraints*, including institutional ones (e.g. availability of publicly funded childcare arrangements), faced by people, particularly women in some countries, which *does not allow to assume that there is genuine choice*. Of course to evaluate the extent to which part-time employment – or, for that matter, any other form of employment – is really a choice is a difficult task. And yet, there are relatively easy ways, much more satisfactory than the usual ones, of dealing with this problem. Marlier and Ponthieux (2000) have studied this problem and provided some clues through a detailed analysis of the 1996 ECHP, even though their data set are not very satisfactory, for employees working less than 15 hours a week were excluded, whereas there are indications that the proportion of part-timers working very little hours has increased in the last years. The women interviewed in the ECHP had to explain what their reason was for working part-time, choosing among the following options:

- Housework and family commitments.
- Not having found another job.
- Wishing to work part-time.
- Other reasons.

What is important in these four options is that *the wish to work part-time is disentangled from family obligations and thus from the availability of childcare arrangements*. In this respect, a comparison between the findings of the ECHP and the Third Survey on Working and Living Conditions is most revealing (see Table 3.3.1).

Table 3.3.1. - Comparing assessments of constrained part-time (ECHP 1996 and Third Survey on Living and Working Conditions)

	Part-timers who chose the options "Family commitments or not having found another jobs" (%)	Part-timers who answered YES to the question: "Would you like to work more hours?" (%)
Germany	79	14.9
Spain	68	29
France	73	35.8
Italy	46	27.7
UK	59	19.9
EU	67	22.3
	ECHP 1996: Reasons for working part-time (EU-13)	Third Survey on Working and Living Conditions, 2000 (EU-15)

Source: Darmon and Frade (2003) on the basis of Marlier and Ponthieux (2000)

The results of the ECHP more than double those of the Survey on Working and Living Conditions. This clearly points out to the fact that constrained part-time employment is often highly underestimated in European data, which contrasts with very frequently held claims about part-time in the sense that most part-time employment is voluntary. An additional datum reinforcing the ECHP approach is that 54% of low wage employees in the EU are part-timers: 67% in the UK; 59% in Germany; 52% in France. Rates are much lower in Italy (38%) and in Spain (39%), where low remuneration rates for full-timers are the major explanation behind low wages (Marlier and Ponthieux, *op. cit.*), while part-time employment is very limited.

This clearly points out that, contrary to predominant interpretations, a high proportion of part-time employment is actually precarious, an interpretation reinforced by our own empirical research, which has showed that very short working hours (less than 15 hours), but also part-time with few less hours than a full-time job (e.g. 33 hours), are precarious forms of employment. From the point of view of the issue of measurement, the main conclusion of this analysis refers to *need to measure real under-employment in the labour force surveys by including suitable questions*.

If there is a need to pose appropriate questions to measure real under-employment, exactly the same has to be said of 'quasi self-employment', also called 'false' and 'bogus' self-employment. There is a *need to design survey questions to capture the reality of quasi self-employment* – these have been suitably defined in Pedersini 2002.

There are also problems with *wages and low wages*, first of all because wages are

not usually considered in the surveys; instead it is incomes what tend to be measured. *Low wages should be measured rather than low incomes*, in order to separate the actual characteristics of jobs from the effects of social protection (especially tax) regimes. The problem with some surveys including a review of low wages is that they only consider workers working for more than 15 hours a week (e.g. the ECHP). Other problems are to do with the definition of low wages, as different conventions are used at the European and at the national levels, which yield sometimes quite different results (e.g. see Ioakimoglou *et al.*, 2002).

There is also the issue of *undeclared work*. We believe that any assessment of low quality jobs or precarious employment should take account of an approximation to undeclared work.

With regard to measurements and assessments concerning the labour market context, ESOPE findings show that it is *urgent to revise assessments of “labour market rigidities”*, as the OECD itself admits. It has been argued, rightly so in our opinion, that the “rigidity” of employment protection needs to be looked at not only in terms of formal entitlements, as the OECD does, but also in terms of *implementation* (Bertola, Boeri and Cazes, 2001). Within such a perspective, the lack of resources and power of labour inspectors, their changing remit and generally the weakening of their function to ensure the implementation of the Workers’ Statute in Spain is manifest: whereas the Workers’ Statute considers temporary employment as an exception to the norm, and forbids the replacement of a worker for another in the same job (except under legally regulated exceptions) and the successive chaining of contracts beyond certain limits, controls have been so scarce that, at one third of total employment, it can hardly be said that it has materialised as such exception. If implementation was taken into account in the studies on employment protection, there is no doubt that Spain would appear as a highly deregulated country. And this could be also the case of Italy and France. We have less information on Italy, but no doubt there would be some surprises as well, which would enable bridging the gap between OECD assessments that it has very “rigid” employment protection and the fact that undeclared labour and atypical employment are very developed.

Across the five ESOPE countries, we have learned that applying an universal ‘rigidity/flexibility’ perspective to policies in matters of social protection and

employment protection is of limited use. Because aggregate indicators such as the OECD ‘employment protection’ index unilaterally pick up dimensions, they yield limited, albeit useful, information. A key difficulty here – notwithstanding the ambiguous findings as to the possible impacts of such employment protection – lies in the ability of combining a large number of quantitative indicators including those illustrating social protection in general and not only unemployment compensation.

3.3.2. Problems with the comparability of data

Besides the difficulty with assessing the extent of precarious employment due to the different forms of employment which can be considered as precarious in the national contexts and the different aggregation levels of the terms used (e.g. of atypical employment and of temporary employment), there is a further problem arising: the available comparative data contains a great deal of limitation (Düll, 2003).

For example one of the indicators mostly used for measuring “atypical employment”, the “flexibility and security” dimension in the “quality in work approach” as well as for measuring the “temporal dimension” of precarious employment is the “temporary contract”. The problem with this indicator is that it is too highly aggregated. To depict whether precarious employment exists, it is important to analyse which types of temporary contracts can be regarded as reflecting precarious employment. The commonly source used is the European Labour Force Survey Data.⁶ But also, the Third Survey on Working Conditions carried out by the European Foundation for the Improvement of Working and Living Conditions is informing on fixed-term contracts.

⁶ To our knowledge so far, with regard to labour market “status”, the published Eurostat Labour force statistics strictly depend on item n° 45 (“permanency of the job”) in the “Labour status” section, [an item which separates “permanent jobs or work contract of unlimited duration” from all other forms added together (“temporary jobs/work contracts of limited duration”).

Table 3.3.2.- Different data sources at European level compared (2000)

	Temporary workers <i>Employment in Europe 2002</i>	Fixed-term contracts <i>Third Survey on Working Conditions</i>	Temporary Agency contracts <i>Third Survey on Working Conditions</i>	Apprenticeship and other Training Schemes <i>Third Survey on Working Conditions</i>
France	15.3	9.3	3.2	1.4
Germany	12.7	8.5	0.6	2.1
Italy	10.1	5.4	5.0	4.2
Spain	32.0	27.1	2.3	1.4
UK	7.0	9.2	2.2	0.4

Sources: Employment in Europe 2002, European Foundation for the Improvement of Living and Working Conditions (Düll, 2003)

Let us take, for instance, French and German data: The percentage of so-called “temporary jobs” for France (translated in French Eurostat documents as *contrats à durée déterminée, CDD*) amounted in 1999 to 14% (and 15% in the 2000 Eurostat LFS). The corresponding figure for the indicator mostly used in France, i.e. the *Formes Particulières d’Emploi* (FPE), amounted for 2000 to roughly 10%. An estimation of this 5 points discrepancy was made with the help of ministry of employment statisticians for the French literature review report (Barbier et al. 2002). The main cause accounting for it is related to public administration contracts (central state as well as local authorities). Actually the French most commonly used “CDD” (fixed-term) figure does not include public administration “CDD” contracts.

For the analysis of the German data on temporary employment, it must be taken into account that a large share of fixed-term contracts are apprenticeship contracts. However, apprenticeships need to be explicitly excluded from the analysis. According to German Labour Force Survey data, which excludes trainees and soldiers, the temporary work rate in Western Germany amounted to 5% in 1991 and to 7% in 1999. In Eastern Germany, due to a higher share of subsidised temporary contracts, the respective shares amounted to 10.3% and 13.1% respectively. The 1999 European LFS data is indicating the share of temporary employment at a level of 13.0% for the whole of Germany. Thus, in the first part of the research, an additional indicator has been used to measure the temporal dimension of precarious employment: tenures. This indicator has the advantage that employment instability and temporal insecurity is disconnected from special employment forms, but, conversely it is of course unable to convey the specific insecurity which results from temporary contracts.

Similar problems exist with regard to the use of voluntary and involuntary part-time employment, as we have seen above. Also “part-time” is not precise enough to distinguish particular forms of employment as for example “marginal employment” in Germany (“geringfügige Beschäftigung”).

There is no common data source on the share of “quasi or false self-employed”. At the national level the volume of quasi self-employed and, within this, the share of precarious employment, is difficult to measure. However, this category might be quite important in some countries. Thus, quasi self-employment and freelance work reaches a high volume in particular in Italy. In 2000, nearly 2 million persons were registered as “freelance co-ordinated workers” (*lavoratori coordinati continuativi*). Together with occasional work, being classified as self-employment, and profit sharing associations, freelance co-ordinated work is regarded as part of ‘quasi-subordinated’ work. The “freelance co-ordinated workers” appear to be a highly heterogeneous group of workers with regard to gender, geographic areas and occupation. This category of workers encompasses managers and professionals as well as workers with more controlled tasks (Frey, Caviglia and Pappadà, 2002). Most interesting in this respect are the data provided by a study of self-employment in the UK (Table 3.2.2.b):

Table 3.2.2.b.- Dimensions of Unclear Self-Employment Status

	% of those whose self-employment status was unclear
<i>Control test</i>	
- individual being told what to do	45
<i>Integration test</i>	
- covered by grievance/disciplinary procedures	21
<i>Economic reality test</i>	
- cannot hire/sub-contract	36
- employer provides equipment	20
- paid weekly, monthly salary	21
- employer pays National Insurance/tax	7
- entitled to sick pay/holidays	7
<i>Mutuality of obligation test</i>	
- cannot work for more than one work provider	23
- cannot refuse work	19
- worked for only one employer in the last six months	45

Source: Burchill *et al.* (1999)

3.4. The incidence of precarious employment at the national level

The literature reviewed and the cross-national comparison of precarious employment undertaken (Düll, 2003) have showed the need to take into account different levels of analysis. We have distinguished three broad levels of analysis: first of all, the *characteristics of actual jobs*, that is to say, that which makes a job precarious. Secondly, what may be called jobholders' characteristics; it is at this level that transitions and trajectories come into play. And thirdly, what may be called contextual factors like the strategies of firms and the overall national regulatory and economic context, which correspond to the factors which are fundamental in accounting for precarious employment.

PE was found to take, as one would expect from a multidimensional approach, many forms, often combining precariousness in two or more of the aforementioned four dimensions: *temporary or non-permanent employment*, *part-time employment*, *low wage work* and what is known as the *working poor*, *undeclared work*, and a variety of *hybrid forms of employment* combining characteristics of waged employment and self-employment which have substantially grown in the last fifteen years such as *bogus self-employment*, *economically dependent work* and other forms of *quasi self-employment*. At the national level this variation involves different levels of both precarious employment and labour market flexibility depending, on the one hand, upon national institutional traditions and employment and welfare regimes, and, on the other, upon the relative situation of each country, e.g. in terms of competitiveness, vis-à-vis other countries.

- *Temporary or non-permanent employment* (i.e. employment not based on an open-ended and continuous contract, but limited in time such as, in particular, fixed-term contracts, temporary agency work and casual or seasonal work) constitutes an important proportion of employment in our countries and indeed in Western Europe. It is by far the main form of PE in Spain (about one third of all employees), but is also common in the other four countries (around 8-15% under rather conservative estimations). In all countries it is also found in the public sector. Non-permanent employment is particularly associated with low wages and reduced

- social protection (both because of lower entitlements and because of discontinuous careers).
- *Part-time employment* is also significant in all countries (from about 8% of total employment in Spain to about 25% in the UK, where it has become a structural feature of the labour market). Most part-timers are women. Contrary to prevailing views and ways of measuring it, the detailed study by Marlier and Ponthieux (2000) relying on the 1996 ECHP survey has shown, as mentioned above, that there are very high shares of *low waged part-time* and that most female part-time is *constrained part-time*— it must be pointed out that low waged and constrained part-time would yield still higher figures had the employees working less than 15 hours a week not been excluded from the ECHP data set.
 - *Hybrid forms of employment* (combining characteristics of waged employment and self-employment, as the boundaries between these become more blurred) constitute one of the main and relatively most recent manifestations of PE. Although by their very nature as hybrids they do not afford measurement through regular statistical sources and standard surveys, and of course research is very scarce, these forms of PE are considered to play an increasingly important role in European labour markets. There are no data nor even approximate estimations of *bogus self-employment* (subordinate employment disguised as autonomous work). The existence of *economically dependent workers* (workers without employment contracts as waged employees who are economically dependent on a single employer for their income) “is documented in a number of European countries such as Italy, the UK, Germany, Spain and Portugal”; its incidence has been estimated at 28% of self-employment, and more than 6.5% of total employment, in Italy, whereas in other countries where it has been studied such as Germany it stands at much lower levels.⁷
 - *Low wage employment* and *working poor* are the main expression of precariousness in the economic dimension of employment. Although research on low wage employment is rather patchy and definitions vary considerably, low wage employment has been found to represent a significant proportion of employment in the EU, with about one employee in seven being low waged – an estimation which becomes one in five in the UK and is also very high in Germany. Most low wage

employees are women: 77% in the EU, and as high as 81% in the UK. As to the working poor (employees whose salaries are below a standard poverty threshold), available estimations indicate that about 8% employees in the EU are poor, with Germany and Italy showing the highest levels of working poor.⁸ It must be pointed out that these two forms of PE are tightly associated to growing *earnings inequality*.

- Bad working conditions seem to be a main feature of precarious employment, with very high proportions of accidents at work, particularly in Spain.
- In terms of volume, and taking together all forms of employment which may be deemed to be precarious, precarious employment seems to be at a comparatively low level in Germany, France would take a mid-level position, the UK and Italy would range between a mid and a high level of PE (with regional dichotomies in Italy), and Spain exhibits, according to official figures, the highest level.
- In terms of volume, if we take the category of 'low quality jobs' as defined by the EC in the 2001 Employment in Europe report as 'precarious jobs', it has to be said that *one quarter of all jobs in the EU can be considered as precarious or low quality jobs*. Of these, roughly a third are jobs without employment security or employer provided-training (two features with a very different importance); the EC describes these jobs as "precarious jobs without any career prospects". The other two thirds of jobs of lower quality are low pay/productivity jobs but offer at least some job security or career prospects. Unsurprisingly, in 1996 the share of dead-end jobs, i.e. highly precarious jobs, was particularly high in Spain (about a quarter of all jobs); together with jobs of low pay/low productivity, the share of "low quality jobs" in Spain amounted to about 40%. In Italy, the UK and Germany the share of "low quality jobs" was roughly at EU average, i.e. about 25%. Especially in the UK and in Germany the main bulk of them were low pay/low productivity jobs (approximately 20% of all jobs in these countries).

With respect to *the question of whether or not precarious employment is increasing*, our review of the literature showed that in most countries precarious employment has

⁷ Quotation and data from Pedersini, R. (2002) "'Economically dependent workers', employment law and industrial relations", *EIRO online*, <http://www.eiro.eurofound.eu.int/index.html>, pp. 1-22.

⁸ Source: Eurostat (2000): 'Low wage employees in EU countries', *Statistics in focus, population and social conditions* No. 11/2000, on the basis of the 1996 ECHP survey (figures do not include employees working less than 15 hours a week).

increased over the last two decades. A considerable proportion of temporary employment, particularly high in Spain (about one third of all waged employment, although a slight decrease of precarious employment over the recent past has been recorded), seems to have become a structural feature of the labour market. And yet, this growth, mostly starting from an initial low level, has not actually abolished permanent full-time jobs as by far the most frequent form of employment. Nevertheless, the standard employment relationship has been weakened mainly because of what the literature calls the ‘threat effect’, i.e. the threat of being laid off posed by the very increase of precarious employment, the regular occurrence of layoffs, and weakened employment protection legislation and institutions.

In Spain the growth in precarious employment over the last two decades, and leaving aside the last five years, was driven in particular by the rise in temporary employment. In Italy, the recent rise in the number of free lance co-ordinated workers (*collaboratori coordinati continuativi*) and of occasional workers (*lavoratori occasionali*) has led the policy maker to control (not successfully) these kinds of quasi self-employment. The Biagi Reform (law no. 30/2003 and Act no. 276/2003) has substituted *collaboratori coordinati continuativi* by workers on project and has fixed two strong yearly limits to occasional work (it cannot go beyond €5000 and 30 days of tenure with the same contractor). In France a rise in atypical employment (*formes particulières d’emploi*) has been recorded and in Germany marginal part-time employment (*geringfügige Beschäftigung*) has also grown.

Despite the rise of precarious employment in all countries since the mid 1980s, the data of the Survey on the working and living conditions carried out by the European Foundation in Dublin suggests that on the whole atypical employment – which, in this case, only includes temporary employment – has not grown at least between 1995 and 2000 and that the standard employment relationship prevails in the sense that it continues to be by and large the most frequent one in Europe, even though it has been weakened (an effect very rarely considered in the literature). Furthermore results would be very different had part-time employment and other forms of non-standard employment been taken into account.

3.4.1. The radar chart methodology

As we said before, the radar chart methodology, although it cannot be a substitute for the lack of an aggregate indicator, is a very interesting way of analysing precarious employment, for it allows to simultaneously consider a number of indicators of precarious employment and thus to have an overall picture of its incidence. This methodology is useful when the indicators chosen are not weighted, as there are no criteria to decide how much importance, and thus weight, each dimension of precarious employment should have. We do not know, for instance, whether insecure employment, as measured through temporary employment contracts, is to weight more or less than, say, very low wages, or lack of access to social or collective protection. As far as we know there are no studies which deal with this challenging issue, nor even exploratory analyses.

A second major aspect of these methodologies obviously lies in making an appropriate choice of indicators, an operation which in our case was limited by the indicators available in the data source, the Third European Survey on Working Conditions carried out in 2000 by the European Foundation for the Improvement of the Working and Living Conditions (European Foundation, 2001). And yet, despite these limitations, we present this exploratory work (mainly carried out by Vogler-Ludwig, 2002; see also Düll, 2003) here mainly on account of its methodological interest. The results of this exploratory exercise, although interesting, must be taken with caution.

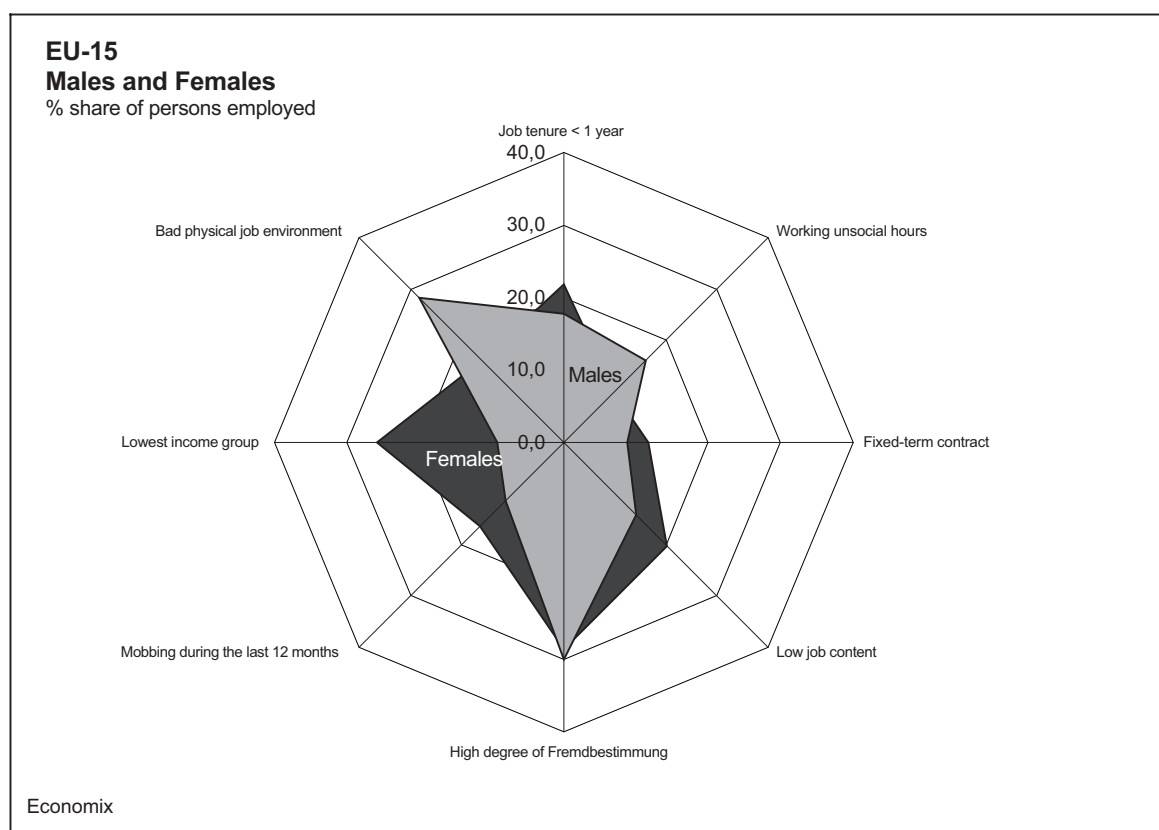
The survey combines individual data for 21,800 cases for all 15 EU countries in a structured sample, and allows for defining various indicators for precariousness. As precarious employment is considered as a multidimensional phenomenon, eight different indicators were constructed:

- lowest income quartile
- job tenure < 1 year
- fixed term or temporary employment agency contract
- low intellectual job content
- high degree of Fremdbestimmung (heteronomy)
- harassment during the last 12 months
- working unsocial hours
- bad physical job environment

The indicators were combined in radar charts and presented for the total of the labour force, and its subgroups (gender, age, occupation).

The striking result of this data extraction is that precarious jobs are highly concentrated on young persons and on less skilled workers. This can be observed in all countries of the EU. In addition, female workers are more likely to be found in low paid jobs and short-term jobs while men are more likely to be in a job with unfavourable physical job conditions.

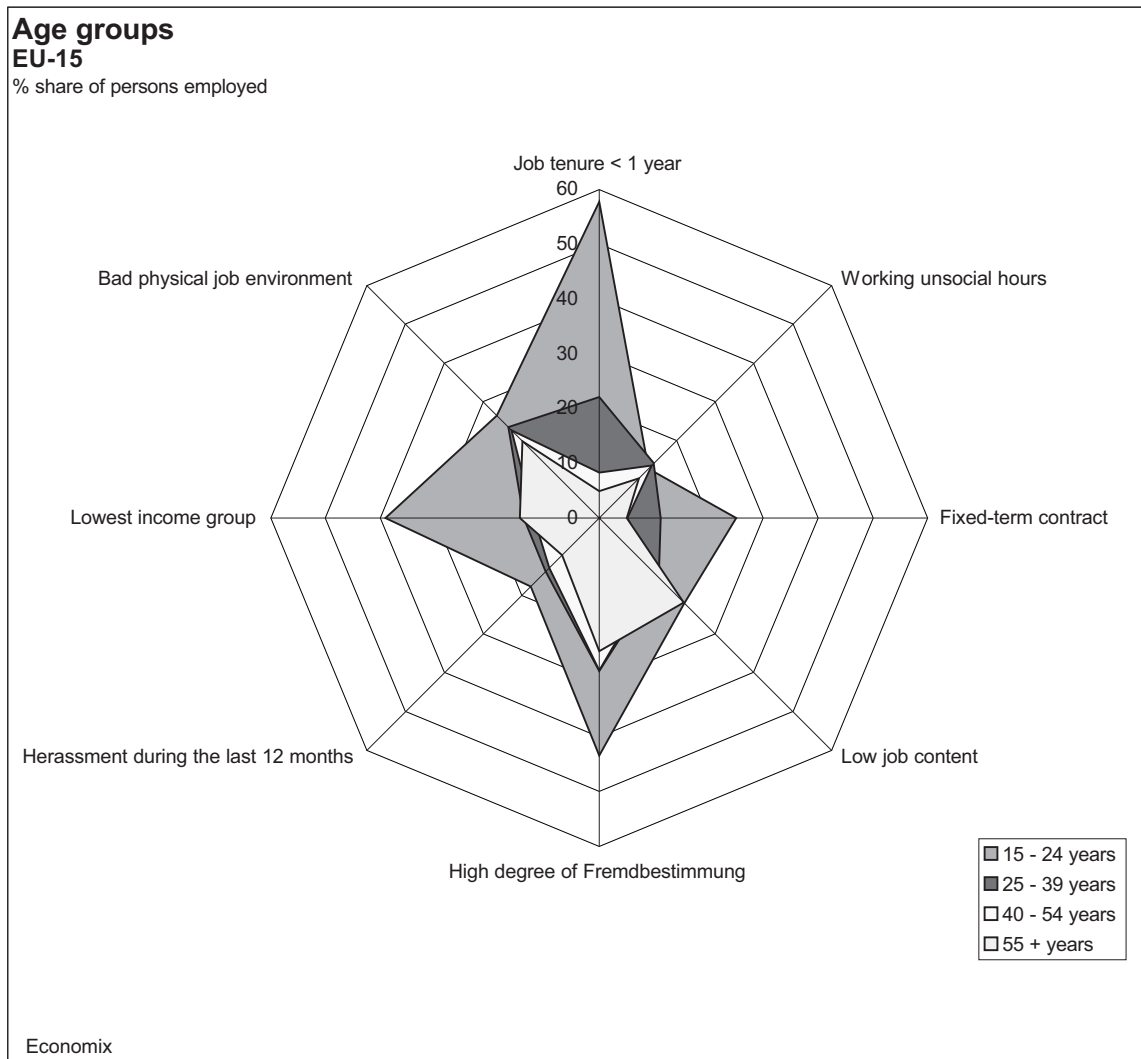
Chart 1. Eight indicators of precarious employment in Europe by gender



Source: Third Survey on the Working and Living Conditions carried out by the European Foundation for the Improvement of the Working and Living Conditions

Basically, the data reveals that compared to EU average, in particular Spain showed a higher incidence of bad physical job environment, job tenures under one year, fixed-term contracts and a high degree of heteronomy meaning a low degree of work autonomy. In contrast, in Italy and in Germany most indicators proved to remain below EU average, except a slightly higher percentage of Italians reporting a low intellectual job content. In France the percentage of respondents indicating a bad physical job environment was slightly higher as compared to EU average, most of the other indicators ranging near EU average. However, less French respondents reported to have a low intellectual job content as compared to EU average. Also the British case is not diverging significantly from EU-average but for a higher percentage of persons who experienced mobbing. In general, there might be a problem that these data insufficiently reflect the cases of hidden employment.

Chart 2. Eight indicators of precarious employment in Europe by age



Source: Third Survey on the Working and Living Conditions carried out by the European Foundation for the Improvement of the Working and Living Conditions

The analysis of the data reveals that on EU average at least one of the 8 indicators applied to 70% of the respondents. In Germany, this share was lower (65%), followed in this ranking by Italy (67%), France and the UK (74%) and finally Spain (79%). However, the respective shares are significantly lower if at least two of the characteristics are valid with the following only slightly modified ranking: Italy (36%), Germany (38%), France (43%), UK (45%) and Spain (52%). Taken “at least 3 indicators valid” as measure of a given degree of employment precariousness, the incidence of precariousness is much lower, with both Germany and Italy experiencing the lowest shares (16%), followed by France and the UK (20%) and finally by Spain (30%). It should be added that “at least four indicators valid” were stated by 5 to 6% of

the German and Italian respondents, 7 to 8% of the British and French respondents and by 13% of the Spanish ones.

These results, as we already pointed out, must be taken with caution. In some cases, e.g. Spain, the data seem rather similar to those provided by other surveys and to the well known precariousness of the Spanish labour market. It is however much more risky to state the same of other cases, particularly of Italy, the good performance of which is somewhat astonishing. One possible explanation would be that in the official economy there is a high degree of stability which contrasts with the importance of hidden employment reported by Frey, Cavicchia and Pappadà (2002). Furthermore, the survey data may still underestimate the portion of quasi self-employment which can be regarded as precarious employment, even though the share of persons with tenure under one year is significantly higher according to the survey data as compared to the Eurostat data.

The data of the Third Survey clearly show that on EU average the chosen indicators are significantly higher for 15 to 23 years old. The data also show major differences between men and women in all countries. In particular the women in all countries under review but France situating themselves within the lowest income groups are more likely than men to have job tenures below one year.

3.4.2. The incidence of precarious employment among particular segments of the population

The groups of workers and the sectors affected most by PE are showing a great deal of similarities across all countries (Düll, 2003):

- There is a higher and – with the exception of Germany even a markedly higher – probability for young people to be in jobs with low pay and/or insecure jobs with bad career prospects. However, in the UK, Italy and Spain short tenures and temporary work, and in the case of the UK part-time work, also affect older workers.
- A low skills level also leads to an above average probability to be in precarious employment. However, case study evidence shows that, particularly in the cultural sector, a medium skills level and belonging to a clearly defined profession do not prevent from precarious employment.

- Immigrants are more likely to hold precarious and very precarious (not infrequently not declared) jobs.
- As regards the structure of low quality jobs in the European Union, it can be stated in general terms that the gender gap is quite important, although not all indicators assessing different dimensions of precarious employment show a less favourable situation for women.
- Overall, those workers most likely to be affected by precarious employment also face higher labour market risks and experience inequalities in labour market access.

We do not mean here that whole categories of the workforce are likely to be ‘outsiders’, the rest being ‘insiders’. Rather our research confirms the idea that multiple segmentations are at play. Furthermore, the employment conditions of the workers of, say, an externalised service, affect the bargaining power and ultimately the employment conditions of those who have remained in the matrix organisation, as our case studies showed, particularly in the UK (Baldauf, 2003) and in Spain (Frade, Darmon and Alvarez, 2003). These dynamics are reported in more depth in section 3.5 below.

A crucial question is whether individuals affected by precarious employment are *trapped* or whether they *are able to move to better positions*, although the fact that they might be able to move should be distinguished from an idyllic vision of precarious employment serving as a springboard. With this caveat in mind, and being aware that there are various forms of employment precariousness (multiple segmentation), it may be worth considering the Galtier and Gautié models (2000, p. 26-27, quoted in Barbier *et al.*, 2002): according to the ‘*labour queue model*’, new labour market entrants have to queue in unemployment or temporary jobs, waiting for a permanent one; they are *temporary outsiders*. According to the ‘*partition model*’⁹, secondary and primary sectors are two separate worlds, with no bridge between them; the *outsiders remain definitely trapped* in secondary jobs. These models could probably be extended to include part-time employment (especially with few working hours) and quasi self-employment; in France the result, according to economists and notwithstanding the influence of economic cycles, is that the labour market seems, overall, to have moved nearer to a ‘partition’ model during the last 20 years. In Italy, we can find a sort of permanent distinction between two groups of workers: the full time permanent workers,

well social protected by the legal framework and by collective agreements, and workers in atypical situations who suffer (with few exceptions) from a weaker position and poor working conditions, in addition to a higher probability to move towards another precarious job or unemployment .

This is confirmed by the research carried out in the 2002 *Employment in Europe* report (EC, 2002), from which it emerges that, between 1997 and 1998, approximately 33% of those in low quality jobs in Italy, 31% in Germany, 30% in Spain, 25% in the UK, and 20% in France moved to a higher quality job, the rest remaining in low quality jobs or moving into unemployment (especially in Spain and France), or into inactivity (especially in the UK). The measure of transitions between “dead-end jobs” and “low pay jobs” into “higher quality jobs” is obviously much better, from a comparative standpoint, than from temporary into permanent employment, because of the “national specificities” in terms of atypical or less frequent forms of employment.

3.4.3. *Conclusions: estimating the overall incidence of precarious employment.*

An abundant strand of the literature, involving jurists, economists and sociologists (e.g. Rodgers and Rodgers, 1989; Boissonat, 1995; Supiot *et al.*, 1999; Morin, 1999) has already pointed to the fact that the *diversification of the forms of employment relationship* which has taken place in the last two decades has led to a questioning of the categories on which the standard employment relationship was based and to an erosion of the protection derived from the labour law, collective agreements, and the employee status in general. Recent research in the UK (Earnshaw *et al.*, 2003) has highlighted for example the blurring of the frontiers between employees and the self employed: “Just as there was a growth of self-employment which exhibited features of dependency associated with employee status, so too the employed workforce became more fragmented and individualised”. In short, the key distinction between employment and work is being called into question: for a number of new forms of employment, “*employment contracts are managed ... on the mode of the pure market*” (Morin, *op c.*, p. 196, emphasis added). The “weakening of the fordist employment relation and [the] ‘re-commodification’ of work”, as G. Gauthier entitles a long section of a recent article

⁹ “Partition” refers here to the mathematical concept: there is a partition when a set is entirely subdivided

(Gautié 2003, p. 83), is increasingly recognised as the process which underlies what we have called precarious employment. Work, which had been partly de-commodified, especially after the second World War (Esping Andersen, 1990), has been again partly re-commodified (according to the meaning of commodification defined by Polanyi, 1944).

The ESOPE project has documented this transformation starting from the four dimensions of precarious employment described before. Both the literature review and the empirical research (for the latter see section 3.5) highlighted the development of a lower-end labour market segment, which may be substantial in some countries more than in others, characterised by diverse levels of sub-standard employment conditions. On the other hand, they have also provided evidence of the erosion of the standard employment relationship itself, even if empirically standard employment continues to be by and large the most frequent form of employment. Among the main factors accounting for this there are four of the greatest importance: diminished protection against dismissal, the regular occurrence of layoffs, and the very existence of significant proportions of precarious employment and unemployment.

As has been shown, the development of sub-standard or precarious employment takes a variety of forms, the most important of which include *non permanent contracts*, *part-time employment* (under certain conditions, e.g. constrained, underemployment) and *economically dependent self-employment* (which is sometimes recognised as a new status of employment, like in Italy, or is considered as *quasi self employment*). These forms of employment are often associated with lower rights, including the difficulty to materialise the non-discriminatory legislation in place (European directives), lower earnings, and lower entitlements to social protection – especially protection against unemployment.

The issue of part-time work is complex. Usually presented at the European level as a form of employment which should be promoted in order to favour the conciliation of working and family lives, it has also been demonstrated to be associated with a lower remuneration (Marlier and Ponthieux, *op.cit.*). In addition, in insurance-based welfare regimes, low working hours may not give rise to social protection entitlements (Barbier *et al.*, 2003a). As we have already explained (section 3.3.1), the extent to which part-time employment should be regarded as precarious is at the heart of the debate on the

in sub-sets, which have no intersection between them.

use of measures of voluntary/involuntary part-time.

Economically dependent employment and quasi self-employment should be distinguished (Pedersini, 2002), because economically dependent employment corresponds in some countries (Italy in particular) to a new status of employment, unlikely therefore to be re-qualified as subordinate employment, whilst quasi self-employment is much more difficult to grasp, and refers to self-employment which is subordinate employment in disguise. However both may be forms of precarious employment.

Thus, whilst we cannot possibly equate self-, part-time, and temporary employment with precarious employment, it is likely that the increase in these three forms of employment brings about a parallel increase in precarious employment. In this respect, a comparison of the incidence of non agricultural self-employment, part-time employment, and fixed-term employment in the five countries of our study and at the EU level may be useful.

Table 3.4.3. - Non agricultural self-employment, part-time and fixed-term employment as a share of total employment in the five countries and at EU level

	Self-employment as a % of non agricultural civil employment (OECD data)		Part-time employment (ELFS data)		Fixed-term employment (ELFS data)	
	1995	2000	1994	2001	1994	2001
D	8.72	8.06	15.8	20.3	10.4	12.4
E	18.62	16.02	6.7	8.1	33.8	31.7
F	8.58	8.06	15.2	16.4	11.5	14.9
I	23.12	23.21	5.9	8.4	6.8	9.8
UK	12.19	10.83	24.2	24.9	7	6.8
EU	12.78	12.54	15.5	17.9	11.5	13.4

Sources: Pedersini 2002 (for self-employment);
European Commission 2002 (for part-time and fixed-term employment).

These figures, which are very high, may be taken to be measuring the incidence of atypical employment. How much of this is precarious employment is not possible to say. On the one hand, the figures from the Table cannot simply be aggregated, for there may be a number of jobs counted twice (in two columns). On the other hand, with regard to precarious employment, it is also fair to say that there are a number of regular

or standard jobs which are also precarious in one or more respects and to varying degrees (due in essence to the interplay between the threat of unemployment and the erosion of employment protection legislation and institutions), but which are not counted in the statistics and as a rule glossed over in many surveys. In its last *Employment in Europe* report, the EC states that “up to a quarter of Europeans remains in jobs of relatively low quality, having either low pay, and/or a lack of job security, access to training or career development” (EC 2003, emphasis added). But even this already high incidence may be an underestimation, and our research provides different sources of evidence (although so far impossible to integrate) that the incidence of precarious employment or low quality jobs is higher than one quarter in the five countries of our study, perhaps much closer to one third, with some countries such as Spain, the UK and Italy (contrary to the underestimated Italian figures in the EC employment report) presenting still higher rates.

What is perhaps most interesting in the above Table is that those figures may be considered as an indication that different countries reach rather similar levels of labour market flexibility by resorting to a sort of common tool kit differently used according to the specific tools available and to what each country considers as its needs. More research would be needed to investigate this interesting question. Be it as it may, the ‘national specificities’ in terms of one atypical form of employment or another clearly appear in the Table; with the help of relevant literature and on the basis of our own research, some main tendencies can be discerned.

- In Italy, as said, economically dependent employment has been assessed at 28% of self-employment, and more than 6% of total employment (Pedersini, 2002). But Frey and Pappadà (2003) point out that the assessment of quasi self-employment is still far from being adequate, and that, probably, if adequately measured, Italy would rank second behind Spain in terms of “flexible jobs”. In other countries where research on economically dependent work has been carried out (Germany for our set of countries), it stands at much lower levels. Quasi self-employment has not been sufficiently explored in the other countries to allow us to draw conclusions. The take up of this issue both by the European Commission (Perulli, 2003) and by the European Foundation for the Improvement of Living and Working Conditions (Pedersini, 2002) should be accompanied by more quantitative and qualitative research, as we have already pointed out before (section 3.3.1).

- Part-time employment is important and growing in Germany, and significantly associated with low wages (59% of the workers on low wages are part-timers according to Marlier and Ponthieux, *op.cit.*). Part-time employment is now a structural feature of the UK female labour market. It is largely associated with low wages (Bardasi and Cornick, 2000; and Marlier and Ponthieux, *op.cit.*), as 67% of individuals on low wages have a part-time contract.¹⁰ Part-time employment is also growing in France although at a lower pace than in Germany.
- Fixed-term employment has become a structural feature of the Spanish labour market over the last two decades, as is shown by the fact that, despite vigorous measures (1997) for supporting the conversion of fixed term into permanent contracts, the rate has not decreased in any significant way. Fixed-term employment is particularly associated with low wages and reduced social protection (both because of lower entitlements and because of discontinuous careers).
- Fixed-term employment is also expanding in France, although it has been shown to be over-estimated by Eurostat (Barbier et al., 2002a), and to a lesser, but still significant, extent in Germany. In the case of Germany fixed-term employment is, on the contrary, likely to be under-estimated due to the difficulties in measuring marginal employment (which is counted in that category) (Düll, 2003). Individuals in so-called “marginal” employment (less than 15 hours and less than 630 DEM per month) as a first job represented 12.1% of the total number of employees in 2000, against 11.6% in 1998. Employees in marginal employment as a second job represented 6% (8.3% in 1998) of the total number of employees; two thirds were women, and more than 80% of marginal employment was located in West Germany (Heineck and Schwarze, 2001, quoted in Scheele, 2002a).
- Finally, we should not forget the importance of undeclared work, which seems to have grown all over Europe (according to the synthesis study carried out by Mateman and Renooy, 2001, for the European Commission), as well as the existence of specific derogatory labour regimes, in some particular sectors and countries, which provide explicitly lower labour rights than the standard employment relationship, e.g. the domestic regime in Spain (1985) and the more recent one in Italy (collective agreement for domestic workers, 2001) (Laparra and

¹⁰ And it has to be taken into account that the ECHP, on which the referred to authors base their findings, only counts individuals working more than 15 hours a week.

González 2002 and Frey, Livraghi et al. 2003).

3.5. Incidence and main forms of precarious employment in selected service sectors

The empirical research through case studies of three service sectors characterised by their dynamism in terms of comparatively high employment growth, high incidence of precarious employment, and possibly differential sectoral dynamics, was the core of our project and yielded most interesting results (Frade, Darmon and Alvarez, 2003).

The literature review (Düll, 2003) already showed that atypical employment contracts are concentrated on the service sector in the five countries of our study, with a major incidence of precarious employment in the personal services, and a growing incidence, particularly of temporary employment contracts, in the public sector; this is partly due to subsidised employment in labour market integration schemes (especially in France and in Germany).

3.5.1. Predominant patterns of precarious employment in selected service sectors

Overall, the research evidence showed *a high incidence of various forms of precarious employment in the three service sectors studied*, and much less so in the sector of multimedia industry in Germany. An overview of the incidence and main forms of precarious employment, as well as of their meaning, can be best gained by clearly separating the *characteristics of actual jobs and main employment patterns*, which we may call the *synchronic* dimension, from the prevailing *employment trajectories* (these are features of jobholders, not of jobs), which we may call the *diachronic* dimension. The latter refers not simply to transitions, but to whether and to what extent actual jobs and employment patterns are developmentally and professionally embedded in meaningful employment trajectories, or whether, on the contrary, they are simply jobs and employment patterns disembedded from any developmental rationale. In other words: the question is whether there are jobs and employment patterns which can define ex ante trajectories, thus signalling a future for

the individual (hence the idea of developmental, meaningful trajectories), rather than about transitions, which only define ex post itineraries (see Table 3.5.1):

Table 3.5.1. - Precarious employment in selected service sectors:
incidence and meaning

	Employment characteristics and patterns	Employment trajectories
<i>Call Centre (i.e. call centre companies)</i>	Extremely high proportion of <i>limited duration temporary employment</i> (including <i>fixed-term, marginal, agency, and casual employment</i>), <i>low number of hours</i> , and <i>quasi self-employment</i> .	There are <i>no employment trajectories at all</i> . Jobs and employment patterns appear <i>completely disembedded</i> from any professional development rationale, to the point that even <i>seniority and salary progression are regularly denied</i> through the strategy of frequent contractual changes. ¹¹
<i>Performing Arts</i>	High shares of complex patterns of <i>self-employment, fixed and short-term, project-based employment, with frequent sequential stop/start periods, and multiple employment</i> (particularly <i>second job holding</i>).	Jobs and employment patterns do appear <i>developmentally embedded</i> in professional trajectories, but this is essentially due to the fact that <i>work here is felt as a vocation</i> . Yet, these <i>trajectories are discontinuous, mainly project-based</i> , often lacking progression routes, and produce a very <i>high exit rate</i> .
<i>Domiciliary Care for the elderly</i>	High shares of rather <i>heterogeneous precarious employment patterns, predominating patterns of low working hours, undeclared and illegal work, on call employment, temporary employment, and multiple job holding</i> .	Employment patterns are to a certain extent developmentally embedded, but <i>professional trajectories are rather unpredictable, lacking coherence</i> (e.g. improved qualifications do not translate into better employment conditions), with a <i>weak professional identity</i> despite the dedication of care workers, and <i>high exit rates</i> .
<i>Multimedia Industry</i>	High shares of <i>free-lance employment</i> , and attached to this, usually multiple work remits linked to different projects.	Employment patterns are embedded in <i>emerging professional heterogeneous trajectories</i> , as a rule <i>individually developed</i> on a highly specialised basis, lacking pre-defined progression routes, and strongly dependent on the mutable business cycles of the new economy.

Source: Frade, Darmon and Alvarez (2003)

The forms of precarious employment found in the service sectors studied involve, to a greater or more limited extent, a level of precariousness along the four main

¹¹ Call centres may be a transitional labour market for students, but this is less and less the case. Actually case study evidence shows that the number of years in the sector has considerably increased (many workers have remained 5 and more years in the sector as operators); furthermore, the last strategy of call centre companies, already advanced in Spain, consist in hiring much more adult women with grown up children and more easily adaptable, and less students.

dimensions of the employment relation (Frade, Darmon, Alvarez 2003):

- *Temporally*: in most cases there is no guarantee of continuing employment, either because of the overwhelming predominance of limited duration employment relations (75% to 90% with precarious contractual modalities in Spanish call centres and 80% of theatrical performers in France) or, as is often the case in the domiciliary care sector, because of the prevalence of low working hours and on-call work (70% of the private providers in England do not guarantee hours to their staff). *Unstable and insecure employment relationships* are thus predominant in the sectors studied.
- *Organisationally: hard working conditions*, with unpredictable work locations, unsocial working hours (37% of domiciliary carers in the UK), and continuous changes in working times, schedules and shifts. In the case of call centres working conditions are particularly bad, with workers subjected to highly intrusive and even degrading high-tech continuous *surveillance* and disciplining systems, and not infrequently working under appalling working environments in terms of health and safety. In the performing arts sector, working conditions can be said to be precarious when rooms and equipment are unsuitable, health and safety regulations are hard to abide by, and working hours are variable and often “unsocial”, e.g. in the case of small companies struggling to make their way.
- *Economically*: low and very low wages and/or earnings are the rule (e.g. € 541 net average monthly wage of the Spanish call centre operators; or € 5.55 hourly wage of the French home-care workers at the entry level), and salary progression either does not exist or is practically irrelevant. In the performing arts sector, rather than low wages, we find wages which are lower than those of equivalent professional categories in other sectors.
- *Socially and collectively: access to social protection is greatly impaired* by precarious contractual conditions, and often workers find many obstacles to accessing basic protection entitlements – the exception here being the French performing arts sector, where the *Convention des Intermittents du Spectacle* (intermittent employment regime) allows for the combination of periods of waged work with periods of protected unemployment, even though the working hours threshold to access unemployment benefits leaves out many artists, performers and

technicians. Collective protection representation and coverage are usually low and, where they exist, have proved unable to guarantee either access to minimal standards or compliance with actual legislation and regulations (unions claim that 50% of providers do not comply with the collective agreement in Spanish domiciliary care services).

The picture of employment emerging out of the empirical research in these service sectors is thus rather bleak, particularly in the call centres and the domiciliary care sectors, and less so in the performing arts, where unstable and insecure employment relationships are somehow compensated by the developmental aspects of the artistic professions *and the vocation that they give rise to*, and the multimedia industry, where actual or expected high earnings and developmental prospects may compensate for insecurity and instability. However, in the performing arts, this does not necessarily translate into professional status, as UK surveys demonstrate (Galloway et al., 2002).

All in all, the specific mode of business organisation known as ‘call centres’, is where the worst, most precarious conditions prevail among sectors and probably among countries, and not only in terms of employment, but also in overall market terms, as suppliers are subject to the discretionary power of their main clients companies, which are often their owners as well, and competition is driven by a down-grading standards rationale (see section 3.6.3 for more details). Such a power and mode of competition of course produce extremely high precarious employment conditions, as everything works in such a way that insecurity and risks are systematically displaced towards workers. The role played by ICT here is absolutely crucial, for new technologies in call centres are as important to relate to customers as they are to subjecting workers to some of the most sophisticated, intrusive and often degrading high-tech surveillance and disciplining techniques.

In the domiciliary care sector, despite growing public awareness and concern regarding the need to provide adequate professional services to a booming elderly population, the lack of political will to expand access, coverage and funding levels has led to the development of a sector basically founded on the transfer of provider insecurity and risks onto workers, making use of a whole array of labour market devices and in some cases circumventing legislation. Despite current funding problems, the introduction of a universal dependency benefit in France seems indeed to have made some difference in those respects, although the situation of care workers is still far from

satisfactory. Whereas this is a sector where workers have a sense of professional responsibility, and where service to users crucially depends on individual capacities and dedication, there is scarce recognition, in both the policy framework and the employment regulations, of the burden assumed by workers individually. This is also due to the devaluing of care activities traditionally assumed by women in the household, and to the massive presence in the sector of mature women with low formal education, as well as recently, and particularly in Spain and Italy, of young and older immigrants, both populations having little resources in terms of collective action.

Employment conditions in the domiciliary care sector are generally marked by unpredictability, under-employment, low earnings, isolation, low status, and low recognition of either qualifications or seniority. Low working hours or derogatory labour regimes translate into inadequate social protection for a substantial share of the workforce. It must be underlined that direct employment by users has proved to be a very unsatisfactory device for the regularisation of undeclared workers, and legal individual carers are in highly precarious positions, whereas workers employed by providers may receive more institutional support depending on the employer.

3.5.2. Estimating the incidence of precarious employment in selected service sectors

In considering the *incidence* of these different forms of employment we have to take into account the enormous difficulties or simply the impossibility of accessing reliable information and data. Hence we only provide some *estimations*, which are however indicative of the situation of the service sectors studied in terms of the approximate incidence of the main forms of employment on a country basis.

CALL CENTRES: in the absence of reliable figures, the closest synthetic estimations of the most characteristic employment patterns and their relative weight in call centres that we can make point to *a share of precarious contractual modalities of 75 to 90 percent in Spain* (mainly in the form of temporary, fixed-term contracts, many of a very short duration, e.g. one month, but also part-time contracts with few weekly hours), *Italy* (in the form of quasi self-employment, limited duration contracts, temporary agency work, and casual work), *and Germany* (mainly fixed-term contracts, marginal employed, quasi self-employed, and part-time contracts, usually a high

proportion, with a very low number of weekly hours) – although existing figures for Germany tend to be much lower and might actually not be as high, the truth is that reports and surveys on call centres in Germany do not include widely used categories such as, e.g. fixed-term contracts. In addition to this, in Spain, for instance, a very high number of temporary contracts are done each year, e.g. 82,353 temporary contracts done in 2001 for 33,155 temporary employees – and more or less the same effect is achieved in other countries by other means, e.g. through temping agencies or casual work in Italy, and marginal employment in Germany. We can thus see that *insecure and unstable employment is endemic in the call centre companies*, to the point that the call centres sector probably is among the worst sectors in each country in terms of precariousness of employment.

Regarding *salaries, low wages* are widespread in call centre companies; wages are below the national average and as a rule much lower than those of employees working in equivalent posts in other sectors (including those working in in-house call centres). Differences between countries are of course important, but they are in line with the overall salary differences in the national labour markets; *wages do vary across regions within countries*, e.g. between the North and the South of Italy, or between rural areas in Germany and highly dynamic metropolitan areas like Munich and Frankfurt, or between Madrid and Barcelona and peripheral towns in Spain.

PERFORMING ARTS: In the UK *underemployment* is predominant and combines with *self-employment and limited duration employment*. The share of self-employment among cultural occupations amounts to about 40 percent (only 12 percent among non-cultural occupations); rates of self-employment within cultural occupations are highest amongst musicians (77 percent), and among actors, entertainers and directors (60 percent). Regarding short duration employment, the evidence, although often dispersed and related to particular geographical areas or sub-sectors, points to figures of about 40 percent of underemployment among artists, and 25 percent of short-term employment among actors and 17 percent among musicians. The importance of underemployment can be seen by the fact that, according to a report by Equity, in 2000 only 33 percent of actors were employed professionally for more than 10 weeks, i.e. at least 67 percent of actors were underemployed – we can thus see that under-employment among the self-employed is matched by temporary, short-term forms of employment among employees. *Second job holding* outside of the arts and cultural sector and usually under

very precarious conditions is particularly frequent, precisely as a survival strategy, in Britain, and less so in France due to the protection provided by the “*Convention des Intermittents du Spectacle*” to those who pass the access threshold.

In France, instead of high levels of self-employment we have *very high rates of that special kind of temporary employment which is intermittent employment*: 50 percent of all employees in the entertainment industry, radio and television in 1999 had a fixed-term contract (as against 7 percent in all sectors), most of which – the precise number is not available – were specifically *intermittent* fixed-term contracts. The proportion of theatrical performers and dancers working on a fixed-term contract basis (80%) illustrates the predominance of this form of employment in France, where the latest tendency is towards the reduced duration of these fixed-term contracts (Menger, 1997,¹² quoted in Benhamou and Gazier, 2000).

At the EU-15 level there is also evidence pointing in the same direction, even though the statistics available (*Vogler-Ludwig, 2001*) clearly underestimate the shares of temporary, limited duration employment: self-employment is about 40.4 percent among cultural workers in cultural industries, and temporary, limited duration employment is at least 15 percent and probably higher.

Earnings in the performing arts are generally low and, except protected intermittent employees in France, *highly unpredictable*, with periods of no income at all which may last. Apart from a small elite of privileged, well-paid writers, actors, entertainers and directors, the majority of employees and self-employed workers in cultural occupations in Britain and France, and particularly artists and technicians, generally earn less than those in comparable professional occupations. Our findings point to a general decline in earnings in cultural occupations during the last decade in both Britain and France. However, in France, there are statutory minimum wages, usually fixed within diverse collective agreements (e.g. between entertainment producers, on the one side, and on the other dramatic, lyric, choreographic and musical performers) which fulfil an important function. In the UK, apart from the statutory minimum wage, which applies to all professions, there are recommended minimum rates of pay and expenses such as allowances for subsistence on tour, agreed between Equity, ITC and other parties.

¹² According to this author, the length of contracts decreased from 32.5 to 13.5 days between 1985 and 1991, but the annual number of working days decreased as well, and fewer days were spread across more actors.

Though not statutory (and though many people do accept work below the recommended rate) they are influential.

DOMICILIARY CARE for the elderly: Shares of temporary employment and underemployment (mainly in the form of *low working hours*) are generally very high in all countries. Thus, in England *70 percent of the private providers, representing about two thirds of the market, do not guarantee hours to their staff* – hence the generalised use of ‘zero hours’ contracts; in the public sector, the average number of worked hours is about 22 per week.¹³ In Spain, *about an 80 percent share of temporality combines with short working days (4 to 6 hours)*, but the vast majority of care workers, a significant proportion of whom are immigrants, are directly employed by users on derogatory, usually illegal, terms, without any social security registration, 24-hour availability and extremely low wages. In Italy, we were unable to access general quantitative information, *all evidence points to a similar incidence of underemployment, atypical employment contracts and illegal employment*. France, with *average working weeks of 16 hours* (staff employed in third sector organisations) *and 11 hours* (care workers directly employed by users), has the *lowest working weeks of all countries reviewed, and part-time working only in part corresponds to a wish by carers, often under pressure due to the lack of adequate childcare (this is also an issue in England)*. *In any case the number of hours and their distribution may be imposed by providers*. Overall, the unpredictability of work volumes and therefore of earnings is generalised in all countries.

Wages are usually very low, both hourly and monthly wages. Monthly wages, calculated on the basis of average hours, range from less than 300 € for individual care workers in France and in the private sector in Spain, to 490 € for formally qualified third sector staff with 20 years seniority in France, around 450 € in third sector organisations in Italy, and 585 £ in the private sector in England¹⁴, where the average working week is 27 hours, higher than in the other countries. On the top of this, in all the countries of our study *travel costs are not often paid, seniority is not recognised, and overtime is sometimes paid as normal hours*.

¹³ Our own calculation on the basis of statistics on social services staff.

¹⁴ The figure takes into account the basic hourly rate. However, any pay enhancements staff may receive are likely to increase to result in a modest increase in wages.

MULTIMEDIA INDUSTRY: figures about the share of free-lance employment vary considerably among different studies; the estimations report an incidence of freelancers going from 21 percent to 56 percent, and there is no data about the internal composition of this group, within which there may be important differences. Nor is there information about different forms of underemployment which are probably significant in this sector.

3.6. Explaining precarious employment

Our review of the literature (Düll, 2003) has carried out an analysis of some of the most relevant approaches and theories for explaining precarious employment. These are approaches and theories of a rather different nature, as some have been developed as general socio-economic or labour market theories, while others, much more reduced in theoretical reach, have been specifically developed in order to explain labour market dynamics linked one way or another to precarious employment; still others can be considered as expressly aimed at explaining unemployment and precarious employment. Here (section 3.6.1) we shall present an overview of such theories and, where relevant, shall also refer to the national particularities with respect to both the national debates and the diverse institutional and socio-economic context at the national level. Needless to say, most of these theories have a very different bearing in its application to specific countries in particular periods, even though most of them purport to be universal.

In section 3.6.2 we shall present an overview of the main factors accounting for precarious employment, trying to differentiate between the macro, meso or institutional and micro levels. Finally, we shall also present (section 3.6.3) a major part of our empirical research about selected service sectors (Frade, Darmon and Alvarez, 2003), as a chief objective of the case studies of the call centres, the performing arts and the domiciliary care for the elderly was precisely to identify and analyse the policies and the business strategies and labour management practices which contribute to produce precarious employment in these sectors.

3.6.1. Major theories which may contribute to explain precarious employment

We have chosen to present a brief overview the following approaches or theories: segmentation theories, efficiency wage theory, insider-outsider theory and contract theory; (for details and bibliography see Düll, 2003; for the Queuing model see section 3.4.2).

There is an exhaustive literature on *segmentation*. Labour markets are segmented for different reasons, e.g. the different types of production models, the particular division of labour leading to the implementation of different flexibility strategies, and the existence of information and power asymmetries. With regard to analysing precarious employment in a comparative perspective it is interesting to compare whether different segmentation lines exist across countries and how difficult the transition from one labour market segment to the other may be. Labour market segmentation theories insist on the institutional character of the labour market and on the uneven distribution opportunities for entry.

The dual labour market theory, which can be considered either as the first level of segmentation or rather as an approach opposite to segmentation, very prominent in the US, focuses on the distribution of product market risks between the firm and the workers, arguing in particular that the workers at the secondary labour market (or in analogy at the external labour market) has to bear the product market risk and cyclical variations. In Spain there has been a strand of the literature focused on the dualisation of the labour market in a primary and secondary labour market, while in Germany segmentation theories they are showing segmentation lines basically between the internal, and external labour market and occupational sub-markets. In France, labour market economists have highlighted either a myriad of statuses, or at least the emergence of differentiated uses of flexibility and atypical employment contracts according to workforce groups.

In Spain, the dual labour market theory has been challenged by segmentation theories which have described the resort to precarious employment as a labour management system based on the secondary market, where temporary contracts in particular play the double role of allowing for rapid quantitative adjustment and propitiating a personalised labour relation in which companies hold enormous power.

These theories have argued that segmentation in the Spanish labour market has given rise to a shift in the status of employment, making precarious employment the norm. An important body of research has located this analysis within the wider framework of the loss of power and relevance of the unions, in part through policies, which have reduced the scope of collective negotiation. The very rise, in dramatic proportions, of temporality, has obviously also largely contributed to this state of affairs.

Unlike the dual labour market of the United States, the segmentation between internal labour markets in firms and the general labour market especially has been found by German social scientists to characterise the situation in Germany. Inter-firm segmentation, on the other hand, seems to be less pronounced in Germany than in other countries (e.g. Japan, the United States) because the German occupational training system and the scope of collective agreements have an equalising effect on labour market conditions. In German firms this segmentation pattern leads to a split between a stable group of core workers who come primarily from occupational sub-markets and a group of peripheral workers with very general qualifications (*Jedermannsqualifikationen*) who are recruited from the general labour market. Wage differences are particularly pronounced between core workers and peripheral workers, less so between the occupational sub-markets. Especially in periods of recession, peripheral workers are subject to a higher risk of losing their jobs, and it is primarily in this segment that atypical forms of employment are created. Thus, in the German labour market there are tendencies towards a vertical segmentation, which aggravate the unequal distribution of entry opportunities.

In France, it is significant that the focus of economic research has shifted over the last twenty years from an analysis of the possible “scenarios” of evolution of *Formes Particulières d’Emploi* (FPEs) according to the outcomes of collective negotiation to an analysis of now established differentiated forms of employment corresponding to different sectors and activities. Labour market economists acknowledge part of the reshuffle of the employment relationship, particularly in terms of diminished social protection, but insist on the segmentation and plurality of statuses with differentiated exposure to the risks arising from generalised labour market flexibility. They thus also question the analysis in terms of secondary market, and propose a new distinction between groups of the workforce in stable but versatile employment; workforce groups fully exposed to market flexibility; and highly skilled professionals. In such a context,

although FPEs are most often the reference, their total coincidence with precarious employment is questioned.

The segmentation and the contract theory were widely developed in Italy, but they were not strictly related to the debate on precarious employment. However, it should be mentioned, that contract theories were developed to explain the impact of the Cassa Integrazione Guadagni on labour flexibility.

The *efficiency wage theory* is in the first place aimed at explaining wage rigidities and wage levels above the equilibrium wage. It has been argued that efficiency wages are therefore leading to involuntary unemployment. But the efficiency wage theory has also been applied to explain the segmentation of the labour market in an internal labour market and an external labour market or a primary and a secondary sector. The internal labour market (or in the case of the dual labour market theory the primary sector) is characterised by complex tasks and major difficulties in developing a system of control over the performance of the employee linked to the nature of the task. The basic assumption of the theory is that there is asymmetric information about the performance of the employee. Thus, higher wages are paid in order to motivate the workers to be productive and act in a way to substitute expensive control systems. The efficiency wage is paid in order to influence the behaviour of the employee. There are different strands of arguments how the efficiency wage actually enhances the productivity of the firm (mainly moral hazard arguments and adverse selection).

Following this approach, precarious employment is to be found at the external labour market (or the primary sector) and is thus linked to the characteristics of the job and in particular to the way the performance can be controlled and workers sanctioned. This theory may explain important aspects of precarious employment, in particular the lower wages and a higher level of control over workers. The argument can also be applied to forms of non-monetary compensation (e.g. level of employment protection, type of employment contract), the working conditions and the work organisation, particularly the strategies to control the workers' performance. The efficiency wage theory may also serve partly to explain the unequal distribution of risks and uncertainty, e.g. in the internal or primary labour market it is the employer who has to bear the costs of uncertainty caused by asymmetric information.

The *insider-outsider theory* argues that the existence of transaction costs, including the costs of hiring and firing and thus in particular search and screening costs,

bargaining costs, severance pay, as well as fluctuation costs, increases the power of those persons who already hold a job. They are able to bargain wages above their productivity and thus of getting a share of the producers' rent. It is important to note that the theory departs from the hypothesis that Insiders and Outsiders are perfect substitutes (in contrast to segmentation approaches based on skills). In particular the level of firing costs can according to the theory be influenced by Insider. The model has been developed in the first place to explain Insider power. However, this approach has been widely used to explain unemployment. The argumentation line differs from the efficiency wage theory in that it is the transaction costs and the fluctuation costs that are forming the insider power and leading to higher wages.

On the basis of this theory it has been argued that that the volatility of labour demand is lower and the employment level slightly higher in countries where there exist adjustment costs than in countries without employment protection. Firms have to adjust their workforce after demand and productivity shocks. The employment level in the next upturn phase is lower in the event of employment protection, but the volume of layoffs during an economic crisis is lower than in the absence of employment protection and the net result in terms of employment is positive. A number of authors working within this perspective have questioned one of the key assumptions of this theory, namely, that labour protection has negative impacts on the employment level, which may be useful for international comparisons. It has to be noted however, that despite the different approaches towards the dynamisation of the Insider-Outsider model, the basic model is still commonly used to explain high unemployment figures.

With regard to precarious employment, one of the main claims is that in order to avoid high transaction costs, the firms try to avoid employment protection. However, this makes only sense if it occurs in a sub-market where the other transaction and fluctuation costs, particularly hiring costs, are low and Insider and Outsider are perfect substitutes. The Outsider can then be divided into two groups: the unemployed and the precarious workers getting low wages and no protection. The possibility to avoid employment protection costs either by making use of hidden employment or by using new types of institutionalised flexible labour contracts reduces the power of the Insider, who would have to lower their wage claims in order not to be substituted by an Outsider, i.e. an unemployed person or a precarious jobholder.

Indeed a frequently repeated claim in all countries, and less frequent but also

resorted to in Germany and France, is that employment protection is enhancing the Insider power and thus leading to unemployment. In countries like Spain some authors explained the growth of hidden employment resorting to the classical discourse about regulation rigidities and social protection costs that ‘disturb’ the ‘free’ adjustment between supply and demand and push a segment of labour out of the regular labour market. It is interesting to note that in Germany, where precarious employment is lower than in the other countries of our study and the labour market protection costs are high, employers have traditionally been implementing other strategies, although this seems to be currently changing.

From quite early on, but especially in the 90s, the strong segmentation of the Italian labour market has been analysed, on the one hand, as a result of the avoidance strategy of employers confronted to strict employment legislation, and, on the other hand, as a result of protective and corporatist union strategies, to develop employment protection at the expense of whole groups of the labour force. Although such analyses, particularly typical of neo-classical economists, can be found in all countries, in Italy they seem to have been marked by a strong political debate and by a strong support by economists and social scientists linked to the employers Associations (mainly Confindustria). The frequent resort to hidden employment, and also the very high incidence of long-term unemployment were analysed from this perspective. These analyses have led to profound labour market reforms, leading to a diversification of employment statuses and to a rapidly expanding use of “parasubordinati” (various combinations of waged and self employment) and to an expansion of atypical jobs introduced by employment policies (training and work contracts, social utility temporary employment, traineeships, vocational integration plans, work-ships). As it seems natural given the prior and ongoing debate about the ‘rigidities’ of the labour market, these contracts – in contrast to hidden employment – are usually not considered in themselves as precarious, although part of the research community closer to the unions insists on the increase in exposure to precariousness.

According to the *contract theory*, labour contracts exist because of asymmetrical information at the labour market and the fact that workers are risk averse. The workers seek to minimise their income risk and accept a lower wage in return for more employment stability, set in a labour contract (implicit contract). Thus, wages are rigid, but below average productivity. The employment adjustments of firms in reaction to

product market fluctuation are smoother, with a lower volume of variations, than in a world without implicit contracts. The basic models has been further developed. It has been argued by union-friendly social scientists, that there is also an interest of the firms in stable labour contracts. The very existence of this type of implicit contracts can explain why labour markets, in particular in segments which are not marked by high wages, are more stable in some countries than in other countries.

In Germany, departing from the contract theory and the efficiency wage theory, labour market regulation is still regarded by many labour market researchers as fostering the stability of employment relationships and, in this context, enhancing the productivity of the economy. Labour law and collective agreements are perceived by proponents of this approach as an instrument for correcting market failures caused by negative allocation effects. They argue that the standardisation of employment contracts by means of law and collective agreements saves on diverse negotiation costs. Moreover, the standardisation of the relationships induces contract-related investments which in turn create an interest in long-term relationships. Standardised and transparent employment relationships can have a positive effect on the willingness to perform as well as on the employers' investment in human capital. It is also argued that job security in the sense of lower risks of dismissal may have a positive effect on the willingness to perform. This approach, most interesting to the light of current political and policy developments in Germany, can help to explain why in Germany, despite the debate on the "erosion of the regular employment relationship", employment relationships have proved to be quite stable so far and why the incidence of precarious employment has been found to be lower than in other countries, although unemployment still remains at high level.

3.6.2. Main factors and policies contributing to explain precarious employment

The understanding of precarious employment as a multidimensional phenomenon, and the fact that waged work is the very foundation of economically advanced societies, makes it particularly difficult, if not definitely impossible, to explain precarious employment by resorting to some single mechanism or factor, or by a combination of them. In brief: the causes of precarious employment are very complex and can only be accounted for within a perspective which takes into account various levels of analysis

and diverse factors the precise influence of which cannot be easily ascertained, as these factors of course produce constant interaction effects.

At the *macro level* precarious employment is tightly related to current societal transformations and to the broad phenomenon known as ‘globalisation’. Former Fordist, nation-based ‘institutionalised compromises’ have been challenged on various fronts. Overall, wage norms and labour standards are now closely ‘monitored’ by the new monetary system and globalised financial markets, which drastically modifies the scope for national institutional compromises. We have already referred to the ample body of literature providing evidence and arguments about the diversification of the forms of employment, the erosion of the Fordist standard employment relationship as well as of the employment protection legislation and institutions, and the blurring of boundaries between waged employment and self-employment. Nevertheless, we can also find evidence of the permanence of standard employment relationship.

Increasing globalisation and international competition also contribute to explaining the general trend towards *work flexibility*, seen as a general requirement of a dynamic economy. However, flexibility of work does not automatically entail *flexibility of employment*, which certainly has no univocal economic link to overall economic efficiency. It is here where margins of manoeuvre may exist to manage, although arguably less so to prevent, the consequences of the labour market flexibilisation of the past two decades. The attempt to combine flexibility and security is actually one of the main normative orientations that in theory contrasts the European Employment Strategy with the mainstream orthodox policy mix. In Europe, the increasing flexibilisation of work has been mostly implemented along with the flexibilisation of employment relationships: the European situation nevertheless remains very different from that of the US, as described for instance by Senett (1998). It has however brought to the fore a new type of ‘employment relationship’, which some authors have named ‘la flexibilité de marché’ (market flexibility).

There are however limits, as our research has underlined, in a general approach seeking to link globalisation, flexibility requirements and precarious employment, particularly when this is used to explain cross-national differences in the incidence of precarious employment. Economic globalisation and increasing competition at the international level surely contribute to shape the development of national and local labour markets in various sectors of activity, limiting the ability of local, regional and

national administrations and social actors to improve employment in both volume and quality. Nevertheless, this general context cannot adequately explain how precarious employment expands in different ways in some sectors and in some territories.

From a certain economic stand point, it can be stated that the growth of precarious employment appears as a valuable strategy only in the context of a low productivity production model based on the extensive recourse to numerical flexibility. Thus, Spain and the UK show the highest figures of short tenures. In countries with high-wage and high-productivity strategies there is in principle (but the current policy shift in Germany may bring doubts about this) a stronger interest in stable employment relationships, as instability is linked to costs like the loss of firm-specific skills. In contrast to Germany and to a large extent France, in the UK and particularly in Spain precarious employment may be placed in the context of poor productivity performance. In the case of Italy, such statement encounters the problem of the very high dichotomy between Northern and Southern Italy. Nevertheless, it seems that the general link between the 'productive' model of a country or a region (and linked to it to the flexibility strategies adopted by companies) and the incidence of precarious employment could also obtain in Italy.

At the *meso or institutional level*, perhaps the first thing to be said is the explanatory ambivalence of regulations and policies (Barbier *et al.*, 2003a). In Spain, Italy and France, flexibility of employment has been introduced by way of exceptions to the normal employment relationship, to varying degrees, under very diverse justifications for policies and with varying outcomes. Inequalities have appeared as the previous legal norm was collectively deemed not sustainable because it conflicted with labour market flexibility requirements. Exceptions to the norm have often been introduced 'by stealth'; the de facto expansion of the 'parasubordinati' employees in Italy is a case in point, because their status was not regulated until 1995 and its reform failed in 1999 (Frey, Cavicchia and Pappadà, 2002); another example is the de facto negative consequences of the 'insertion policies' and of the promotion of part-time in France. Other exceptions have been justified on account of the solidaristic necessity for job creation (France is a case in point). Still other exceptions have been negotiated by the state and the social partners (Italy and Spain). In all these countries, there is growing evidence pointing towards the inadequacy of current protection for certain categories of people, but also towards the problems of employment careers and transitions for certain categories that appear as durably disadvantaged.

Where they have existed (predominantly in France and Spain), policies which have sought to alleviate or to prevent the negative consequences of precarious employment have only been partly and selectively effective. Indeed, some policies intended to encourage employment creation have also indirectly created bad quality jobs. Moreover, policies which have allowed for exceptions to the ‘legal normal employment contract’ have resulted in the spread of bad quality and insecure jobs: the extent to which these jobs are only ‘entry’ jobs and open up to subsequent career prospects is only scarcely documented, which prevents possible in-depth cross-national comparisons of transition rates. The 1984 and 1994 reforms introduced in Spain are perhaps the clearest example of this kind of policies, as Spain is also one of the countries where – according to the 2003 Employment in Europe report – it is most likely for workers to be trapped in low quality or precarious jobs. It is however certain that the incidence of precarious employment is strongly biased in terms of gender, age, occupationally and by sectors.

Family support, especially in Spain and Italy has provided a sort of ‘buffer’ against employment precariousness for women, and mostly for young people even into their 30s; however it has many negative consequences, the main one being the gender biased activity patterns and their consequences in terms of inequality (private/public; young/older; men/women; sector; qualification). Here the overall review of policies points to a problem of limited effectiveness and to the key question of unequal exposure to employment precariousness across the national labour forces. This situation in terms of inequality may explain the success of the ‘insider/outsider’ perspective; however, one of its dominant assumptions (i.e. that there would be a ‘trade-off’ between decreasing the protection of the protected and increasing the opportunities for the ‘outsiders’) has not been convincingly demonstrated so far by the evidence gathered in international comparative research.

In Germany, and despite the strength of the standard employment relationship, wide-ranging labour market reforms have been heralded under the banner of the Hartz Kommission. From the data sources studied in our project, it seemed clear that the extent of precarious employment in Germany was clearly lower than that observed in the other four countries of our study. Germany combines equalitarianism and generous social protection – although certainly less equalitarian and less generous than the Scandinavian countries. However, contrary to the Scandinavian countries and to the Netherlands, Germany has had a high unemployment problem (a high long-term one at

that). Most analyses tend to consider that the high costs of labour (and the high tax wedge) in Germany are an obstacle to a possible solving of the unemployment and 'incentives' problems. Currently implemented reforms apparently do not consider the option of explicitly increasing the precariousness of employment as a solution to the German labour market 'rigidities'; what seems to be sought for is a policy that increased the flexibility of work within certain secure employment relationships. However it is too early to envisage the possible outcomes of the present reform process (Vogler-Ludwig, 2002a, and Barbier *et al.*, 2003a).

Thus, whereas in Germany the superior normal protection against precarious employment applies very generally, in the three Latin countries, the proportion of the workforce not legally covered varies between 10 and 30%. The fact that, in the sample of five countries, only Germany appeared as relatively spared by the extension of poor quality employment relationships yields to ambivalent conclusions about the role played by 'regulations'. The UK labour market, the least regulated of those surveyed, and the 'Latin' labour markets, often assumed to be over-regulated in certain international surveys (although many authors consider this assumption at the very least as doubtful), seem to produce broadly similar levels of bad quality jobs, according to successive EC's *Employment in Europe* reports. Nevertheless, in the case of Italy and Spain the lack of compliance of these regulations should be taken into account, making them more similar to the British case. Thus, employment 'regulations' and legal protection systems are at least partly irrelevant to address the actual existence of precarious employment relationships.

In terms of the regulation of recruitment, employment, dismissal, redundancy, working conditions, etc., the British labour market was already highly de-regulated in the 1970s with far less regulation than applied to other European countries. Changes to the law directly governing the individual employment relationship during the 1980s and 1990s were relatively minor. In that sense, managers' capacity to manage the employment relationship was affected not so much by the law as by practice: its own practice in particular. Conservative legislation can be seen as having put more 'backbone' into managerial behaviour by legislation aimed at shifting the balance of power in the industrial relationship by emasculating the trade unions and giving greater confidence to management to extract more than was hitherto the case from the employment relationship (Lindley, 2002).

Quite early on in Spain and France, derogatory exemptions to the norm were allowed in some circumscribed cases (France) or without much restriction (Spain) under different lines of argument. Thus, in Spain, a flexibilisation strategy initiated in 1984 with the creation of new temporary contractual modalities was justified by the quick modernisation process required of the Spanish economy in order to join the EU. Such strategy was even boosted in 1994 by introducing temping agencies and part-time contracts. The 1996 reform was aimed at reducing the regulatory functions of the state, giving more weight to employee-employer contractual relationship. In addition to this empresarialización (entrepreneurialising) of the employment relation, as it is known in the Spanish scientific literature, a great number of labour and employment issues were left to collective bargaining for regulation. Thus the collective agreement became a means for the attainment of labour reforms, including the adaptation of the agreements, and the subordination of some clauses, to the specific economic circumstances of businesses (Laparra *et al.*, 2002).

In France, although there has been a tendency to devise policies and programmes so as to minimise the content (derogatory to the legal norm) of the new employment statuses which have been the result of flexibilisation policies (Barbier *et al.*, 2002b), policies which have allowed for exceptions to the ‘legal normal employment contract’, for example for labour market integration purposes, have resulted in the spread of bad quality and insecure jobs.

3.6.3. Accounting for precarious employment in selected service sectors

One of the main objectives of the sectoral case studies was to account for the incidence of precarious employment in these sectors by particularly focusing on labour market policies, including service sector specific policies, and on business strategies, including labour management practices.

Policies

The conclusion drawn from the research is that the incidence of the prevailing precarious employment forms found in the sectors largely derives from the combined effects of government policies and business strategies, with the unions playing specific roles which have also been addressed. Business strategies usually enter into action after policies, for *policies* usually have paved the way for businesses and providers to develop.

This has occurred in all the sectors studied:

Call centres: policies have facilitated the emergence and growth of the sector, i.e. of call centre companies, by means of, first of all, the *de-regulation of the telecom sector* at the state level in all countries, which occurred in parallel with *further labour market de-regulation policies* (however, limits to these policies in Germany should be mentioned) which respectively led to the *lowering of the costs of phone calls for companies* and to *greater facilities for using low-cost labour*. And secondly, the sector has been greatly aided by means of *promotion policies through subsidies*. It must be made clear, however, that *call centres do not constitute a «field of policy»* in any meaningful sense of the term ‘policy’ in any of the countries of our study, although they are the object of the so called ‘*promotion policies*’ by central, regional, and local governments consisting in subsidising with public resources, both in money and in kind (e.g. real estate at very low prices, free or very low rent of venues, recruitment and training of employees, and – at least in the case of Spain – reduced social costs linked to certain modalities of employment contracts), the setting up of call centres in diverse regions or localities.

As a rule, these subsidies to the call centre companies or their owner companies, (1) *are a one-off action* typically disembedded from a planned economic or employment policy; (2) *are very opaque*, often lacking the most basic standards of public scrutiny and fairness; (3) *generate the typical down-driving standards competition* between regions, cities and localities; and (4) *are not sustainable* in any respect, the more so taking into account that call centres can very easily be relocated.

Performing arts: *The traditional funding policies of the cultural sector have been reoriented*, more intensively in the UK than in France, away from a purely aesthetic rationale and towards a much more diversified rationale including economic viability and distribution prospects, educational and inclusion objectives and the use of new technology as funding criteria. These criteria, particularly the economic rationale, can be in tension and sometimes in conflict with the artistic or aesthetic rationale inherent in the artistic and cultural activities. In particular, one of the key components of this funding policy is the promotion of the entertainment industry and the dissemination of culture and the arts to a wider public, which has brought about the predominance of the criterion of ‘appealing to more people’ and the capacity to relate to a variety of audiences, in lieu of purely aesthetic criteria.

The scope of public funding in the cultural sector is rather large in both France and

the UK. Public funding is critical not only in sustaining diverse sub-sectors, and in giving an identity to some sub-sectors, e.g. street arts and new circus in France; funding policies also shape the sector in that arts organisations and companies position themselves at some point between fully funded companies and wholly commercial companies, which plays a determining role for their status. In terms of the organisational strategy of the sector, project-based work has always been present, and indeed a long-standing feature of artistic careers is the move from one project to the next with spells of unemployment in between, and/or with second jobs. However, in the context of growing economic rationale described above, there has been an explosion of "adhocracies" (Mintzberg's phrase used by Benhamou and Gazier, 2000) in the last two decades, for various reasons: the increase in short events, such as Festivals; changing regulations in some specific sub-sectors have increased the resort to external resources; cultural organisations are encouraged to balance their books or even be profitable; and the subcontracting of projects has also greatly (and in the French case perhaps primarily) been induced by the development of specific employment forms (self-employment in the UK, and above all by the *intermittence* system in France). With regard to the latter, not only is it easy to recruit staff on temporary contracts, but above all this scheme constitutes a key source of indirect funding for cultural organisations, as "firms treat unemployment benefits as an indirect means of subsidising production by lowering labour costs" (Benhamou and Gazier, 2000).

A particular form of organisation in the cultural sector also has to be mentioned, although no example of such organisation was studied in our empirical research; we are talking here about the increasing use, by cities, public institutions or private companies, of "event organisers/managers", who are sub-contracted the organisation of a whole event, and in particular, the recruitment of staff. The role of such organisations very importantly includes the mobilisation of labour for specific projects, and the main share of the employment created, in the companies members of that association, is under the form of intermittent or temporary employment.

Domiciliary care for the elderly: This is a case of *a sector which has largely if not entirely been policy-built*. Rather than simply paving the way for the creation of a market of domiciliary care services, policies have directly developed a new welfare policy area with an universal vocation, not materialised except in France, precisely at a time when there were very important cuts in welfare expenditure.

In practice this disjunction has meant, in England, Spain and Italy, *poor funding and very restrictive access regulations* to public domiciliary care, which has led, among other consequences, in Italy and in Spain in particular, to the *development of illegal work* in the sector and, in all three countries, to *labour market segmentation*. In France, the introduction of the Allocation Personnalisée d'Autonomie (APA) in 2001 led to a considerable increase in sustainable demand and the transformation of domiciliary care into a truly universal service for dependent old people. In effect, it seems that APA led to a further wave of regularisation of undeclared labour (a previous wave had taken place at the end of the 90s, through the introduction of vouchers and other measures to support employment in the sector). However funding difficulties have already prompted a reform which restricts the scope of the benefit and increases user participation. A hypothesis is that this might translate in a new surge of undeclared work. Overall, our review of the different systems of domiciliary care in place in the various countries suggests that *universal access to publicly funded domiciliary care and comprehensive coverage can indeed make a difference with regard to undeclared work*.

Multimedia industry: Policies in the case of multimedia industry have been mainly focused on the *promotion of ICT and multimedia technologies*.

Business strategies

As we have said, business strategies characteristically act once policies have paved the way for the development of service markets, or – as in the case of domiciliary care – have determined the precise boundaries and shape of such markets. The ***main business strategies*** in each of the three main service sectors studied can be characterised as follows:

Call centres: Call centre companies are the result of a *long-range strategy of services and labour externalisation* mainly carried out by big telecom companies and partly by large banks. This strategy produced important benefits: (1) It soon attracted the public sector, and *public sector communication services* such as, e.g. citizen information, health emergencies, etc., *were allocated to the new call centre companies*. (2) The newly created *call centre companies began a fierce competition among themselves for clients mainly on the basis of costs, and particularly of labour costs*. (3) Such a strategy was also used in the *expansion toward some regions like the Southern ones in Italy or toward foreign markets* where labour is twice or three times cheaper such as Morocco in the case of Spain and Eastern European countries and Turkey in the

case of Germany. The principal *rationale* of such a strategy was the *displacement towards workers of the insecurity and risks attached to the economic activity*. Its main consequence has of course been the extraordinary high rates of extremely precarious employment we have just reported.

Performing arts: Alongside generating funding through a diversification of funding sources, one of the main business strategies in this sector are *strategies for accessing public funds*, which are deployed in parallel with, and partly subject to, *strategies for gaining, or at least maintaining, public legitimacy and recognition*. Unfortunately, however, we have not been able to bring to light the particular business strategies of cultural and arts organisations and companies to access and therefore compete for public funds. There is evidence that competition for public funds is partly subject to and moderated by important issues of public legitimacy and recognition. *Funding regimes* are typically extremely complex and involve a plethora of agencies (e.g. in the UK, regional development agencies, local authorities, trusts, funds and foundations). The Arts Council England, for instance, allocates funds both to individuals and arts organisations, both directly to national companies and through the regional Arts Council offices, and provides some companies with regular funding and others with ‘one-off’ grants and awards. In addition to regular funding, there are also activities funded within *programmatic initiatives* oriented to specific sub-sectors such as theatres or to the educational requirements of the artistic world. *Eligibility criteria* vary according to the specific programme, scheme or fund; companies normally draw on a mix of support from national, regional and local sources.

Domiciliary care for the elderly: Business and organisational strategies, in accordance with the particular sectoral policy frameworks of each country, are marked by important differences across countries. In Spain, although there are a myriad of small local enterprises in several medium size cities, the prevailing strategy of the dominant for profit providers, with a high and rapidly increasing market share, is a *combination of aggressive acquisition of public procurement markets in a variety of sectors and dumping*, the latter materialised in the form of offering public funding authorities with the lowest market rates, essentially based on very low-cost labour and highly precarious employment. In England the last years have seen critical developments in this respect: *a speeding-up of mergers and acquisitions was taking place whilst particular national standards (they used to be set by local authorities) were obtained*.

In Italy and France the private for profit sector has only marginally developed and therefore a national market proper does not exist, but providers belong to national networks involved in lobbying public authorities. In Italy the situation differs between areas where local authorities organised price-based competition to which *third sector providers respond by a race for the lowest price and joint action for a change in selection criteria*, and areas with fixed prices where providers struggle to develop their local reputation. In France *competition between organised providers is kept at a minimum* and if anything there is a lack of supply. Business strategies include *developing one's local reputation, diversifying into as many related markets as possible and becoming an indispensable local actor on various fronts*.

Market structure

Normally, the combined effects of governmental policies and business strategies produce service markets structured in a particular fashion in terms of ownership, competition mechanisms, and segmentation. This is particularly clear in the case of call centres and domiciliary care for the elderly, the **market structure** of which can be characterised in the following way:

Call centres: The market structure of the call centre services displays most of the characteristics of a *captive market*, one the rules of which are, directly and indirectly, dictated by the big telecom companies and large banks, especially in Italy and Spain where they have a nearly complete control of a *market highly concentrated in terms of ownership*. In effect, (1) in Spain and in Italy, the most important call centre suppliers are owned by companies which are at the same time their main clients: commercial relations between call centre companies and their main clients are thus from the beginning subject to power relations based on ownership. (2) In the three countries, commercial contracts with suppliers are the instrument used by client companies to impose upon call centre companies extremely harsh conditions and to force a fierce competition between them mainly in terms of labour costs; in some cases this has led to the creation of call centre companies located at the lowest market end which are regularly sub-contracted by better positioned call centre companies. In many cases, small call centre companies are thus highly dependent on one or very few clients. (3) Such down-driving standards competition is automatically displaced towards workers, who see their employment and working conditions increasingly deteriorated, as the portrait of precarious employment drawn before shows.

Domiciliary care for the elderly: The market structure is determined by the policy framework and above all by a lower growth in funding than in latent and explicit demand. This has led to market segmentation with middle-class and better off elderly people resorting to often undeclared individual care workers in Spain and Italy, or to private provision in England. In England underfunding combined with the new national standards which have partly replaced local regulations seem to be greatly favouring large providers with a managerialist approach. In Spain sheer defection by local authorities in some cases consolidates the dominating position of a few large business groups with subsidiaries devoted to social proximity services (e.g. EULEN, Quavita, Servirecord), with dramatic consequences on precarious employment, professionalism and the services provided. In France, the successive and co-existing employment policy focus (legalisation of individual workers through vouchers) and welfare policy focus (support to associations for the provision of a universal service) have led to down-driving competition between organised providers and individual care workers, which often results in insufficient numbers of care hours, and thus precarious employment, on both sides.

Collective bargaining

Overall, *collective bargaining and the role played by the unions* has proved unable to put a brake on the development of these sectors, particularly call centres and domiciliary care, on the basis of precarious employment, because of the unions' difficulty to consistently organise fragmented sectors and also because the unions have sometimes signed derogatory collective agreements. In some cases the improvements have been limited and in other cases their role could even contribute to the normalisation and legalisation of their extremely precarious employment conditions through reaching derogatory collective agreements. Overall it can be said that, in these sectors, *unions representation and collective agreements coverage have not served to guarantee either access to minimal employment standards* in accordance with the socially established employment norms or compliance with actual legislation and regulations, including those regulations collectively agreed upon between unions and employers – again this is particularly so in the call centres and the domiciliary care sectors.

Call centres: only in Spain are workers from call centre companies covered by a *sector-specific collective agreement*, called “*collective agreement of telemarketing*”,

signed by the two main unions in 1999 but opposed by other unions such as CGT and by many workers. In Germany only workers from in-house call centres (which do not properly speaking belong to the call centres sector or form of business organisation) are covered by collective agreements, while in Italy, workers are covered, if at all, by other traditional sectoral or company agreements. However, contrary to what the existence of a call centres-specific agreement might suggest, workers in Spain are not better covered and collectively protected than workers in Italy and Germany. This is so because the collective agreement in Spain, far from improving the situation of workers, has contributed to normalise, legalise and to a certain extent legitimise the generalised precarious employment conditions actually existing in the call centres. Despite the agreement, *companies continue to enjoy a practically absolute discretionary power* (a) to fix and systematically change contractual modalities, working times, schedules and shifts; (b) to resort to sub-contracting; (c) to regularly resort to dismissals at practically no cost due to alleged decreases in the number of calls; (d) to continue to deny seniority and progression possibilities; and (e) to completely disregard acquired rights when workers are moved forth and back between subsidiary or sub-contracted companies or telemarketing campaigns. In Italy and Germany unions and work councils have found many difficulties to reach appropriate collective agreements with call centre employers, and in the cases in which some kind of *agreement* has been signed, whether at the company level or in relation to particular workers such as the parasubordinati in Italy, it cannot be said that the conditions of workers have improved in any significant way, for apart from the lower than socially established standards they fix, companies tend not to fulfil specific regulating clauses – and unions in all countries face many difficulties to secure the fulfilment of the legal and collective regulations.

All in all, companies in the three countries have shown to be very skilful, first of all, in not allowing collective regulations to incorporate brakes to their enormous discretionary power over workers, and secondly, in circumventing regulations when these exist.

Performing arts: The performing arts (and the cultural sector in general) *display a structured, if diversified and complex, fabric* of occupational and industrial organisations. And yet, the logic of occupational/professional associations does not always coincide with the logic of the activity. Thus, in France, the articulation and complexity of industrial relations in the performing arts is shown by the existence of

several employer organisations, unions, collective agreements, professional associations and institutions dealing with the collective management of *droits d'auteur et des droits voisins* (with a different logic to the Anglo-Saxon model of copyrights) and of support funds, and a number of welfare institutions dealing with social insurance, pensions, training, etc. There are *four collective agreements which cover the majority of the performing arts sector*. All in all, since intermittent workers often have many employers, they often shift from one agreement to another, so that *the sector is not very consistent* from the occupational organisation point of view.

In the UK a high proportion of workers in the entertainment world are self-employed and a high proportion of employees are not unionised. There is a Federation of Entertainment Unions comprising several unions, some of which specifically cover performing artists and related professionals. Overall, collective bargaining in the cultural industries in Britain presents rather fragmented representative structures on both sides, without a clear definition of bargaining actors and issues, although minimum standards are negotiated and Equity, the union representing artists across the spectrum of arts and entertainment, focuses an important part of its activity on *ensuring compliance with such minimum standards*, as this is a continual problem in a sector where it is common to accept working without pay to gain experience and where financial limitations on productions frequently leads to lower than minimal standards, *casual* working and discontinuous working patterns.

Domiciliary care for the elderly: Except in some Autonomous Communities in Spain, there is no dedicated agreement for the domiciliary care sector. In addition, large shares of the workforce are not covered by any collective agreement: this is the case of private sector staff in England (though there may be some collective agreements in a few large charities) and of individual care workers in Spain. Overall, the primary function of collective agreements applying to the sector can be said to promote the image of the sector, which is poor everywhere, by structuring the profession, designing new qualifications and organising bridges with other social or (in Italy) healthcare related professions. The better structuring and promotion of training has contributed to develop a sense of belonging to the profession, although funding issues are limiting the scope of the training effort, and the lack of material recognition leads to a certain frustration. However, one of the main effects so far of such provisions, at least in Italy, has been to contribute to the introduction of more labour and work flexibility in former

bastions such as the health sector. In England, regulations on qualifications have been introduced by the government, rather than through collective bargaining. The functions of these regulations are equivalent to those just mentioned.

On the other hand, the standards fixed by national agreements are extremely low. In some cases collective agreements at the national level can even be said to have undermined acquired rights in some regions or companies. In the public sector, collective bargaining in England and in Italy is strongly affected by relentless subcontracting which has weakened the bargaining power of public sector staff. In the private sector, wages have been established at very low levels, with little recognition of seniority or official qualification (which contradicts the agreements' attempt to promote upward mobility), and often no mention of travel expenses. Nor have generally standards been fixed on the minimum numbers of hours. In some cases the function of collective agreements seems contradictory, e.g. in Spain where the national agreement undermines more generous agreements signed with co-operatives at the regional level in some regions (Catalunya), whilst in other regions had no effect at all (Navarra), although in some cases provided the first regulatory framework improving the previous situation (e.g. Extremadura). This negative function can also be observed in the case of the Italian domestic workers, for whom the collective agreement legitimised derogatory employment conditions and thus competition from below.

Finally, huge compliance problems arise. In the case of individual care workers, the users who employ them are often unaware of labour law or collective agreements. But the unions' capacity to monitor and denounce non compliance also appears extremely weak. The Italian agreement for social co-operatives subjects implementation to favourable public tendering conditions, which the agreement itself recognises as infrequent, whilst the Spanish unions complain that provisions on temporary and part-time work are not respected but have not taken any action. Unions are also generally invisible at the workplace level, which does not mean that there are no conflicts, directly led by workers on an ad-hoc basis.

3.7. Policies against precarious employment

In this section we shall provide, firstly, a brief review of the main policy schemes

which may be taken to be important instruments in fighting against precarious employment, and, secondly, a summary of the results of the case studies focused on local initiatives potentially innovative from the point of view of fighting against precarious employment.

3.7.1. Specific policies aimed at fighting against precarious employment

An important part of our policy review exercise (Barbier *et al.*, 2003a) aimed at analysing a number of policies, pieces of legislation and institutions (in the broad sense) of the welfare and employment regimes of the countries studied from the point of view of their effects on precarious employment. Here we shall summarise the main results of such an analysis with respect to the following policies: unemployment compensation systems; activation policies and tax/benefit systems (which partly overlap with the former); assistance systems; the state as employer; participation in education; and early retirement policies.

Unemployment compensation and assistance benefits may be seen as a barrier to precarious employment if they are sufficiently generous to allow individuals to choose not to take up precarious jobs. This is less and less the case everywhere, except, within our set of countries, in Germany. This level of protection in Germany is however strongly questioned at the moment, and assistance recipients are subjected to very different conditions, with very strong obligations to take up work and “break free of social assistance dependence”(Hanesch and Baltzer, 2002).

In the UK, the creation of the Jobseeker’s allowance and the introduction of Working Family Tax Credit may be seen together as a powerful drive for the unemployed to take up poorly paid jobs, whose effects still need to be assessed. However the present focus on “employability” does not seem to pay much attention to quality (Lindley, 2002). In France, where successive reforms and a changing labour market situation reduce the possibilities for a straightforward assessment of the system, it can be said that the propensity of the system to transfer the unemployed towards assistance schemes associated with low benefits and the joint plethora of labour market integration schemes involving very low paid jobs, has meant that a whole share of the unemployed has become trapped into a vicious circle of unemployment and low paid temporary part-time “social” jobs (Barbier *et al.*, *ibid.*). In Spain, where the

unemployment compensation system is similar to the French one, except for the third “tier” of the minimum income scheme, Laparra *et al.* (2002) conclude that, over the 90s, “a long-term reduction of the social protection for the unemployed ... (has been) the main cause for explaining their readiness to accept precarious employment”. Finally, the very limited and unequal system of compensation for unemployment in Italy certainly does not make it a barrier to precarious employment, quite the contrary (Barbier *al.*, *ibid.*, quoting Altieri, 1998). However, the large protests against the reform of article 18 of the *Statuto dei Lavoratori* have postponed the planned partial deregulation of dismissal for the minority of workers covered by it.

The *tax and benefit systems* in place cannot usually be considered as barriers to precarious employment (possibly quite the contrary in the UK case, and as Barbier *et al.*, *ibid.*, venture with caution, also for the case of breaks on social contributions for low and medium waged jobs in France). The only case in which the stated intention of tax measures is to put a brake to precarious employment is when social contributions are cut as an incentive to transform temporary into permanent employment. Such schemes are found in Italy and in Spain: in Italy, tax reductions were introduced in 2000 for up to 2003 for hiring employees on open-ended contracts and when total employment of the firm increases. However Frey, Cavicchia and Pappadà (2002) consider that the measure has been largely ineffective to transform fixed-term contracts into open-ended ones (quoted in Barbier *et al.*, *ibid.*). In Spain, the law following the 1997 collective agreement on stability and the 2001 labour market reform introduced subsidies for the conversion of temporary into “open-ended” contracts. The take up of these subsidies has been important, as it is shown by the fact that the number of “conversions” dropped in 2000, when the subsidies were momentarily stopped. However, because the period left for “conversions” is so long (the 2001 reform subsidises conversions for temporary contracts signed up until the end of 2003), there is a perverse incentive to contract people on temporary contracts in the first instance, to benefit from the social tax reductions afterwards. So that the effect of the measure on the decrease of temporary employment is really hard to assess (CC.OO, 2002).

However, it has to be underlined that these subsidies were introduced together with a new contractual modality that reduced slightly firing costs. This reform was designed through a process of intensive bargaining between the social actors in a context of economic growth. Perhaps this combination of subsidies to permanent employment,

firing costs reduction, economic growth and peaceful social climate may help to explain the fact that more than two millions of permanent employs were created after the reform, changing the tendency to destroy permanent employment which was coming from the 1970s. Nevertheless, this reform was not able to reduce significantly the share of temporary employment, which remains as a structural feature of the Spanish labour market.

Employment by the state might be seen, *a priori*, as a protection against precarious employment, and the large public administrations in the Scandinavian countries are certainly connected with the lower (but increasing) economic inequalities in those countries. However, in the country amongst our set where public sector employment is highest, France (21.3% of total employment in 1997 according to OECD statistics), things are not so clear-cut as “there has always been a significant proportion of state employees who have been contracted in precarious employment relationships” and “the overall macro effect of the spread of employment programmes [the state as an employer of last resort] has also had unintended consequences in terms of making derogatory statuses more and more common”(Barbier *et al.*, *ibid.*). In Spain, where public sector employment has grown over the last decade, due to decentralisation, it is one of the sectors where temporary employment has grown most over the last years (CC.OO, *op. c.*). The effects of 1997 reform would have been much more positive had the public sector reduced the share of temporary employment as much as the private sector did. In the UK, where fixed-term employment does not feature as a major characteristic of the labour market, this form of employment is however much more developed in the public sector – 10% of total employment (Lindley, 2002).

It might be hypothesised that the cuts in public spending orchestrated by the rigour policies in the EU have lessened the role of the state in the protection against precarious employment over the years. On the other hand, these cuts have prompted the development of public procurement markets (through contracting out) with dominant price criteria which have been found to be a direct cause of the resort to precarious employment in the firms and organisations to which contracts are awarded in the domiciliary care sector in the UK, Spain and Italy and in the call centre services in Italy and Spain (Frade, Darmon and Alvarez, 2003).

Education systems may favour a late entry into the labour market with a rather high level of qualification, which might reduce the proportion of young people taking up

precarious jobs. Similarly, *early retirement* might be seen as sparing older workers in jobs associated with difficult working conditions, and preventing them from having to take up lower standard jobs if made redundant. Whilst it is difficult to assess education systems against such criteria (Barbier *et al.*, *ibid.*), the persistence of early retirement schemes in Germany, France and Italy (despite the exhortations of the European Commission) has been justified on these grounds.

In this sense, education systems and early retirement, like unemployment compensation and assistance benefits might act as a barrier to precarious employment in the sense that they might *reduce the potential supply of precarious labour*. However, few of the policies reviewed promote brakes to the resort to precarious employment by employers, or brakes to the flexibilisation of the employment relationship in the first place, except the intent to maintain a prevalent norm of standard employment and tax incentives for the transformation of temporary into permanent employment, which is not very effective and seems to have strong perverse effects.

4. Conclusions and policy implications.

In this section we summarise the main findings of the ESOPE research (4.1) and draw the main policy implications (4.2). The section on policy implications is divided between four sub-sections concerned respectively with implications concerning measurement (4.2.1), implications concerning further research (4.2.2), implications regarding policy making at various levels, including European (particularly the European Employment Strategy) and national (4.2.3), and implications concerning collective bargaining (4.2.4).

4.1. Conclusions

Precarious employment (henceforth PE) was found to take many forms, often combining precariousness in two or more of the four main dimensions of precariousness distinguished: *temporary or non-permanent employment*, *part-time employment*, *low wage work* and the *working poor*, *undeclared work*, and a variety of *hybrid forms of employment* combining characteristics of waged employment and self-employment which have substantially grown in the last fifteen years such as *bogus self-employment*, *economically dependent work* and other forms of *quasi self-employment*. At the national level this variation involves different levels of both precarious employment and labour market flexibility depending, on the one hand, upon national institutional traditions and employment and welfare regimes, and, on the one hand, upon the relative situation of each country, e.g. in terms of competitiveness, vis-à-vis other countries.

- *Temporary or non-permanent employment* (i.e. employment not based on an open-ended and continuous contract, but limited in time such as, in particular, fixed-term contracts, temporary agency work and casual or seasonal work) constitutes an important proportion of employment in our countries and indeed in Western Europe. It is by far the main form of PE in Spain (about one third of all employees), but is also common in the other four countries (around 8-15% under rather conservative estimations). In all countries it is also found in the public sector. Non-permanent

employment is particularly associated with low wages and reduced social protection (both because of lower entitlements and because of discontinuous careers).

- *Part-time employment* is also substantial in all countries (from about 8% of total employment in Spain to about 25% in the UK, where it has become a structural feature of its labour market). Most part-timers are women. Contrary to prevailing views, there are very high shares of *low waged part-time* (estimated % of low-waged part-timers: UK: 67, Germany: 59, France: 52; it is much lower in Italy: 38, and in Spain: 39, where low remuneration rates for full-timers are the major explanation behind low wages), and most female part-time is *constrained part-time* (Germany: 79%, France: 73%, Spain: 68%, UK: 59%, Italy: 46%).¹⁵ It must be pointed out that low waged and constrained part-time would probably yield still higher figures had the employees working less than 15 hours a week not been excluded from the ECHP data set; our empirical research has showed the importance of *underemployment* (including less than 15 hours a week) as a predominant form of PE in the three service sectors studied.
- *Low wage employment* and *working poor* are the main expression of precariousness in the economic dimension of employment. Although research on low wage employment is rather patchy and definitions vary considerably, low wage employment has been found to represent a significant proportion of employment in the EU, with about one (full-time) employee in seven being low waged – an estimation which becomes one in five in the UK and is also very high in Germany. Most low wage employees are women: 77% in the EU, and as high as 81% in the UK. As to the working poor (employees whose salaries are below a standard poverty threshold), available estimations indicate that about 8% of employees in the EU are working poor, with Germany and Italy showing the highest levels of working poor.¹⁶ It must be pointed out that these two forms of PE are tightly associated to growing *earnings inequality*.
- *Hybrid forms of employment* (combining characteristics of waged employment and self-employment, as the boundaries between these become more blurred) constitute one of the main and relatively most recent manifestations of PE. Although by their

¹⁵ Source: based on Marlier and Ponthieux (2000) relying on the 1996 ECHP survey.

¹⁶ Source: Eurostat (2000): 'Low wage employees in EU countries', *Statistics in focus, population and social conditions* No. 11/2000, on the basis of the 1996 ECHP survey (figures do not include employees working less than 15 hours a week).

very nature as hybrids they do not afford measurement through regular statistical sources and standard surveys, and of course research is very scarce, these forms of PE are considered to play an increasingly important role in European labour markets. There are no data nor even approximate estimations of *bogus self-employment* (subordinate employment disguised as autonomous work). The existence of *economically dependent workers* (workers without employment contracts as waged employees who are economically dependent on a single employer for their income) is documented in a number of European countries such as, among our group, Italy, the UK, Germany, and Spain. In Italy, its incidence has been estimated at 28% of self-employment, and more than 6.5% of total employment, whereas in other countries where it has been studied such as Germany it stands at much lower levels.

- *Undeclared work* is also fundamental to study employment and in particular to estimate the incidence of PE, the more so since, according to recent studies, it seems to have grown all over Europe.
- *Volume of PE*: if we take the category of ‘low quality jobs’ as defined by the EC in the 2001 Employment in Europe report as ‘precarious jobs’, it has to be said that *one quarter of all jobs in the EU can be considered as precarious or low quality jobs*. The share of “low quality jobs” in Spain amounted to about 40%; in Italy, the UK and Germany was roughly at EU average, i.e. about 25%. Especially in the UK and in Germany the main bulk of them were low pay/low productivity jobs (approximately 20% of all jobs in these countries).
- *Growth of PE*: PE has increased over the last two decades in most countries, while the standard employment relationship itself, even though it continues to be by far the predominant form of employment in empirical terms, has been eroded on account of the combined effects upon it of weakened employment protection legislation and institutions, the regular occurrence of lay offs, and the very existence of significant proportions of PE and unemployment.

Analyses of the Third European Survey on Working Conditions through the *radar chart methodology* yielded some interesting results, although they have to be taken with caution: it confirms Spain as probably the country with the highest rates of PE; it likewise confirms Italy as the country where PE in its different forms is most

underestimated – although this effect may also occur to a lesser extent in the other countries (see, e.g. the extent of constrained part-time in Germany, of working poor in Germany, Italy, the UK, Spain and France, and the extent of quasi self-employment and undeclared work in all countries). Data analysis shows that on EU average at least one of the 8 indicators applied to 70% of the respondents; in Germany, this share was lower (65%), followed in this ranking by Italy (67%), France and the UK (74%) and finally Spain (79%). However, the respective shares are significantly lower if at least two of the characteristics are valid with the following only slightly modified ranking: Italy (36%), Germany (38%), France (43%), UK (45%) and Spain (52%). Taking ‘at least 3 indicators valid’ as measure of a given degree of employment precariousness, the incidence of precariousness is much lower, with both Germany and Italy experiencing the lowest shares (16%), followed by France and the UK (20%) and finally by Spain (30%). It should be added that ‘at least four indicators valid’ were stated by 5 to 6% of the German and Italian respondents, 7 to 8% of the British and French respondents and by 13% of the Spanish ones.

The analysis reveals that PE is highly concentrated on young persons and on less skilled workers. In addition, female workers are more likely to be found in low paid jobs and short-term jobs while men are more likely to be in a job with unfavourable physical job conditions. The data show that the chosen indicators are significantly higher for 15 to 23 years old, and major differences between men and women in all countries. In particular the women in all countries under review but France situating themselves within the lowest income groups are more likely than men to have job tenures below one year.

A crucial question is whether individuals affected by PE are *trapped* or whether they *are able to move to better positions*, although the fact that they might be able to move should be distinguished from an idyllic vision of PE serving as a springboard. The 2002 Employment in Europe report shows that, between 1997 and 1998, approximately 33% of those in low quality jobs in Italy, 31% in Germany, 30% in Spain, 25% in the UK, and 20% in France moved *to a higher quality* job, the rest remaining in low quality jobs or moving into unemployment (especially in Spain and France), or into inactivity (especially in the UK). The measure of transitions between “dead-end jobs” and “low pay jobs” into “higher quality jobs” is obviously much better, from a comparative standpoint, than from temporary *into permanent* employment, because of the “national

specificities” in terms of atypical or less frequent forms of employment.

Overall, the research evidence showed ***a very high incidence of various forms of PE in the three service sectors studied***, and much less so in the sector of multimedia industry in Germany. The forms of PE found in these service sectors involve, to a greater or more limited extent, a degree of precariousness along the four main dimensions of the employment relation:

- *Temporally*: in most cases there is no guarantee of continuing employment, either because of the overwhelming predominance of limited duration employment relations (75% to 90% with precarious contractual modalities in Spanish call centres and 80% of theatrical performers in France) or, as is often the case in the domiciliary care sector, because of the prevalence of low working hours and on-call work (70% of the private providers in England, representing about two thirds of the market, do not guarantee hours to their staff). *Unstable and insecure employment relationships* are thus predominant in the sectors studied.
- *Organisationally: hard working conditions*, with unpredictable work locations, unsocial working hours (37% of domiciliary carers in England), and continuous changes in working times, schedules and shifts. In the case of call centres working conditions are particularly bad, with workers subjected to highly intrusive and even degrading high-tech continuous *surveillance* and disciplining systems, and not infrequently working under appalling working environments in terms of health and safety. In the performing arts sector, working conditions can be said to be precarious when rooms and equipment are unsuitable, health and safety regulations are hard to abide by, and working hours are variable and often “unsocial”, e.g. in the case of small companies struggling to make their way.
- *Economically*: low and very low wages and/or earnings are the rule (e.g. € 541 net average monthly wage of the Spanish call centre operators; or € 5.55 hourly wage of the French home-care workers at the entry level), and salary progression either does not exist or is practically irrelevant. In the performing arts, rather than low wages, we find wages, which are lower than those of equivalent professional categories in other sectors.
- *Socially and collectively: access to social protection is greatly impaired* by precarious contractual conditions, and often workers find many obstacles to

accessing basic protection entitlements – the exception here being the French performing arts sector, where the intermittent employment regime allows for the combination of periods of waged work with periods of protected unemployment, even though the working hours threshold to access unemployment benefits leaves out many artists, performers and technicians. Collective protection representation and coverage are usually low and, where they exist, have proved unable to guarantee either access to minimal standards or compliance with actual legislation and regulations (unions claim that 50% of providers do not comply with the collective agreement in Spanish home care services).

With respect to the incidence of PE, and taking into account the difficulties, and often the impossibility, of accessing reliable information, we can additionally highlight:

- Call centre companies: In addition to the very high shares of precarious contractual modalities, successive chaining of temporary contracts is regularly done in Spain (e.g. 82,353 temporary contracts done in 2001 for 33,155 temporary employees), and more or less the same effect is achieved in other countries by other means, e.g. through temping agencies or casual work in Italy, and marginal employment in Germany.
- Performing arts: in England, self-employment is highest amongst musicians (77%) and actors, entertainers and directors (60%); underemployment (40% among artists; only 33% of actors were professionally employed for more than 10 weeks in 2000). In France, fixed-term contracts in 1999 among theatrical performers and dancers (80%).
- Domiciliary care: In Spain, about an 80% share of temporality combines with 4-6 hours working days, and the vast majority of workers, particularly immigrants, are directly and often illegally employed by users without social security, 24-hour availability and extremely low wages. In France, average working weeks of 16 hours (staff employed in third sector) and 11 hours (directly employed by users). No estimations for Italy. Unpredictable work volumes is a generalised feature of the sector in all countries.

4.2. Policy Implications

Through the prism of precarious employment, the ESOPE research project has thus cast further light on the great diversification of forms of employment which has taken place over the last two decades, and which is very imperfectly reflected in official statistics precisely because of this shifting character. It has also vindicated the starting hypothesis of the research that both an analysis of recent employment, and for that matter, sectoral, policies and regulations, and of how they are mobilised by businesses, is crucial for accounting for precarious employment. However, the case study research, in particular, has shown that a lot remains to be done to understand the new forms of business organisation, which have emerged on the basis of the availability of precarious forms of employment.

For these reasons, it is particularly difficult to address the question of policy implications of this research. In any case, the improvement of the current European and national statistical surveys and data gathering instruments and the necessity for further research are preconditions to making adequate policy recommendations: as a whole, the statistical tools available are still very rough to capture what cannot be seen anymore as the margins of the world of work, and research on the impact of flexibilisation measures, on the one hand, and on the new forms taken by businesses is in its early stages. This is why we start this section with policy implications concerning the statistical measures of various employment statuses and issues (4.2.1), followed by implications with regard to areas in which further research would be required (4.2.2).

However, the ESOPE findings also allow for drawing policy implications regarding the policy making area *stricto sensu*, although with much caution. These are addressed in section 4.2.3., at various levels, and therefore directed at different audiences: at the European level and at the national regulatory and policy level. Finally section 4.2.4. addresses the implications of our research concerning collective bargaining.

4.2.1. Implications concerning measurement

One important strand of ESOPE findings is directly related to the existing problems with current measures, pointing out possible ways to correct these problems and the requirements for developing new measures. The main current challenge for surveys

surely lies in the growing blurring of boundaries between major employment categories: if this makes it increasingly difficult to determine the standard statuses of employer, employee, and self-employed, the more so in the case of precarious statuses. Major problems with existing measures concern temporary employment in its diverse varieties, constrained part-time employment and underemployment, low wage employment and the working poor, and quasi self-employment (including bogus self-employment and economically dependent work). There are also problems with the questions posed to the population in official surveys, sometimes because the questions included may be inadequate, and in other occasions simply because the lack of certain important questions. Finally, the improvement of the measuring instruments can also contribute to a much-needed enhancement in the comparability of data.

Temporary employment, as measured by the European LFS (item n° 45: ‘permanency of the job’), is too highly aggregated a category which includes permanent employment, e.g. the ‘contractuels’ in France, and German apprenticeship contracts. Part-time employment poses major measurement problems, which are of the greatest relevance for evaluating precarious employment. *Constrained part-time* is highly underestimated by posing the standard question ‘would you like to work more hours?’ – an inappropriate question, for it does not separate aspirations from actual constraints; a way to solve this is by simply using the multiple options question posed in the 1996 ECHP survey. The same obtains in the case of *underemployment*, which cannot be measured by simply asking whether employees would or would not like to work more hours. The key for an appropriate survey question lies in *separating aspirations*, e.g. *desire to work more hours, or have a better job, from constraints*, e.g. *the lack of better jobs, the lack of child care facilities*. It is also absolutely fundamental to capture the reality of *quasi self-employment* in its different forms, including *bogus self-employment* and *economically dependent work*. By thus doing real constrained part-time, real underemployment and real quasi self-employment can be measured.

There are also serious problems with *wages and low wages*, as current measures do not fit the real situation of labour markets. Low wages should be measured rather than low incomes, in order to separate the actual characteristics of jobs from the effects of social protection (especially tax) regimes. Low wages are seriously underestimated, as most studies only consider full-time workers, excluding from their analyses both part-timers and workers working less than 15 hours a week, and no information is provided

about low wages in the hidden economy. Furthermore, there are wide divergences in the definition of low wages, as different conventions (annual pay, monthly wage, hourly pay) are used at the European and national levels, which yield sometimes quite different results and makes comparison practically impossible. The same applies to the *working poor*, the definitions of which are as diverse as those of low wages, which means that the working poor are highly underestimated and comparison is not possible. Finally, there is also the issue of *undeclared work*; we believe that any assessment of low quality jobs or precarious employment should take account of an approximation to undeclared work.

We believe that the Employment Committee's interesting work on indicators to compare national achievements under the EES will benefit from taking these implications into account. With this tool, the Commission should be better able to assess the content and effects of the NAPs, and then to negotiate further developments with the national administrations. Previous assessments may have been too conditioned by the diagnoses and data provided by both national reports and official European surveys not completely adequate to capture the reality of the European labour markets. Considering the progress already achieved by the indicators, and considering the need for better implementation and monitoring of the EES, reinforcing the measurement instruments in the direction just pointed out and consequently enhancing the EES seems a good way forward. With this aim in mind, the following points could be taken into consideration:

- Improved survey instruments will inform the Committee's task with more reliable, less contestable and more internationally comparable data. In absence of such instruments, the estimation of the real incidence of temporary employment, constrained part-time, underemployment, quasi self-employment (including both bogus self-employment and economically dependent work), low wages and the working poor, and undeclared work could be done by relying on existing specific studies and surveys addressing these forms of employment.
- Our own research does strongly suggest that the lack of appropriate instruments to measure the real incidence of all these new forms of employment may be distorting the comparison of the quality of employment. This is particularly the case of undeclared work; in this respect, the assessment of labour market rigidities, the volume of precarious employment and other significant dimensions of the labour market may be wrong in comparative terms because the hidden economies have

different sizes and features in each country and region. As the Council Decision of 2003 July 22nd states, “Improving knowledge about the extent of undeclared work in Member States and the European Union should be encouraged.” “Broad actions and measures to eliminate undeclared work” will only be credible and effective if they are based on a much better knowledge and understanding of this issue than is currently possible.

- Measuring precarious employment and quality of employment in objective terms, that is, attending to the actual characteristics of current jobs, and by these means addressing also the point of view of the workers (i.e. what “fulfils the wishes of the employees” as distinguished from “the requirements of competition” in the framework agreement on fixed-term work).¹⁷ Some of the proposed indicators address both quality and productivity. However, there might exit conflicts between these two dimensions for the employees as well as the employers. Thus, the indicators have to be handled with caution. Both notions, quality and productivity, are equally interesting for the analysis of European labour markets, and interactions between them should be studied.
- As is recognised in the EES, “Quality is a multi-dimensional concept addressing both *job characteristics* and the wider *labour market*.” A lot of indicators are oriented towards assessing the labour market in general (working age population participating in education and training, transitions, employment rate, labour productivity and so on). Of course nobody can doubt the usefulness of these context indicators: the policy implications of the incidence of “bad jobs” may be quite different if unemployment figures and low employment rates are taken into consideration. However, we lack key indicators to assess jobs directly. Further information on physical working conditions, working time or social rights should be included.

All these methodological recommendations would help to promote a more rounded representation and understanding and a more accurate measurement of precarious employment or low quality jobs.

¹⁷ Council Directive 1999/70/EC of 28 June 1999 concerning the framework agreement on fixed-term work concluded by ETUC, UNICE and CEEP.

4.2.2. Implications concerning further research

After what we have argued in the previous section, it seems clear that further research, both qualitative and quantitative, is clearly needed to capture in as close a fashion as possible the reality of European labour markets. Two major, interrelated research strands might be emphasised in relation to further European research on employment:

- Overall, qualitative and quantitative research is clearly needed to capture both the nature and the incidence of the new forms of employment: temporary or non-permanent employment, constrained part-time employment and the diverse forms of underemployment, low wage employment and the working poor, new hybrid forms of employment (and particularly autonomous work, bogus self-employment and economically dependent work), and undeclared work. Specific, targeted studies about these forms of employment could be commissioned which rely heavily on existing research (e.g. by the European Industrial Relations Observatory of the Dublin Foundation) already focused on such forms of employment. Such studies should seek both to define the nature of those forms of employment, e.g. through in-depth case studies, and to design appropriate survey questions to measure their incidence (appropriate survey questions must clearly separate the aspirations of people from the constraints encountered to fulfil such aspirations).
- In this connection, our empirical research on three changing service sectors clearly points out to the need to study the link between those forms of employment and new forms of work and business organisation, paying particular attention to diverse business groupings involving chains of providers, subsidiaries, franchisees, allies and/or partners, and to the new labour market inter-mediation functions thus created. There is already some important research in this terrain, some of which we have quoted in this report, but this is clearly insufficient. In this respect, the study of the generation of precarious employment in new service sectors with considerable economic and employment growth seems particularly needed. However, the very idea of ‘sector’, although undoubtedly useful, may not be the most appropriate to address the new forms of work and business organisation. Our empirical research has show, for instance, that both call centres and domiciliary care for the elderly are

better conceived of a new forms of work and business organisations than as new sectors or sub-sectors.

4.2.3. Implications concerning policy making

a) Implications for European policy making

At least two types of policy processes at European level are relevant for the evolution of precarious employment in Europe: the European Employment Strategy, steered through the Open Method of Co-ordination, and legislative activity (European Directives), sometimes preceded by European Social Dialogue. Both instruments may be important sources of “innovation” at the national level:

- Through the so-called “Open Method of Coordination” established by the European Employment Strategy and the European regulatory framework on Employment, a new model is being built for the Member States. In this model the importance of job quality is underlined, and it is related first to the economic strategy of quality-based competition in a knowledge society, but also to the maintenance of the social cohesion and inclusion of European society (Lindley, 2000). At least, several measures are embedded within a cognitive and normative framework, with a common procedure in all countries, coached by the Commission (Barbier 2002). Nevertheless, the EES, and the quality approach within it, is based on the establishment of policy “objectives”, and the evaluation is made in relation to such objectives. This is precisely the essence of what is normally called ‘new modes of governance’ (“soft” regulatory methods, and particularly “self-regulation”). The OMC (Open Method of Co-ordination) is the key soft regulatory method at the European level and this characteristic limits its normative influence.
- European legislation is usually understood to set a minimum standard at European level, which may already be exceeded by some countries, but can lead to new developments of national legislation in other Member States, or to new developments in collective bargaining.

a.1) Implications of ESOPE findings for the European Employment Strategy

The new European Employment Strategy (Council Decision 2003/578/EC of 22.7.2003) defines “three complementary and mutually supportive objectives of full employment, quality and productivity at work, and social cohesion and inclusion”, which, at the same time are developed in 10 specific guidelines that should be implemented with “good governance and partnership”.

The ESOPE findings are especially relevant to the second overarching objective of the new EES, namely quality and productivity, although more in the questions they raise than in the responses they bring:

- As has been pointed out in this report (section 3.2.2.), although it is valuable to jointly analyse productivity and quality, the link between the two should not always be taken for granted; on the other hand, our empirical research has shown, in the call centre sector, a tendency of large operators to retain the more productive services in-house and to externalise the less productive ones, which is one of the dynamics underpinning the formation of a precarious call centre sector (section 3.6.3.). Conversely, in some branches (and we could say also in some countries), new organizational models permit, simultaneously, an increase in flexibility and productivity while employment quality is maintained or even improved. Economic logic justifies this as a means to improve competitiveness (flexibility+quality) in activities with higher added value which are more based on workers' creativity or involvement. Here, quality measures (e.g. expanding access to lifelong learning) may even be used to compensate for the cost of increased flexibility, especially where wages and employment security have historically been high. Thus, employers have a direct interest in introducing quality measures as a way of increasing productivity. In some other branches, (and also in some other countries) however, we find a high level of flexibility, but it is an “insecure flexibility”: the use of precarious employment as the way to introduce flexibility has spread significantly, with no account being taken of the impact on employment quality. Why should employers introduce new organizational models if low wages associated with precariousness guarantees profits in knowledge-poor activities? When flexibility costs are externalised (to individuals or to the public sector) and the economic

achievements are significant with this model, what will be the incentive to move onto the quality road? Some sectors (e.g. call centres, domiciliary care) have made *precarious employment one of the key issues for their competitiveness or survival strategy*. And this strategy becomes a vicious circle that thwarts even reformers' attempts to improve employment (and social) quality. Extending the quality-based European Employment Strategy all over Europe will probably require specific policies with complementary measures adapted to countries, regions or activity branches, in order to break this vicious circle. Otherwise, maintaining economic models based on low productivity, low quality and low wage patterns will be increasingly incompatible with the notion of an incipient "European social model", producing in social and employment terms, a "two-tiered Europe".

- Similarly, the indicators of quality adopted in the new EES establish a link between flexibility and quality which can be questioned. As argued in section 3.2.2. above, only when workers voluntarily seek flexibility (having other alternatives and supportive services which allow actual choice) as reflecting a personal preference regarding their way of life, can we identify 'high quality' flexible jobs. In that sense, our research has drawn the attention on part-time work, which tends to be praised too quickly as a contractual form associating flexibility with personal satisfaction.
- Finally, on the basis of the findings of this research, there would seem to be a need to probe more in-depth into the assumption that the "knowledge based economy" secures high quality jobs, as two of the sectors studied in this research, call centres and the performing arts, are usually regarded as pertaining to such economy, and are nevertheless largely based on the mobilisation of precarious labour. This links into our earlier recommendation that research on the production of precarious employment could usefully be extended to more sectors.

It should be pointed out that the only EES guideline in which the application of sanctions is advocated is the fourth one, on undeclared work. In this respect, the Employment Taskforce Report (Wim Kok coord. 2003) asks for a mixture of information (improved statistics), effective regulation (sanctions and law enforcement capacity) and positive measures (simplifying business environments and improving the incentive effects of taxes and benefits) "to cut undeclared work", which will probably have a positive impact on the reduction of precarious employment. However, the results of our empirical research, especially with regard to the abuse of temporary employment

(e.g. through illegal renewal of temporary contracts), suggest that control of compliance and sanctions could also usefully be advocated in relation to other guidelines, in particular in guideline 7 (adaptability).

a.2) Implications for the European legislative process

Of higher importance may have been, on the other hand, the incorporation of EU directives into national labour laws. However, our literature and policy review showed that there is little research on the impact of the European legislative work in employment matters. Nevertheless, it is likely that the influence on French and German legislation can be altogether considered as limited (except on the question of equal opportunities for men and women); it may have been more substantial in Spain and Italy with regard to the implementation or the passing of regulations allowing for more flexible contracts, part time regulations and temporary agency work. On the basis of a comparative study of the European Foundation for the Improvement of Living and Working Conditions (Pedersini, 2002), we pointed out for example that the effect of the 1999 Directive on fixed-term employment in Italy was paradoxically to facilitate resort to this form of employment, when the intention of the Directive was to provide limitations to its use. Yet, the largest influence seems to have occurred in the UK since the adoption of the Social Chapter: this is consistent with the fact that the labour market there has been the least regulated. Exceptions to a universal and extensive adoption of European regulations in the UK however remain, as for instance, in the case of working time regulation. In our review of developments in the performing arts sector for example, we highlighted that the campaign by the Broadcasting, Entertainment, Cinematograph and Theatre Union (BECTU) resulted in an European Court of Justice ruling in 2001, that the UK government was in breach of the European Working Time directive in denying freelance workers and those on short-term contracts the right to four weeks paid annual leave (Greene 2001).

Hence, and on the limited basis of our research findings, it seems safe to say that, in some countries, European regulations have accompanied the spread of employment flexibility and possible negative effects in terms of ‘employment precariousness’, whereas in the UK, positive developments have occurred. However this was not a major focus of our research, and we have little evidence to substantiate our claim. This points

to the current lack of monitoring of the transposition of EU directives in national legislation or collective bargaining, and the lack of impact studies. Given the evidence brought by our research on part-time employment, it would seem particularly important to review the impact of the Part-time Directive (a study of ETUI has looked at the transposition of the Directive, but very little at impacts).

Finally, the scope for EU level influence in fostering change is limited to two directions: a) contributing to the conception of universal frames of reference, and b) contributing to tailoring them to existing types of social protection systems, and disseminating pertinent innovations among countries. However, in the distant future, the option of the EU to contribute, for instance, to the funding of a cross-EU domiciliary care allowance cannot be discarded altogether.

b) Implications for national policy making

In this section, we draw the implications of our research for national employment regulations, for social policy, and for public authorities.

b.1) Implications for employment regulation at the national level.

What are the current ways and channels through which *new social norms* are constructed and agreed upon by the relevant social actors, that allow for two analytically distinct (but actually interwoven) processes to develop and become reconciled to each other, i.e., the flexibilization *of work* on one hand, and the security of stable employment relationships on the other (or, at least a process of limiting the consequences of the introduction of flexible jobs, and defining certain characteristics of their *quality*). The outcome can be described as a national ‘flexibility/quality/security regime’ (*national FQS regime*). Such regimes will of course not be fixed forever, although they depend upon particular national institutions. Crises of legitimacy will occur from time to time and the then current FQS regime will consequently be altered. Labour market and social protection norms are central here. (Barbier 2003)

As shown in this research, each country studied presents a specific profile with regard to the main labour market flexibilisation tools used. This shows especially in the higher or lesser incidence of non standard forms of employment. However the strategies developed for countering the most dramatic effects of these flexibilisation strategies are

not always country specific, and there are some common reflections or measures across countries. Three trends of policy measures can be detected: measures for extending minimum protections to all workers; measures for the improvement of means of implementation of existing legislation and regulation; and measures organising direct trade-offs between flexibility and security.

Measures for extending minimum protection to all workers

The diversification of employment forms and the multiple segmentation of the workforce call for adequate social protection of workers. There are recent examples of such attempts:

- The setting up of a *national minimum wage*: The setting up of a minimum wage in the UK has not contributed towards decreasing the number of low wage workers, but has rather lowered the number of very low wage workers (Lindley 2002 and Ioakimoglou, Soumeli and Carley 2002), which is consistent with the focus on social exclusion rather than on precarious employment.

Attempts have been made in that direction in Italy, with regard to freelance co-ordinated workers, but with little success so far (Frey and Pappadà, 2003). However this route is worth pursuing.

In Spain, the unions' request that the minimum wage be raised (from the current level of 516 to 600 Euros), as its current level is unable to prevent poverty and gives rise to high wage inequalities, has been taken up by the Socialist Party in its electoral platform.

However, the results of our empirical research (see section 3.5.2. in this report) as well as recent research in France on the working poor phenomenon (Maruani, 2003) have unravelled limits to the influence that the minimum wage can have on putting a brake to the number of working poor, especially due to the development of part-time employment and its relationship with low wages¹⁸.

- The extension of a *floor of rights to all workers*: It is useful to mention here some of the provisions currently discussed in Italy, which go in that direction (Frey and Pappadà, 2003), in the context of high inequalities to the detriment of economically dependent workers, as documented in this report: extension of labour protection to

¹⁸ Margaret Maruani shows that the share of the workers earning less than the minimum wage in France has risen from 11.4% of wage earners in 1984 to 16.6% in 2001, and that ¾ of these workers are part-time workers. 80% are women.

every worker irrespective of the form of employment, increasing the value of collective bargaining and the playing down of individual bargaining, and a clearer regulation of service contracts. These are very interesting developments, which are also advocated in the UK literature (e.g. Earnshaw et al., 2002). Of course, such a strategy may lead to further discard the possibility of worker actions in the courts for the requalification of economically dependent employment into waged employment, whereas our review of the call centre sector in Italy has shown that most economically dependent workers in the sector are in fact subordinated to the call centre company. In that sense the existence of a registry of economically dependent workers already constitutes a breach with the traditional distinction between waged and self employment, as the evidence that a worker is not an employee lies in his/her registration as economically dependent worker rather than in the analysis of the factual relationship with the client/employer.

Measures for improving the means of implementation of existing legislation and regulation

Despite the availability of a wide array of flexible forms of employment, legal abuses exist, as is well-known and as our research has illustrated.

In Spain, for example, the unjustified renewal of fixed-term contracts has been one of the main ways in which these contracts have been growing during recent years. In the call centre sector, the average is of 2.5 contracts per temporary worker and per year (Frade et al., 2003). At the national cross-sectoral level, the average duration of a temporary contract was 77 days in 2001 (which already represented an improvement as compared with previous years) (CCOO, 2002). The Spanish legislation (ahead of the 1999 Directive on fixed-term employment) strictly limits the possibilities of renewals of fixed-term contracts, but this has had very limited impact because of the lack of control.

This point thus leads to the need for increased monitoring, not only of implementation into national law but arrangements for ensuring *compliance*. Reinforced labour inspections might at least curb abuses, and perhaps have a more general symbolic effect. In this respect the evolution of the missions and numbers of labour inspectors in some of the countries reviewed (e.g. France, Spain and Italy, in the latter case mainly in the underground economy) is a worrying issue. The issue of compliance will probably be increasingly present in relation to the EES, although, as we have seen, strict control and sanctions are only advocated in relation to undeclared work.

Measures organising direct trade-offs between flexibility and security.

When it comes to measures organising the trade off between flexibility and security, the reforms introduced between 1997 and 2000 in Spain are especially interesting, in three respects: the decision-making process for passing the reforms (through social agreements), the content of the reforms (creating new stable contracts with lower dismissal cost, and reductions in Social Security contributions for three years while social protection for temporary jobs was slightly improved), and their results in the labour market (growth of stable employment - something unknown since the 1970s in Spain). All these aspects meant a historical change, being contrary to the trends of more than two previous decades. Nevertheless the ratio of involuntary fixed-term contracts remains the highest in European Union. In the face of this persisting reality, unions have precisely been asking for reinforced controls of the “chaining” of temporary contracts.

Interestingly, one strand of the flexibility debate in Germany is presently not only arguing for a deregulation and flexibilisation of the labour market as in all other countries, but also advocates enhancing atypical employment (see the debate on the positive aspects of transitional labour markets) and promoting the enlargement of the low-wage sector. The social-democrat government has taken up the debate to promote the development of a low-wage sector and is presently engaged in a reform process relating to the labour market and the social welfare system. Most importantly, both policy and academic debate link labour market deregulation and social policy reforms. The core of this debate rests on the argument that in a sense more “precariousness” is needed and that people have to be “forced” into work. Thus, in contrast to the other countries studies, the argument is supply-side driven rather than demand-side driven. Neither the competitive stance of the German economy nor the needs of companies for more flexibility is at the root of this debate; rather it is the high unemployment figures, the distribution of risks between groups of workers and the type of social consensus. Thus Germany is also looking for a new balance between flexibility, quality and security. In this respect, part of this strategy is also to combat hidden unemployment and to limit the negative effects linked to atypical forms of employment as a part of the social compromise (based on the “transitional labour market approach”). In the case of Italy, it is interesting to quote the ‘Treu Package’ and the ‘Biagi Law’, that have tried to link legal reforms to a wider use of collective bargaining on a trilateral basis.

Measures and reforms where an overall protection of workers is oriented to

maintaining a balanced flexi-security combination are possibly needed in the future: fair monetary and non-monetary job guarantees, extending to every long-term worker economic safeguards as to the income, the production time, mobility, training, insurance and social security aspects, with particular reference to health, maternity, industrial accidents, the exercise of rights of association, or collective representation and information.

We might hope that *companies* feel a clear *responsibility* to reach a balance between flexibility, security and employment quality and thus, adoption of the best company strategies to improve the overall management of their labour forces should be encouraged. Taxes, social security, training and employment policy could be oriented in this direction. Reductions in social contributions for permanent employment have been an effective incentive in Spain during recent years, especially for contracting vulnerable groups, and have also had a contrasted impact in France for low paid jobs. These policies could be broadened to include consideration of employment quality. Nevertheless, generalising these measures could reduce effectiveness as a general subsidy for companies and could affect the future of the Social Security in a context of aging population. For this reason, new forms of collective protection of the workers should be studied, in which companies maintain their economic effort but enhancing quality-oriented practices. The proposals of *experience-rating* or *bonus malus* have recently been introduced in this debate. (Dolado and Jimeno 2004) It goes without saying, however, that the calls for corporate social responsibility cannot replace controls of the application of the labour law, and can only concern aspects which represent an improvement with regard to the minima established by the law.

b.2) Implications for Social policy

The final guarantee of security and employment quality is a responsibility of the political community, and not only of the economic agents, and this is why *social policy* has a key role in boosting job quality. Economic support to unemployed and low-paid workers, activation policies more based on providing opportunities and avoiding low protection and sanctions could be advocated in this section.

A generous, egalitarian and consensually managed system of social protection appears as a particularly adequate means to prevent the possible permanent installation of employment precariousness (and, indeed, precariousness of living in general). This

conclusion is important because it focuses on *the role played by the socialisation of risks* (and indeed, the de-commodification dimension of the regimes), i.e. the ability of social protection (in the wide sense accepted here, including education and ‘employment protection’) to create the conditions for safe life and to widen the ability to reject precarious jobs. Given the comparative economic performance of countries like Denmark and Sweden, the risk-socialisation route also appears to be sustainable so far (see for instance, Jorgensen, 2002).

In this respect, the quality, the generosity and efficiency of social protection in preventing and/or alleviating the consequences of employment precariousness have had a substantial cumulative social impact; the case of domiciliary care in the Parma municipality is an interesting example (Frey, Pappadà, Rondelli and Santini, 2003). Presumably, this is because efficient and equitable social protection systems are not only able to prevent and address the “failures” of employment as a panacea policy against poverty (Barbier, 2001 4p), but also to raise security and welfare in society in general, including for those who do not derive their income from immediate work (the universalistic rationale).

In some cases special social protection schemes should be introduced (or maintained where they already exist) in order to address adequately the needs of specific groups of workers potentially affected by precariousness because of the nature of their jobs. However, the example of the French scheme for “intermittent” artists examined in this research showed that this protection regime organising generous cover for unemployment in-between jobs in fact led to an increased precarious employment (as their duration is ever shorter) and to a direct encouragement to extreme flexibility on the part of the employers. Furthermore, the French scheme proved not to be sustainable, financially and socially, and reforms currently underway may affect the availability of this feature.

On the contrary, other groups of workers have not secured a proper system of social protection adapted to their specific needs. In the sectors analysed, the case of domestic workers is perhaps the most significant, especially in Spain and Italy. Unprotected work (with no unemployment insurance and without dismissal compensation), even when the job is declared, reinforces other aspects of their precariousness (low wages, working time, etc.). The French experience of improving the working conditions of domestic workers, based on the creation of an universal dependency benefit and on an incentive

for domestic workers to join associations which manage their employment contracts (see below), should be analysed as a possibly transferable practice to other countries. Conversely, the voucher system had already proved its limits.

More generally, access to social protection is becoming a serious issue, in particular because non standard contracts lead to discontinuous careers and low earnings, which, in contributory regimes, themselves lead to impaired access to unemployment benefits and pensions and/or to low entitlements. Thus employment precariousness directly links into social precariousness, which will become particularly evident when the current generation of young people reaches retirement age. Not enough thought has been given to this serious problem. Similarly, it has been too long assumed that women could “afford” part-time jobs as these represented an added-on to the family income, and women could enjoy social protection through their husbands. Yet, although our own research has focused more on employment characteristics than on life conditions, we know from other studies that those women working part-time have, in a significant way, become the bread-winners, either because they are lone mothers or because their husband/partner is unemployed¹⁹. Reforming social protection becomes thus a highly complex issue to ensure basic protection catering for these increasingly frequent “atypical” situations.

b.3) Implications for public authorities

In this section we draw the implications of our research for the role of public authorities in combating precarious employment, as employers, as contracting parties in public procurement, as funding and regulatory actors in some sectors.

Public authorities as employers

A better understanding of public responsibility in relation to *sectoral policies* to avoid precariousness is needed. When the State is the employer, it sometimes becomes a generator of precariousness (e.g. temporary employment in the public sector). To transform this situation probably implies, if we follow a “flexicurity” line, especially in Southern countries, a general reform of the public sector (with the same rationale of combining work flexibility and workers’ security). Nevertheless, this reform is usually

¹⁹ See, in particular, the work by Pierre Concialdi and Sophie Ponthieux in France. For example they show that 35% of the female wage earners earning less than the SMIC in France are breadwinners

rather difficult due to budgetary costs, and to political and bureaucratic resistance. The case of domiciliary care services in Pamplona has shown the limits of the capacity of the public administration to reduce precariousness through the expansion of public employment without reforming general regulations. Comparatively high rigidities (working time, human resource management and so on) at double the cost in the public sector made it easier to expand non-profit providers while Local Council services stagnated.

On the other hand, our study of the organisation of domiciliary care in the Italian Province of Parma has highlighted the case of a municipality which had outsourced the service and which came back on this decision and reincorporated the service, following complaints by users. Our research showed that providers, in the case of outsourced services, deal with the high financial pressure they are under by keeping wages at a very low level, which generates a high turn-over of staff and a lack of continuity of the service. However, reincorporation in the public sector is unlikely to represent a frequent solution in the future.

Public authorities as contracting parties

When the State is the client, the definition of the selection criteria for public tendering procedures is especially important. The domination of price criteria over other criteria has been highlighted in our research, in the domiciliary care sector in England, Spain and Italy. There are two issues here: first an issue of compliance of providers with the labour law or general employment regulations, and secondly the possible introduction of “social” criteria, on top of this. Using public procurement criteria to combat precarious employment first demands that public procurement was not used as a “screen” to discharge public authorities from their responsibility with regard to the law. The record of tenderers in terms of compliance with labour law should become a compulsory criterion in all public procurement procedures.

Secondly, the introduction of social criteria in public tenders has been analysed as an interesting measure. These social criteria may be related to some standards of employment quality: share of permanent contracts, minimum number of working hours, wages, training, career promotion, general HRM. They may also be used to fight against inequalities in labour market access, for example by valuing positively the employment

(quoted in Maruani, 2003). The already quoted Eurostat study by Marlier and Ponthieux shows that 85%

of disadvantaged groups by providers. In some sectors, such as domiciliary care, they may be used to give priority to third sector companies. Of course, defining these criteria has implications for the setting up of price levels. A municipality in the Madrid province, whose domiciliary care policy we studied, thus chose to give less prominence to the price criterion than to others (such as stability of employment) in order to favour the continuity of a quality provision in the social economy (Álvarez et al., 2003). Especially in domiciliary care services these practices have been shown to be positive from the point of view of employment quality as well as for improving service quality.

Paradoxically these practices have sometimes been identified as contrary to fair market competition and European, national, regional or local authorities have refrained from using them. In most cases, amongst the public tendering criteria mentioned, one does not find much trace of concern with the quality of employment - the type of contracts used, the hours worked, pay etc. Of course, including such criteria would meet with a number of obstacles, the first of which being the consequences this would have for costs faced by the public authorities in contracting out the service. Given that a major motive for contracting out is precisely to cut costs, such practices have to be studied more in depth in each particular context. Anyhow, this should not be seen as an automatic reason for discarding these options and a wider approach may be developed that allows for the overall collective interest.

The participation of third sector companies made cost reductions possible (in comparison with public provision) and reduced precarious employment (in comparison with for-profit companies). This process may be demonstrated at the national level and in international comparisons. Non-profit organisations are more willing to develop strategies which compensate for flexibility and moderate wages through other improvements in employment quality. These achievements do not necessarily imply higher costs.

Especially in the case of Pamplona, these “trade-offs” are at the very centre of its interest from the point of view of innovation. Some organisational innovations were analysed in a non-profit company: workers’ participation, insertion contracts with disadvantaged workers, training, fostering workers’ careers through access to better jobs, adequate working hours to match workers’ availability, etc. The idea is that these advantages (in comparison with other private companies in the sector) could

of employees living in a low-wage household are low wage employees.

compensate, at least partially, for the low wages received by carers, in an overall perspective of employment quality. This could explain why turnover in the company was comparatively low. Arcadia, another innovative case analysed in French domiciliary care services, presents similar features.

Furthermore, low wages are not the same as moderate wages: wage-blind strategies of public administrations oriented to cost reductions through outsourcing should be differentiated from other practices of outsourcing which allow moderate, but still acceptable wages.

Public authorities as funding and regulatory actors

But public responsibility in structuring emerging services is not limited to the labour dimensions. A regulatory framework for service quality has also been analysed as an indirect way to improve employment quality (Frade, Darmon and Álvarez, 2003).

Many aspects could be considered as transferable in this respect, in the case of domiciliary care: the role of social policy regulations, the extension of the services, the articulation of public financial support with partial payment by the families/users, and a strict policy of accreditation and regulation of the providers, could introduce significant improvements in employment quality, at least in countries like Spain and Italy. However, reinforcing controls should go hand in hand with ensuring adequate resources or other supportive actions.. Rationed funding and correspondingly insufficient provision go hand in hand with precarious employment in all the cases analysed, especially in Southern countries. Thus, a more universalistic approach of this kind of public services would probably have a positive effect on employment quality, reducing precarious employment.

However, it must be stressed that it is not correct to present expanding service coverage and improving job quality as alternative options (in a context of limited funds). Neither is it always the case that high quality employment means automatically better quality service for the user. The case of Pamplona also demonstrates that higher quality jobs for workers of the local council) achieve the same level of service quality as those at Miluce (who are worse paid and less protected). Moreover, expanding coverage (with a low wage model) may mean reducing illegal work and thus, a reduction in the average precariousness of the sector, while the quality option of maintaining a reduced volume of high quality jobs has a more limited impact on the general quality of

employment.

The role of public authorities in structuring emerging service activities has proved crucial in our empirical research, particularly of course in the sub-sector of domiciliary care for the elderly; this could perhaps be generalised to other public procurement and subsidised markets. Further research in other similar sectors would be useful to clarify the possibilities and limits of this kind of strategies.

4.2.4. Implications for collective bargaining

The role that unions have played and could play in combating precarious employment has been an object of debate in our project. There is, however, no doubt about its importance.

From one point of view, social dialogue and bargaining has proved to be a good way to introduce reforms at national, sector and company levels. Even at the European level, social bargaining is slowly widening, with recent examples of its impact on European regulations, such as the framework agreement on fixed-term employment, although this directive's ability to transform the actual working conditions of 'temporary' workers will perhaps be quite limited.

At the national level we find several examples of labour reforms introduced with the involvement and participation of social actors oriented to meet market requirements. Unions' participation in these processes has been especially significant. The involvement of social actors may be understood as a powerful mechanism to design more balanced reforms, to achieve greater compliance (in theory) and thus, a real impact on the labour market. These kinds of agreements were for decades typical of Nordic and Central European countries (neo-corporatist systems), while Southern countries, such as Italy, Spain (and even France) were marked by confrontation with their governments. At the end of the 1990s however, significant agreements gave rise to deep reforms in these countries, incorporating social practices previously alien to their political culture. The results have been especially interesting in Spain (partly because of the huge scale of precarious employment and unemployment in this country), where a large number of new jobs were created, most of them being permanent contracts, changing the historical trend of destroying permanent jobs, although afterwards quality indicators continued to be the worst in the European Union. As mentioned above, the

agreement has not been accompanied by the necessary controls of compliance. Whether these processes will continue in the future, and whether they will have clear incidence on the features of national labour markets, converging with the Nordic countries in the combination of flexibility and security/quality in a manner compatible with their national traditions, is a question we cannot answer at present. At the moment, these neo-corporative practices are facing significant difficulties (notably by way of general strikes) to be maintained in the long run. In Italy, the examples of collective bargaining following the trilateral agreements give some interesting suggestions on these difficulties.

These practices should be encouraged by the European Commission, which obviously requires the commitment of social actors, and this commitment could be more easily reached by developing participation structures in the areas of the economy and employment, expanding the power and competencies of economic and social councils at various levels.

An opposite view may be found if we analyse the role of social actors in general and trade unions in particular in the sectors selected for this project. Low standards of employment quality achieved in collective agreement (wages, working time, types of contracts, etc.), low levels of compliance with these agreements by enterprises, limited ability to control and monitor this by unions, even clear mistakes in bargaining that may worsen former working conditions, are clues to the reduced presence and ability of trade unions in these sectors. In the call centre and domiciliary care sectors, we have found that unions, in some cases, had played an important role in the normalisation of precarious employment. This is to be understood in a context of weakening of the unions, and in relation to their primary goal to be seen as interlocutors in collective bargaining, to the detriment of a more grass-roots combative and defensive position in a transformed workplace. Thus, as reported in our case study report, a 2001 Court decision in Spain concerning a call centre subsidiary of the Telefónica group, which largely relied on the new collective agreement for the telemarketing sector to justify the systematic resort to temporary employment. This decision is crucial, and surprising, as it relies on a collective agreement to contradict higher level legislation.

Other examples include the adoption of a collective agreement in the call centre sector in Italy in 2000, which excludes “free-lance co-ordinated” (parasubordinate) workers, even though these form the majority of the workforce; of a collective

agreement for residences for the elderly and domiciliary care at the national level in Spain, which stipulates the modest objective of 30% of the workforce in permanent contracts, an objective which would have meant a significant improvement of employment stability for the majority of companies but which has not been complied with (Laparra and González 2002); and the adoption, in 2000 in Italy, of the second collective agreement between co-operatives in the social services, health and education sectors and some Confederate sectoral trade unions, whose foreword links the implementation of the agreement to obtaining better procurement conditions with the public administration (Frade, Darmon and Álvarez, 2003).

Thus precarious employment in the sectors studied is directly related to weak unionisation. In most cases, especially in the home care sector and call centres, these characteristics are related to their emergent nature: new activities with new enterprises and new workers, usually with a large proportion of disadvantaged groups (women, young people, immigrants, etc.) who are traditionally less involved with unionism. Furthermore, there is in some countries a long-standing tradition of defending first the interests of skilled workers and especially of core workers (e.g. Germany).

The dynamic in these sectors may contrast with other practices in more unionised sectors where other kinds of bargaining are being developed. Negotiating companies' commitment to workers' futures during major big industrial restructuring, pursuing trade-offs between salary moderation and employment promotion, converting fixed-term into permanent contracts, have been common union strategies at company level to improve employment quality. Nevertheless, nothing clearly suggests that this development will appear in the domiciliary care sector or in the call centres and we do not yet know if new organisation and strategies more akin to the new forms of business organisations (Earnshaw *et al.*, 2003) will be found. On the contrary, union weakness, limited price-cost margins, lack of political commitment and narrow enterprise strategies would underpin the maintenance of precarious employment and even its expansion in these sectors.

In conclusion, a special focus is needed on "low quality" jobs or "precarious" employment within the European Employment Strategy if the social and economic problems of this phenomenon are going to be faced (i.e. the negative impacts on social cohesion and productivity). Specific complementary measures should be introduced in

several sectors and regions to ensure that the quality strategy can have a positive impact all over Europe. The commitment of Member States' policies to this strategy (adapted to their specific needs and possibilities) should be reflected not only on labour market measures, and within their NAPs (which should be more seriously planned, implemented and assessed), but also by means of different sectoral policies in those sectors where precarious employment has been spreading, and a better monitoring and control of business practices.

Furthermore, in reforming social policies, the impact in terms of precarious employment (positive or negative) should be taken into account because of the significant role of social protection in preventing it. The efforts already made in monitoring and assessing all these aspects through a system of employment indicators should be reinforced, focusing specifically on a wider range of job characteristics which identify "low quality" jobs, analysing more extensively the concept of "employment quality" and the relationships among its different aspects, and improving the data quality - particularly indicators for temporary employment, constrained part-time employment, and quasi self-employment.

Finally, the involvement in this strategy of social actors, notably employers, unions, local and regional administrations, could be reinforced by developing participatory procedures when the reforms are introduced at the European, national, sector, local and firm levels. Partnership is not only a requirement of good governance for achieving desired results, but also the way to find what results and objectives should be pursued. Within these objectives, reducing precarious employment and improving quality of jobs *for all*, should be included as priorities.

5. Dissemination and/or exploitation of results

ESOPE adopted a dissemination strategy based on a Project Forum with external experts, organisation of two Workshops with Forum members and a European Seminar with external participation by experts and academics, bulletin periodic publications, a dedicated web page, and publications in scientific journals. To this we must add the likely organisation of a Congress on Precarious Employment and Quality of Work mainly for a Spanish audience. Currently formal contacts with publishers are being made with a view to the possible publication of a book in Spanish (mainly with Spanish authors, but with international collaboration as well), and possibly another book in English with chapters written by both partners and academics who participated in the European Seminar:

- Two workshops with external experts, members of the Project Forum, were held, the first one in March 2002 at Munich and the second one in January 2003 at Paris.
- The European scientific seminar “*Risk and Insecurity in Flexible Economies*” was held at the University of Warwick Institute for Employment Research (Coventry) in May 23rd and 24th 2003. In addition to project partners, external experts and academics delivered papers and participated in the debates. The proceedings of the seminar have been published as Deliverable 08 of the project: *Risk and insecurity in a flexible economy: theoretical approaches and evaluation methodologies* (Seminar proceedings).
- Project content and results have been disseminated in a Bulletin jointly published by two project partners: the Centre d’études de l’emploi (Paris) and the Institute for Employment Research (University of Warwick).
- A dedicated web page was set up in the first phase of the project which will continue to function beyond the end of the project: <http://www.unavarra.es/organiza/esope.htm>. On the other hand, diverse project reports are available at the web sites of the institutions involved in the project.
- In addition partners have participated in diverse seminars and conferences, addressing

audiences drawn to different degrees from the scientific, policy and practitioner communities. These seminars and conferences are specified below.

- The project has also led to other research funding proposals that have extended the resources available for the study of precarious employment situations during the period of the ESOPE project and allowed for continuing research since the end of Framework V financial support.

Dissemination activities undertaken by partners:

- **Departamento de Trabajo Social, Universidad Pública de Navarra (Pamplona, ES)**
 - Laparra, M. and García, R. 'Labour reform for flexibility: imposition or social agreement. The effects of labour reform and the decision-making process', paper presented at *ESPANET (European Social Policy Analysis Network) 2003 Conference: Changing European societies. The role for social policy*. Copenhagen, 13-15 November.
 - Laparra, M. 'Políticas Europeas de integración y de empleo: su repercusión en los Estados Miembros de la U.E' Paper presented in the *III Seminario ONG por la Inclusión. Trabajando en Red*, organised by the Spanish section of EAPN (European Anti Poverty Network), 6-7 November 2003.
 - Laparra, M. 'Factores de exclusión en la comunidad gitana en España' paper presented in the Seminar *Promotion of more Active Policies for the Social Inclusion of the Roma and Traveller Minorities*, funded by the European Commission and organised by FSGG (Spain), REAPN (Portugal), Pavee Point Travellers Centre (UK), and EFXINI Poli (Greece). Madrid, 29-30 May 2003. (employment exclusion and precarious employment was analysed in a wider perspective of social exclusion for Roma people)
 - Laparra, M. 'Empleo' chapter of Laparra, M. (ed.) *Extranjeros en el purgatorio. Integración social de los inmigrantes en el estacio local*. Barcelona, Bellaterra, 2003. (An analysis of migrants' jobs, especially women as domestic workers is included).
 - Laparra, M. 'Diagnóstico y situación de las familias gitanas en las rentas mínimas en España' paper presented in the *Seminario sobre Programas de Rentas Mínimas y Perceptores Gitanos*. Organised by the Spanish Ministry of Social Affairs. Madrid 5 November 2002 (Activation policies in Spain related to minimum income programmes and access to employment of ethnic minorities were analysed in the paper).
 - Jointly with ICAS Institute, publication of a book of readings on precarious employment with the participation of some of the best known Spanish experts in the field and also contributions from Europe and the USA. The book will probably be entitled *La precariedad laboral: perspectivas teóricas e implicaciones prácticas (Precarious Employment: Theoretical Perspectives and Policy Implications)*.
- **ICAS Institute (Barcelona, ES)**
 - Darmon, I. (2003) 'New modes of business organisation and precarious employment: towards the re-commodification of labour?', paper presented at the *V Jornadas Economía Laboral, Universitat Rovira i Virgili (Reus, ES)*, 9/10/11 July 2003.
 - Frade, C. (2003) 'Rights versus opportunities in the study of precarious employment: Two conflicting theoretical and policy approaches to the social question', paper presented at the *V Jornadas Economía Laboral, Universitat Rovira i Virgili (Reus, ES)*, 9/10/11 July 2003.
 - Frade, C. (2003) 'Europa tras la legitimidad: ¿Puede aportarla la 'governance'?' (Europe after legitimacy: can 'governance' supply it?), paper presented at the VI Congress of the Spanish Association of Political and Administration Science: *Gobernar en Europa, Gobernar Europa* (Governing in Europe, Governing Europe), Barcelona, 18/19 September 2003.
 - Frade, C. (2003): 'Rights and regulations vs. Benchmarks and self-regulation', paper presented at the *Workshop on Benchmarking Working Europe*, organised by ETUI (European Trade Union Institute), Brussels, 5 December 2003.
 - Darmon, I., Frade, C., Demazière, D., and Haas, I. (2004) 'Formés et formateurs face à la «double contrainte» des programmes de formation pour l'employabilité des chômeurs de longue durée', *Formation Emploi*, 85, January-March 2004 (this paper deals with an issue very close to our research on precarious employment: the practical reality of training and activation as a transition period towards work).
 - Jointly with the Universidad Pública de Navarra (Department of Social Work), publication of a book of readings on precarious employment with the participation of some of the best known Spanish

experts in the field and also contributions from Europe and the USA. The book will probably be entitled *La precariedad laboral: perspectivas teóricas e implicaciones prácticas* (Precarious Employment: Theoretical Perspectives and Policy Implications).

- **Economix Research and Consulting (Munich, D)**

- Düll N., (2003): *Is precarious employment shaping European labour markets? Assessing and accounting for precarious employment in five European countries*, paper for the 15th Annual Conference for the Advancement of the Socio-Economics, Aix-en-Provence 26-28 June 2003.
- Düll N., Vogler-Ludwig Kurt (2004 - forthcoming): *The socialisation of labour market risks – the case of Germany*, paper to be presented on 16th Annual Conference for the Advancement of the Socio-Economics, Washington D.C. July 8-11, 2004.
- Further publications are planned.

- **Centre d'Etude de l'Emploi (Paris, FR)**

- Barbier J.-C., 2004, « National systems of social protection in Europe: two contrasted paths to activation, and maybe a third », in H. Jorgensen, J. Lind, and H. Knudsen (eds), *Labour and Employment Regulation in Europe* (forthcoming).
- Barbier J.-C. et Théret B., 2003, "The French Social Protection System: Path Dependencies and Societal Coherence", in N. Gilbert and R. Van Voorhis, eds., *Changing Patterns of Social Protection*, Transaction Publishers, New Brunswick, p. 119-168.
- Barbier J.-C., 2004, « Activation Policies : A Comparative Perspective », in Serrano Pascual, A., (ed) *Social and civil partnership in the European Employment strategy against youth unemployment*, ETUI, Brussels (forthcoming).
- Barbier J.-C. et Nadel H., 2003, « La flexibilité du travail et de l'emploi » in *Encyclopédie des Ressources Humaines*, dirigé par Allouche J. et Gazier B., Vuibert, Paris, p. 553-560.
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 - The UK team (R. Lindley) has assumed the responsibility of co-ordinating the possible publication of a collective book on the project in English. It will draw on a great deal of material produced by the project.

6. Acknowledgements and References

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7. Annex:

7.1. Annex A: List of agreed deliverables

No.	Deliverable Title	Main Authors	Status
1	«Defining and assessing precarious employment in Europe: a review of main studies and surveys»	Düll N., Economix Research & Consulting	C
2	« Managing labour market related risks: a comparative analysis of regulation frameworks and policies»	Barbier, J.-C., Brygoo, A., Viguier, F. & Tarquis, F. (Centre d'études de l'emploi)	C
3	<i>Sectoral Case Study Monographies: Call Centres (3), Performing Arts (2), Domiciliary Care for the elderly (4), and multimedia industry (1)</i>	All partners (10 sectoral case studies)	C
4	« Precarious employment in contrasted sectors: an in-depth comparative analysis across 5 European countries»	Frade, C., Darmon, I., and Álvarez, I. (ICAS Institute)	C
5	<i>Case Study Monographies of innovative local initiatives dealing with precarious employment</i>	All partners (7 case studies)	C
6	« Managing labour market related risks at the local level: a comparative analysis and evaluation of exemplary practices in 5 European countries»	Barbier, J.-C. (Centre d'études de l'emploi)	C
7	«Risk and insecurity in a flexible economy» (European Scientific Seminar)	Held at Institute for Employment Research, University of Warwick (Coventry) 23/24-05-03	C
8	« Risk and insecurity in a flexible economy: theoretical approaches and evaluation methodologies» (Seminar proceedings)	Lindley, R. (Institute for Employment Research, University of Warwick)	C
9	« Managing labour market related risks in Europe: implications of current regulations and policy alternatives» (Policy report)	Laparra, M. (Department of Social Work, Public University of Navarra)	C
10	<i>Project Forum: 2 partners' meetings with external experts</i>	- Munich: March 2002 - Paris: January 2003	C
11	First progress report	Frade, C. and Laparra, M.	C
12	Interim report	Frade, C. and Laparra, M.	C
13	Second Progress report	Laparra, M. and Frade, C.	C
14	Final report	Frade, C. Darmon, I. & Laparra, M.,	C

C: Completed

7.2 Annex II: Previous documents which this report is based on

Work Package 1.1 Defining and assessing precarious employment

Synthesis

- Düll, N. (March 2003) [CF91] Defining and assessing precarious employment in Europe: a review of main studies and surveys . ESOPE Project, FP 5, Deliverable 01, Economix, Research & Consulting (München)
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- Barbier, J.-C., Brygoo, A., Viguier, F. (March 2002). Defining and assessing precarious employment in Europe: a review of main studies and surveys. A tentative approach to precarious employment in France. ESOPE Project, FP 5, CNRS, Centre d'études de l'emploi, Paris

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- Düll, Nicola and Düll, Klaus. (March 2002) Defining and assessing precarious employment in Europe: a review of main studies and surveys Precarious employment in Europe: A comparative study of labour market related risk in flexible economies. Country report, Germany. ESOPE Project, FP 5, Economix, Research & Consulting (München).

Italy

- Frey L.; Croce G. and Pappadà G. (March 2002) Defining and assessing precarious employment in Europe: a review of main studies and surveys Precarious employment in five European Countries. Precarious employment in Italy- a literature review. . ESOPE Project, FP 5. CERES, Centro di Ricerche Economiche e Sociali (Roma)

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- Frade C.; Laparra M.; Alvarez I.; Pérez B.; Darmon I.; and González R. (September 2002). Defining and assessing precarious employment in Europe: a review of main studies and surveys. Literature Review of Precarious employment in Spain. ESOPE Project, FP 5. ICAS Institute (Barcelona) and UPNA Department of Social Work (Pamplona)

United Kingdom

- Hogarth, T. R. Lindley Scheibl, F (Revised, August 2002) Defining and assessing precarious employment in Europe: Precarious Employment in The United Kingdom: A Review. ESOPE Project, FP 5. Warwick Institute for Employment and Research (UW)

Work Package 1.2. Analysis of regulation frameworks and policies

Synthesis

- Barbier, J.-C., Brygoo, A., Viguier, F. and Tarquis, F. (December 2002): Managing labour market-related Risks: a comparative analysis of regulation frameworks and policies. Normative and regulatory frameworks influencing the flexibility, security, quality and precariousness of jobs in France, Germany, Italy, Spain and the UK, ESOPE Project, FP 5, Deliverable 02, draft version, CNRS, Centre d'études de l'emploi, Paris.

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- Frey L., Cavicchia L. and Pappadà. (February 2002) Managing labour market-related Risks: a comparative analysis of regulation frameworks and policies. The Italian policy framework for promoting labour market flexibility and controlling the spread of "precarious" employment.. ESOPE Project, FP 5, CERES, Centro di Recerche Economiche e Sociali (Roma)

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- Laparra M.; Frade C.; Darmon I.; Silva J., González R. and Alvarez I.(May 2002) Managing labour market-related Risks: a comparative analysis of regulation frameworks and policies. Analysis of Spanish policy framework for managing labour market risk. ESOPE Project, FP 5. ICAS Institute (Barcelona), UPNA Department of Social Work (Pamplona)

United Kingdom

- Lindley R.M. (Revised, November 2002). Managing labour market-related Risks: a comparative analysis of regulation frameworks and policies The UK labour market: a review of the record and the current policy . ESOPE Project, FP 5. Warwick Institute for Employment and Research (UW)

Work Package 2. Case Study monographies
Synthesis

- Carlos Frade, Isabelle Darmon and Isabel Álvarez (April 2003). Precarious employment in contrasted sectors: an in-depth comparative analysis across five European countries. ESOPE Project, FP 5. Deliverable 04. (This report deliverable is based on the 10 sectorial case studies carried out by the ESOPE partners and reported as deliverable 03: "Case study monographies"). ICAS Institute (Barcelona).

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- Barbier J.-C., Brygoo A. With Tarquis F. And a contribution by Cabotte L. (July 2002) Case Study monographies. The French <<Domiciliary care for elderly sector>>. A specific flexibility/security/quality regime?. "National level" Report. ESOPE Project, FP 5, draft version, CNRS, Centre d'études de l'emploi, Paris.
- Barbier J.-C., Brygoo A. With Tarquis F (July 15th 2002) Case Study monographies The French "performing art sector" A specific flexibility/security/quality regime?. "National level" report ESOPE Project, FP 5, draft version, CNRS, Centre d'études de l'emploi, Paris.
- Barbier J.-C., Brygoo A.(November 2002) Case Study monographies The French "Care Sector". Two Case Studies. ESOPE Project, FP 5, draft version, CNRS, Centre d'études de l'emploi, Paris.
- Barbier, J.-C, Viguier, F. and Tarquis, F. (November 2002) Case Study monographies The French "Performing Arts Sector" Case studies. ESOPE Project, FP 5, draft version, CNRS, Centre d'études de l'emploi, Paris

Germany

- Düll N.; Düll K.; Leitzke S. (December. 2002)) Case Study monographies Precarious employment in call centres- a sector case study. . ESOPE Project, FP 5, Economix, Research & consulting (München)

- Vogler-Ludwig K. (December 2002) Case Study monographie. Precarious employment in the European cultural sector and the German multimedia industry ESOPE Project, FP 5,. Economix, Research and consulting (München)

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- Frade C.; Darmon I. (July 2002) Case Study monograph. Case Studies- Call centres sector.. ESOPE Project, FP 5, draft version. Deliverable 03. ICAS Institute (Barcelona)
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- Galloway S.and Lindley R.M.. (Revised, May 2003). Case Study monograph. Precarious employment: UK Cultural Sector Study. ESOPE Project, FP 5, draft version. Deliverable 03. Warwick Institute for Employment and Research.(UW) Coventry
- Baldauf B. (Revised, June 2003) Case Study monograph Literature review underpinning the care sector case studies The domiciliary care sector in England. ESOPE Project, FP 5, draft version. Deliverable 03. Warwick Institute for Employment and Research (UW). (Coventry).

Work Package 3. Innovative local Initiative

Synthesis

- Barbier, J.-C. (November 2003) Innovation in combining flexibility of work and security/quality of employment in three sectors of France, Germany, Italy, Spain and the UK. ESOPE Project, FP 5. Deliverable 5. (Work Package 3)(Synthesis Report). CNRS, Centre d'études de l'emploi, Paris.

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- S. Galloway, R.M. Lindley and A. Raddon (October 2003)). Precarious Working Lives: An Innovation in Policy for Musicians in the UK. ESOPÉ Project, FP 5. Deliverable 5. (Work Package 3). Warwick Institute for Employment and Research (UW). (Coventry)

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European Commission

EUR 21250 — EU RESEARCH ON SOCIAL SCIENCES AND HUMANITIES — Precarious Employment in Europe: A Comparative Study of
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