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## The Diversity of “Marginal” Part-Time Employment

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### 1. Introduction

Working hours and working-time arrangements are central aspects of the employment relationship and key elements of the quality of jobs. In recent years there has been an emergence in many developed economies of non-standard forms of employment, and in that context a growing interest in and concern regarding working-time arrangements involving very short part-time hours and arrangements with no established minimum hours at all, such as “on-call” work and “zero hours” contracts. These working-time arrangements are so unusual that some authors have defined them as “very atypical working-time arrangements” (Broughton, Biletta and Kullander 2010). Employers may value the resulting business adaptability, especially in difficult economic circumstances, in order to meet the fluctuating demands of markets and customers. However, such short-hours part-time work is often linked with poorer working conditions—and especially when it is performed involuntarily—can result in adverse effects on workers (Eurofound 2015: p.66 ff.).

The phenomenon of “marginal” part-time employment is characterized by very short hours of work<sup>1</sup>. Although very short hours is the key characteristic of this form of employment (e.g., less than 15 hours a week or less than 20 hours per week), it is a complex continuum, and the working-time arrangements that are associated with it can take diverse forms with a range of defining attributes. This policy brief intends to facilitate a better understanding of this broad spectrum of working-time arrangements and provide some suggestions regarding how to improve the quality of such short-hours part-

time work. The brief begins with an overview of the incidence and recent trends regarding “marginal” part-time employment and its relationship with time-related underemployment. Then seven case examples of “marginal” part-time employment in developed economies are reviewed, namely from: Australia, France, Germany, Italy, the Netherlands, the United Kingdom, and the United States.

Based on the review of these case examples, some common features and issues regarding “marginal” part-time employment will be identified, followed by conclusions and policy recommendations. For the sake of clarity, it should be noted that this paper focuses exclusively on dependent employment in the formal economy.

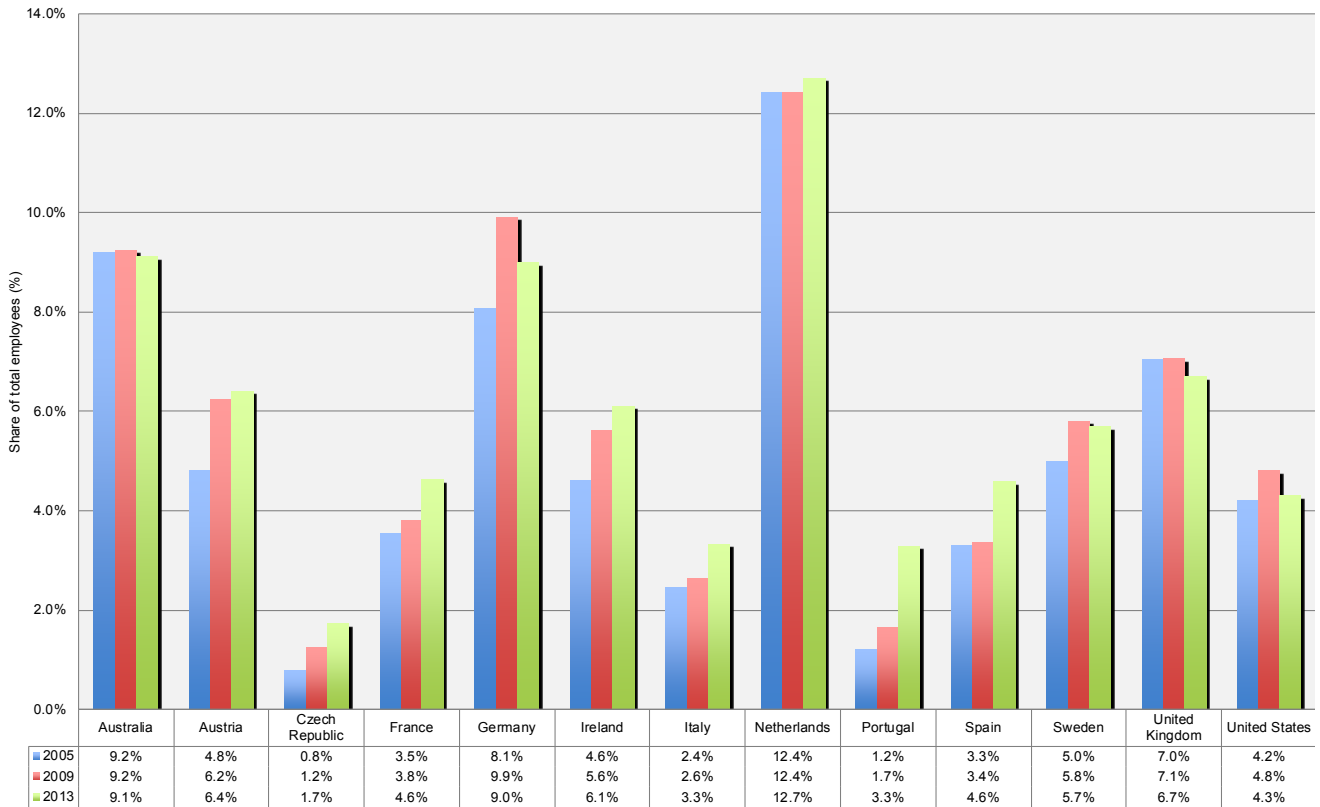
### 2. The significance of “marginal” part-time employment

“Marginal” part-time employment or short-hours part-time work constitutes a substantial part of the labour force in many developed economies (cf. Figure 1)<sup>2</sup>. Moreover, in several countries (e.g. Austria, France and Italy) a steady growth can be observed over time, and in Portugal and Spain the numbers of such workers increased substantially in the aftermath of the global financial crisis. In Germany and the United States the incidence of “marginal” part-time employment peaked during the crisis and is currently declining and in sight of pre-crisis levels. In Australia, the Netherlands, and the UK, the numbers of people working 14 hours or less per week are essentially unchanged. Regarding the Australian and Dutch labour markets, short hours part-time work has a long, socially accepted tradition, which results in this equilibrium. In the UK, the most important trend is rising “zero-hours” contracts—which cannot be deduced from Figure 1 because the average hours actually worked on “zero-hours” contracts lies slightly above the 1-14 hours band (21 hours) (Pennycook, Cory and Alakeson 2013: p.3). Nonetheless, almost 40% of “zero-hours” workers work less than 16 hours per week<sup>3</sup>, which makes this type of employment arrangement relevant for this policy brief.

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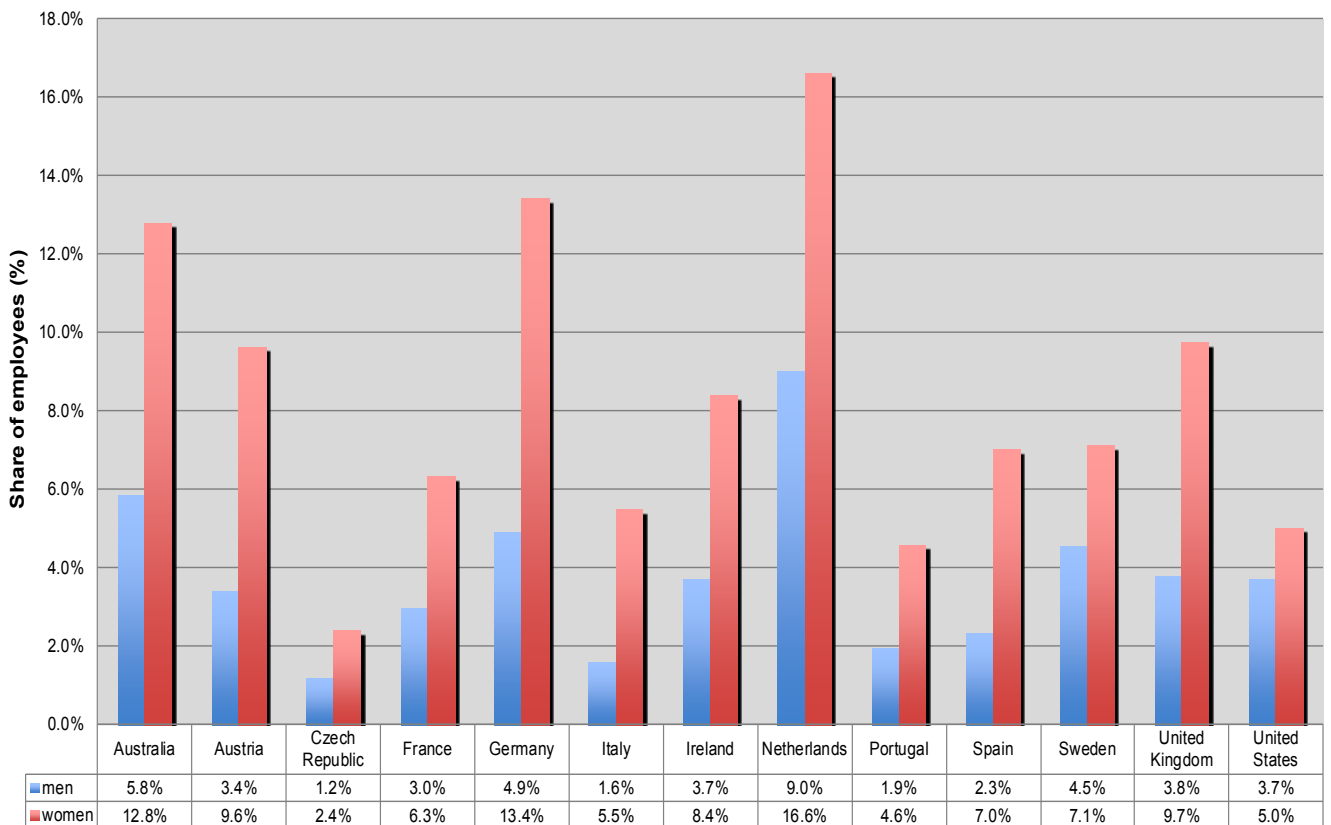
\* Research assistance on Italy by Valerio De Stefano is gratefully acknowledged.

**Figure 1: Percentage of dependent employment in thirteen developed economies with the 1-14 working hours band in 2005, 2009, 2013 (age 15+, men and women)**



Source: National LFS, EU LFS, ILOSTAT 2014

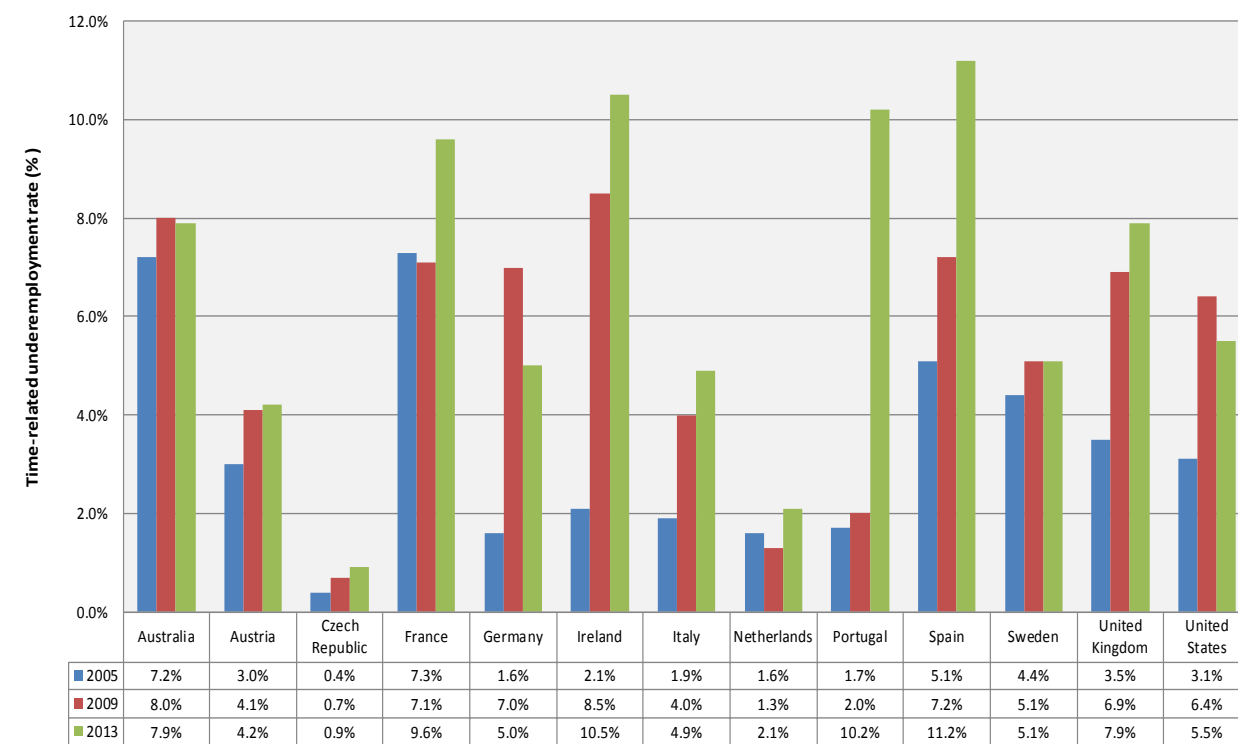
**Figure 2: Percentage of men and women in dependent employment working 14 hours or less per week in thirteen developed economies (Age 15+, most recent year available)**



Source: National LFS, EU LFS, ILOSTAT 2014

Regarding the gender dimension of “marginal” part-time work, the share of female “marginal” part-time employees is substantially higher than for male employees in every observed country (in many instances at least double cf. Figure 2). Any regulation of short hours part-time work needs to take this reality into account, as otherwise the existing gender inequalities will be further reinforced. While numerous employees are likely to be working very short hours by choice due to their personal responsibilities and commitments (e.g., household tasks, care duties, higher education, social and community activities etc.), a look at the time-related underemployment (TRU) rate can be a useful gauge of the extent to which very short hours are imposed and thus may create difficulties for employees.

**Figure 3: Number of persons in time-related underemployment as a percent of the total number of persons in employment in 2005, 2009 and 2013**



Source: National LFS, EU LFS, ILOSTAT 2014

As Figure 3 indicates, the TRU rate has risen substantially in Ireland, Italy and the United Kingdom, and especially in Portugal and Spain, over the last decade. In Germany and the United States TRU peaked during the crisis and is now declining, but is still far from reaching pre-crisis levels. The Netherlands and the Czech Republic show very low levels of TRU, which suggests that most of the short hours part-time work in those countries is freely chosen—and in the case of the Czech Republic, is also due to the fact that such short-hours part-time work is quite rare in that country. In the majority of the countries reviewed, the incidence of TRU among women is almost double the rate for men (ILOSTAT, 2015). In sum, time-related underemployment seems to be increasingly relevant in many developed economies.

While these are the overall trends, to understand what underlies them it is necessary to go a step further and examine the various working-time arrangements that are associated with very short working hours in different countries.

### 3. Case examples

#### 3.1 Australia

As shown above, short-hours part-time work (9%) and time-related underemployment (8%) are prominent features of the Australian labour market. Such short working hours are often associated with “casual employment” in the country (Australian Council of Trade Unions 2011). In the Australian context “casual employment” has a very distinct meaning: it is commonly understood as “jobs that attract a (premium) hourly pay rate but have very few of the other rights and benefits of regular employment, such as the right to notice, the right to severance pay and most forms of paid leave” (May, Campbell and Burgess 2005: p.1). Casual employment exists in virtually all industrial and occupational groups and in both the public and private sectors (Australian Industry group 2014: p.5). Over half of the 2.3 million casual employees in Australia (23.9% of the entire labour force) are “part-time casuals”, in that they have no stable employment nor guaranteed

minimum hours<sup>4</sup>, and ca. 850,000 casual part-timers (7% of the total employed workforce) would like to work more hours to increase their earnings (ibid.) The majority of casual workers in Australia are not “secondary” earners (e.g., full-time students), but an increasing majority is drawn from young non-student workers and prime-age men (Richardson, Lester and Zhang 2011: p.3). Although it has been narrowing over time, there is still a gender gap in the realm of casual employment, with 17% of all male employees compared to 22% of female employees in this type of employment (Australian Bureau of Statistics 2013).

The most distinctive feature of casual employment in Australia is a higher hourly wage rate—typically 20-25% higher than for permanent workers performing the same work (called “casual loading”). This higher pay rate is intended to compensate for these workers’ lack of employment security and paid annual and sick leave. Regarding protection from unfair dismissal and discrimination, casual employees in Australia have the same rights as permanent workers. However, the contention that the premium wage is adequate compensation for poorer working conditions and the lack of benefits is not well-supported by the available evidence, since it has been estimated that only half of casual workers are actually paid at the premium rate (May, Campbell and Burgess 2005: p.4). Additionally, a comparable regular employee is often still paid more overall, due to additional payments like bonuses (Campbell 2004: p.92 ff.). Responding to an enquiry of the ACTU in the spring of 2015, the Productivity Commission (an advisory body of the Australian government) is currently reviewing entitlements for casual workers, as well as contemplating a legal definition of a “casual worker” and prerequisites to hire them. The Commission is expected to report back to the government in the autumn of 2015.

### 3.2 France

In 2013, the French institute “Direction de l’animation de la recherche, des études et des statistiques” (Dares) published a study depicting a steep rise in involuntary part-time work, with over 22% of all part-time employees unable to accumulate more than 12 hours per week<sup>5</sup>. According to this study, such “marginal” part-time employment in France is associated with a high risk of becoming unemployed, low wages, regular weekend work, and a lack of job training opportunities. This fragmentation of working-time left particularly single parents, women and young adults in vulnerable situations<sup>6</sup>.

With the study results as a backdrop, the French social partners concluded a national cross-industry

agreement (accord national interprofessionnel) and then the French Government adopted the Job Security Act in 2013. This novel law substantially modifies the regulation of part-time work in France by establishing, in principle, a minimum of 24 working hours per week. This rule has been mandatory since June 2014 for newly-agreed contracts, and it also includes a transition period for existing contracts until January 2016. The establishment of a minimum threshold for working hours puts a clear limit on the emergence of “marginal” part-time employment in France. The law mandates that negotiations over the organization of part-time work be initiated when at least one-third of the workforce in the sector concerned is employed part-time (ILO 2015a, p.32). Exceptions for fewer hours are allowed under strict conditions, either through a collective agreement, at the employee’s request (e.g. to be able to accept several part-time jobs), or due to the personal circumstances of the part-time worker. The new law does not affect students aged less than 26 years.

### 3.3 Germany

In the early 2000’s, a continuing long-term unemployment problem in Germany led the first Schröder administration to the political decision that the development and expansion of a low-wage sector might help to reduce unemployment. The so-called “Hartz reforms” were the result, which included the creation of “geringfügige Beschäftigung”, colloquially referred to as “mini-jobs” (i.e., jobs paid a maximum of €450 a month, the threshold above which jobs are liable for social security contributions); these “mini-jobs” are almost always “marginal” part-time employment. Migrant workers, women and youth are overrepresented among workers with this employment arrangement (Integrationsreport 2011). According to recent calculations of the German Federal Labour Market Authority, 4.86 million people had a “mini-job” in January 2015, which constitutes a reduction of 2.4% compared to 2014—with a tendency to further decrease due to the introduction of the minimum wage at the beginning of the year<sup>7</sup>. This trend has its roots in the fact that the wage levels of “mini-jobs” have always been rather low, and with a minimum wage of €8.50 per hour many “mini-jobs” have become less economically viable.

These “mini-jobs” include “work on demand” or “Arbeit auf Abruf”, which has an “on-call” working-time arrangement as its core feature. In the absence of other agreements, a minimum amount of 10 working hours per week and at least 3 consecutive hours for any work shift is predetermined; these hours need to be paid no matter how many hours have actually been worked. Workers are obliged to



accept their appointed work commitments only if they receive notice a minimum of four days in advance. Additionally, “workers on demand” have an entitlement to both paid annual leave and paid sick leave. In Germany 5.4% of dependent employees are “working on demand”, which equals 13% of all “mini-jobs” (Tobsch, Matiaske and Fietze 2012: p.26). This type of “marginal” part-time employment is particularly relevant in the manufacturing, hotel, restaurant, transport and construction industries (Schult and Tobsch 2012: p.20).

Despite these rather well-designed regulations, there are several issues that are linked to “work on demand”. In practice, the provision of a minimum of 10 hours of paid work per week is often ignored because of very limited possibilities of sanctioning such behavior with substantial penalty fines. The most serious legal consequence for a violation of this provision is the need to reimburse some additional working hours<sup>8</sup>. Furthermore, the rule to notify the worker four days in advance is seldom applied, either. For example, one “worker on demand” at the Deutsche Post (Germany’s universal provider of postal services employs approximately 9,000 “workers on demand”) reported that he is usually called 2-3 hours before he is supposed to start his work<sup>9</sup>. Additionally, “work on demand contracts” sometimes include a clause that the “working-time complies with the demands of the business”, which entails wide availability from 2 to 40 hours per month, making it effectively impossible to accept additional jobs (WSI Report 2014: p. 38).

### 3.4 Italy

In Italy the incidence of “marginal” part-time employment, as well as the extent of time-related underemployment, have been continuously rising during the last decade, albeit from relatively low levels (see Figures 2 and 3 in Section 2). The 2003 “Biagi” Labour Reform introduced *lavoro a chiamata* (job on-call), which facilitates “marginal” part-time employment. Under *lavoro a chiamata*, workers accept to be available to an employer during a pre-established period of time with no minimum working hours on only one working day of advance notice<sup>10</sup>. This is a form of casual employment that allows for very short hours of work and also highly variable hours. If employees accept the obligation to answer to all of the employer’s calls, they are entitled to receive a monthly “availability indemnity” even for unworked periods, in addition to payment for the actual time worked. Employees lose the right to the indemnity for 15 days and are potentially subject to dismissal if they do not promptly justify to the employer any failure to respond to a request for service<sup>11</sup>. In terms of payments, Italian legislation

stipulates that “on-call” workers must be paid on the basis of the work done and also not be paid less on a pro-rata basis than workers on standard contracts doing comparable tasks (Eurofound 2015: p.70).

Until July 2012 *lavoro a chiamata* steadily increased in numbers (with a peak of ca. 280,000 employees). At that time, a new law was passed that significantly changed the nature of “on-call” work in Italy. The law currently allows the use of “on-call” work only for discontinuous or intermittent work, in order to respond to the needs identified by the collective bargaining agreements signed by the most representative trade unions and employers’ associations or for predetermined periods during the year, the month, or the week. These limitations do not apply to employees who are under 24 or over 55 years of age. As a result of the application of the new law, the number of “on-call” contracts declined by more than 50%<sup>12</sup>. Recently, a new provision was introduced that further restricts the use of *lavoro a chiamata* to 400 working days for each employee over three years (with an exception to this rule for the tourism, restaurant and entertainment industries). Beyond this time limit, employees will be reclassified as full-time, permanent staff. This regulation is expected to remain in force in the current process of labour market regulatory reform<sup>13</sup>.

### 3.5 The Netherlands

The Netherlands has the lowest amount of average weekly hours of full-time work (32 hours per week on average) and one of the highest incidences of part-time employment—45% of all employees (ILO 2015a, p.15 ff.). Thus, part-time work plays a prominent role in the Dutch labour market, and this includes “marginal” part-time work as well, with 12.7% of employees working 14 hours a week or less. Dutch “marginal” part-time employment is often associated with the following three contractual categories, each with their own distinctive features: “pre-agreement”, “zero-hours” and “minimum-maximum” contracts (*Oproepcontracten*, *nulurencontracten* and *min-maxcontracten*<sup>14</sup>). “Pre-agreement” contracts refer to arrangements that give the employee a separate short-term contract for each call for work, and after four successive contracts the employment relationship turns into a permanent one (*Dienstverband*). For a contract to be transformed into a *Dienstverband*, it must meet the following requirements: either the employee worked every week for three months without interruption, or s/he worked at least 20 hours each month for three months. Under Dutch “zero-hours” contracts, a minimum of 3 hours per working day is legally binding, and may be either for a

predetermined or for an undetermined time period. A particularity of the Dutch “zero-hours” contract is that wages need to be continuously paid, even if there is no more work to do, while the salary is determined by the average number of hours worked in the past three months (Article 7:610b Dutch Civil Code). This provision is intended to provide for some employment security and continuity for these employees, in order to make longer-term planning possible. Minimum-maximum contracts provide for a variable working-time arrangement, but establish fixed minimum hours per week, month or year. Referring to data from the Dutch national statistical office (CBS), the Dutch Trade Union Confederation estimates that between 2008 and 2012, the number of employees undertaking these contracts rose from 295,000 to 365,000 (ca. 4% of the entire labour force), and many of them are employed for less than 12 hours per week (ibid.).

Part-time work in the Netherlands is generally well-regulated. Under the Equal Treatment Act of 1993, employers are required to provide the same benefits, wages and training opportunities to part-time and full-time workers on a pro-rata basis. Additionally, through the Adjustment of Working Hours Act (2000), part-time workers have the right to request change in their weekly working hours, periodically asking for more or fewer hours. Thus, it is perhaps no surprise that—despite high levels of “marginal” part-time employment—the Netherlands has very low levels of time-related underemployment, and workers with very short working hours generally do not report lower job satisfaction than standard full-time contract workers, except for highly-educated male workers (De Graaf-Zijl 2012: p.197 ff.). Nonetheless, there are some concerns about the three contractual categories discussed above, such as irregular minimum wage payments and a lack of paid sick and annual leave for employees—despite the fact that these are required by law<sup>15</sup>. Moreover, mechanisms designed to promote a transition to regular employment may also provide firms with incentives to hire workers for only a few hours per week to avoid the progression to a permanent contract, or in the case of “zero-hours” contracts, to hire workers for less than 3 months.

### 3.6 The United Kingdom

Recently, the UK’s unemployment rate has followed a downward trend, with a decrease from 7.2% in late 2013 to 5.1% in early 2015 (Office of National Statistics, 2015). However, time-related underemployment has more than doubled during the last decade—from less than 4% to nearly 8% of the workforce (see Figure 3). One possible contributing factor to this development can be seen in the increasing use

of “zero-hours” contracts (ZHCs)—which constitute approximately 2% of the UK’s workforce (ONS, 2015, cf. Figure 4)—under which employers are not required to offer employees any fixed number of working hours at all per day, week or month. Other surveys, such as the one by the Chartered Institute of Personnel and Development (CIPD), suggest that the number of such contracts could be in fact much higher, with up to 1 million persons (3-4% of the UK’s workforce) employed on such terms<sup>16</sup>. Part of the uncertainty regarding the actual figures is due to the large number of people on “zero-hours” contracts who fail to correctly identify themselves as being a member of that category. This explanation appears to be plausible, as the term “zero-hours contract” has only in recent years attracted mainstream media attention, public debate and government scrutiny. In fact, the contractual diversity of work arrangements that are summarized under the label “zero-hours” contracts has been seen as an obstacle both to accurate statistics and also to effective legal regulation of these mechanisms (Adams, Freedland and Prassl 2015).

**Figure 4: “Zero Hours” Contracts in the UK**  
Level and rate of people on “zero-hours” contracts 2005-2014

	UK, not seasonally adjusted	
	In employment on a zero hour contract (thousands)	Percentage of people in employment on a zero hour contract
2005	119	0.4
2006	147	0.5
2007	166	0.6
2008	143	0.5
2009	189	0.6
2010	168	0.6
2011	190	0.6
2012	252	0.8
2013	586	1.9
2014 April - June	624	2.0
October - December	697	2.3

Source: ONS Labour force Survey

“Zero hours” contracts have flourished and spread throughout various sectors during the prolonged economic downturn in the country since the 2009 global economic crisis. The main industries that use “zero-hours” contracts are food and accommodation (53%), education (27%) and health and social work (19%) (Pyper and Dar 2015: p.5). ZHCs are particularly widespread among younger people (37% are aged between 16 and 24). Almost 20% of “zero-hours” contracts provide for only 8

hours or less of paid work per week and another 20% provide for more than 8 but less than 16 hours per week (CIPD 2013: p.19)—thus, approximately 40% of ZHC workers can be considered to be in “marginal” part-time employment. Interestingly, 40% of ZHC workers would also prefer to work more hours, underlining the substantial segment of time-related underemployment among this group (ibid.). Furthermore, those employed on “zero-hours” contracts receive lower hourly pay, amounting to £9 per hour on average, in contrast to £15 per hour for regular employees in comparable positions (Pennycook, Cory and Alakeson 2013: p.9).

The growth of ZHCs also risks undermining the employer-employee relationship, which is important because some benefit entitlements in the UK (e.g. unfair dismissal, redundancy or maternity benefits) accrue only to employees, while others apply to all workers (Eurofound 2015a: p.5). UK case law has shown that the key to determining the nature of the parties’ relationship under a “zero-hours” contract is “the mutuality of obligation between employer and employee”; if the reality of a contract shows a pattern of regular work offers—which in turn are constantly accepted—the employment tribunal tends to consider a “zero-hours” contract to be an employment contract. However, this practice provides incentives to shuffle “zero-hours” workers to avoid legal obligations.

Finally, it should be noted that “exclusivity clauses” have been often cited as the most exploitative use of ZHCs. These clauses allow employers to prevent ZHC employees or workers from working for another employer—even though they are not guaranteed any work—and thus keep them in short hours. A proposed ban of these clauses included in the Small Business, Enterprise and Employment Bill has recently become law<sup>17</sup>. Additional changes in the rules for ZHCs have been suggested as well, for example, financial compensation when a shift has been cancelled at short notice or the entitlement for a permanent contract where de facto regular hours were being worked (Pyper and Dar 2015: p.18). More fundamental changes have also been proposed, such as a review of the entire UK tax-benefit system, particularly in the light of the introduction of the so-called “Universal Credit”<sup>18</sup>, as it may require employees to accept very short-hours contracts in order to qualify for benefits or tax credits (see Adams and Deakin 2014: p.24).

### 3.7 The United States

In 2014, almost one-third of all part-time workers in the United States were working involuntarily short hours (U.S. Bureau of Labor Statistics 2015). “Marginal” part-time employment is closely associated with the country’s service sector and particularly its

retail industry. This industry is marked by extended shop opening hours and fluctuating customer flows throughout the day and week. Retailing accounts for ca. 11% of total employment in the US—62% of whom are women—and the number of those working fewer than 20 hours per week has grown by 14% during the past decade (BLS 2015). A recent survey of 200 retail workers in New York City found that only 40% of these workers had a set number of minimum hours per week, and over half of them would like to work more (Luce, Hammed and Sipe 2014: p.7). Retail companies rely heavily on this flexible workforce, which is increasingly guaranteed very few weekly hours, but is expected to “flex up” to 40 hours on demand to provide coverage during peak periods and extended store opening hours (Carré and Tilly 2012: p.4). Approximately 10% of the US workforce has irregular and “on call” work schedules, and the lowest income workers have the most irregular schedules. (Golden 2015: p.11). This so-called “just-in-time scheduling”, fuelled by sophisticated software technology that predicts customer demand using historical data, allows firms to adjust work shifts and determine “optimum staffing” levels at short notice; shifts are often subject to cancellation or last-minute adjustments hours before they are due to begin<sup>19</sup>. These irregular schedules, often with very short and non-standard work shifts (evenings and weekends), can have negative effects on workers, particularly on female employees and their ability to cope with responsibilities outside of work (Hendly and Lambert 2014).

Recently, some US state governments and employers have moved to address these issues. For example, eight US states and the District of Columbia have introduced “reporting-time pay” legislation requiring employers to pay a minimum amount to employees who report for a scheduled shift, even if no work is provided to them (Luce, Hammed and Sipe 2014: p. 17). At firm level, a best practice example is the guaranteed minimum hours of 24 hours per week for part-timers at Costco Wholesale, resulting in exceptionally low rates of staff turnover (Ben-Ishai, Hammand and Warden 2014: p.7). In a similar vein, Starbucks Corporation vowed to change their scheduling practices, starting with a new policy in which work shifts need to be posted at least one week in advance and schedules with back-to-back opening and closing shifts are prohibited. And Walmart, facing strong protests by the Organization United for Respect at Walmart (OUR Walmart), recently promised more fixed and predictable schedules with its new “Access to Open Shifts” policy, which lets workers search the company’s internal scheduling system for available slots to accumulate additional and more suitable working hours (ibid. p. 19).



#### 4. Common features and issues in “marginal” part-time employment

As we have seen, there are some similar features and issues associated with “marginal” part-time employment across the developed economies analyzed in this brief. For one thing, the business rationale for these working-time arrangements in all these countries centers around the argument that arrangements with very short hours help to meet fluctuating market demands, create jobs and/or avoid redundancies in times of economic crisis. From the workers’ perspective, there are some positive aspects as well: employees can use these arrangements to stay “connected” to the labour market or even as a stepping stone towards more regular employment<sup>20</sup>. And in exceptional economic circumstances reasonable trade-offs between protecting employees’ benefits and creating flexible job opportunities are necessary. However, where proven crisis-response tools like work-sharing measures are infeasible or non-existent, it is also crucial that such compromises be understood as temporary solutions until the economy recovers.

Nonetheless, “marginal” part-time employment, with very short and often highly variable hours—and thus also income insecurity—frequently makes it impossible to sustainably manage a household budget and meet family and other personal responsibilities. Moreover, not knowing when work begins or when it ends might have detrimental psychological and physical consequences, and may also result in a slower pace of recovery from work and more conflicts between paid work and personal life (Keller, Bamberg, Dettmers et al. 2012: p.30). If some protections are not provided to these workers (for example, regarding a minimum notice period before a call to work), they are often not in a position where they can risk their only source of income by going to court to defend their rights. A similar rationale applies to employees’ fear of being penalized with no work after rejecting a call to go to work (this practice is often referred to in the UK as being “zeroed-down”)<sup>21</sup>. Furthermore, the casual nature of many of these jobs can, in itself, turn valuable employee assets like age (and thus experience) into liabilities, since it is often perceived as a personal “failure” to be in a casual job after a certain age and this decreases the chances of making a transition to regular employment (Watson 2013: p. 14). Indeed, continuing attachment to an organization is a key asset for employees and their career progression, but the core structure of short-hours part-time work constantly undermines the development of this pivotal attribute (ibid.).

In summary, as stated in the Conclusions of the Meeting of Experts on Non-Standard Forms of Employment, “...when non-standard forms of employment are misused by employers in order to circumvent their legal and contractual obligations and other employment-related responsibilities, this undercuts fair competition, with detrimental effects for responsible businesses, workers and society at large” (ILO 2015b: p. 43, paragraph 4). Indeed, one can argue that the impact of misused “marginal” part-time employment goes beyond the actual employee, as the resulting lower staff morale and diminished team cohesion can damage the overall quality of a product or service (Pennycook, Cory and Alakeson 2013: p.21). Workers who feel less engaged in the business or valued by the employer are a particular concern in sectors such as health services or law enforcement<sup>22</sup>. Therefore, it appears to be a “win-win” situation to ensure that “marginal” part-time employment is carefully monitored; that sound safeguard mechanisms are in place; and that adequate protections are provided for these workers.

#### 5. Conclusions and Policy Recommendations

“Marginal” part-time employment constitutes a diverse, growing landscape in developed economies, with distinct policy regulations but often common features and issues. Careful revision of these regulations and the associated protections and benefits is taking place in some countries (e.g., establishing minimum hours for part-time workers in France), while others are deciding to ban the most problematic aspects (e.g., the new ban exclusivity clauses in the UK) or arrangements (e.g., in New Zealand, where unions and employers pledged to end “zero hours” contracts by July 2015)<sup>23</sup>, in order to avoid serious income insecurity and work-life-balance strains. Indeed, the improvement of such working-time arrangements is likely to be a rational choice for many businesses, as it is a basic truth in the 21st Century that “your people are your business”. With decent working-time arrangements that include adequate protections for workers, high turnover costs and absenteeism can be pre-empted and greater productivity and customer satisfaction can be gained. Thus, it remains a fundamental challenge for all to ensure that non-standard forms of employment, including “marginal” part-time employment, are characterized by responsible collaboration, social inclusion, and parity in rights and benefits.

Towards this end, some specific policy recommendations that merit consideration include:

- Introduction of some basic standards regarding *minimum* working hours (similar in principle to current standards regarding maximum hours),



as well as stipulating appropriate penalties in the event of non-compliance.

- Regulation that mitigates the vulnerabilities of “marginal” part-time workers might include: premium hours pay (as in Australia), a fixed minimum compensation rate for “on-call” times not worked, and/or favorable unemployment/social benefits.
- Allowances for paid annual leave on a pro-rata basis. This approach seems more feasible than making paid leave gradually available after a minimum period of employment, as in the latter case incentives to rotate employees are high.
- Promotion of workers’ awareness regarding their labour rights under these arrangements to prevent discrimination—particularly against women and youth, who are overrepresented in “marginal” part-time employment.
- Elimination of contractual provisions under which “marginal” part-time workers are required to be available for work at all times (e.g., exclusivity clauses).
- Equal access to career development and skill training opportunities compared to full-time staff would support workers’ transition from short-hours part-time jobs into regular employment (if desired), and thus help to prevent “marginal” part-time employment from becoming a permanent unwanted condition.

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<sup>1</sup> Different working definitions of “marginal” part-time employment can be established based on different hours’ thresholds, e.g., less than 15 hours a week or less than 20 hours per week. This policy brief uses a 15-hour threshold for statistical purposes, although the discussion of working-time arrangements in the brief is not limited only to arrangements with hours of work below this threshold. In fact, the weekly hours of such arrangements may vary substantially—from none at all up to full-time hours in some weeks. Nonetheless, the key characteristic of these arrangements is that they have very short hours of work, on average, as contrasted with “regular” part-time employment, which has longer working hours (but less than the full-time threshold).

<sup>2</sup> “Marginal” part-time employment constitutes roughly a quarter of all part-time employment in the countries analysed in this policy brief, ranging from 12.1% in Italy to 30.4% in Germany (ILOSTAT 2014).

<sup>3</sup> [http://www.cipd.co.uk/binaries/zero-hours-contracts\\_2013-myth-reality.pdf](http://www.cipd.co.uk/binaries/zero-hours-contracts_2013-myth-reality.pdf) (Accessed, April 2015).

<sup>4</sup> <http://www.actu.org.au/media/125289/Future%20of%20work%20industrial%20options%20paper.pdf> (Accessed April, 2015).

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- Dutch National Statistical Office 2013
- UK Office of National Statistics 2014
- US Bureau of Labor Statistics 2015



#### Further information

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