

Stefan Stuth/Janine Bernhardt

Wissenschaftszentrum Berlin für Sozialforschung (WZB)

### **Non-Standard Employment in Europe. Are there Unequal Integration Effects?**

Modern times are often depicted as uncertain and flexible with individuals working lives becoming more insecure (Beck 1999; Blossfeld et al. 2006; Heinz 2003: 185-201; Sennett 1998). Yet empirical findings contradict the myth of declining security in terms of long-term employment relationships. Employment stability has not changed much in the OECD countries since the 1990 (Auer 2006). At the same time, however, unemployment steadily increased, hardly diminished in times of economic upswings and continued to rise during economic downturns (OECD 1994). To counter this development, most European governments deregulated their national labour markets, in particular with regard to employment protection legislation.

The focus of national policy measures on full employment has mostly resulted in partial and targeted deregulation (Esping-Andersen/Regini 2000). This means that existing permanent contracts remain intact while 'new' employment contracts for labour market entrants and older job seekers become more flexible. It is argued that these measures provide incentives to enterprises to create new jobs, therefore reduce unemployment and simultaneously maintain the core worker with full social security and employment protection. Macro-level studies on the impact of labour market institutions on employment and unemployment find ambiguous evidence (e.g. Amable 2009; Freeman 2005). Recent research has focused on institutional determinants of non-standard employment (Hevenstone 2010). To date, little is known about the dynamics of non-standard employment and their effects on the labour-market integration in the European countries. Descriptive analyses of labour markets in Europe find evidence for an increase of different types of non-standard employment and a decrease of non-employment in most countries since the mid-1990s (Allmendinger et al. 2012). Moreover, the development of non-standard employment and of non-employment differs considerably between socio-demographic groups (Schmeisser et al. 2012; Schmid/Protsch 2009). A common argument is that flexibilisation on the margins creates an insider-outsider divide (Barbieri 2009). Hence, it remains an open question whether the expansion of non-standard employment has positive effects on labour market integration of target groups, in particular the young and elder working-age population.

To fill this gap, we will examine the rise and decline of non-standard employment contracts in Europe and how they are associated with the increase and decrease of non-employment. Non-standard employment comprises marginal part-time, substantial part-time, temporary part-time employment, temporary full-time employment and self-employment without employees. We will concentrate our efforts on three major sub-populations: (1) the youth (20-29 years), individuals in their best working age (35-44 years) and the elderly (50-59 years). As mentioned above, young and elder people are the usual targets for deregulation policies. Therefore, we will compare the effects of non-standard employment on labour market integration with the population in the best working age.

How does an increase or decrease of the different types of non-standard employment affect the risk of being not employed? Are there differences between the age-groups? In order to answer these questions, we analyse 20 European countries from eastern, northern, southern, central Europe and the two Anglo-Saxon countries, over a period of 15 years (1996-2010), using the European labour force survey. We apply a two-step multi-level analysis which allows us to control for demographic changes over time. In a first step, we use individual-level data to calculate the risk of being non-employed for the three age groups differentiated by sex (male, female) and education (low, medium, high). In this way, we create 18 synthetic cohorts for each country and every year. In a second step, we use these outcomes as our dependent variable at the country level. We then analyse how the development of different types of non-standard employment affects the risk of being non-employed for the three age groups, controlling for period effects, GDP and the potential intervening role of labour market institutions. This analytic approach will reveal the extent to which different types of non-standard employment improve or impede labour market integration.

#### References:

- Allmendinger, J., Giesecke, J., Hipp, L., Leuze, K., & Stuth, S. 2012. Mehr Jobs oder nur mehr schlechte Jobs? Die Entwicklung atypischer Beschäftigung in Europa. *WZBrief Arbeit* 13. Berlin: WZB.
- Amable, B. 2009. Structural reforms in Europe and the (in)coherence of institutions. *Oxford Review of Economic Policy*, 25(1): 17-39.
- Auer, P. 2006. Protected Mobility for Employment and Decent Work: Labour Market Security in a Globalized World. *Journal of Industrial Relations*, 48(1): 21-40.
- Barbieri, P. 2009. Flexible Employment and Inequality in Europe. *European Sociological Review*, 25(6): 621-628.
- Beck, U. 1999. *Schöne neue Arbeitswelt. Vision: Weltbürgergesellschaft*. Frankfurt Campus
- Blossfeld, H.-P., Mills, M. & Bernardi, F. (Eds.) 2006. *Globalization, uncertainty, and men's careers: An international comparison*. Cheltenham: Edward Elgar.
- Esping-Andersen, G. & Regini, M. (Eds.) 2000. *Why deregulate labour markets?* New York: Oxford University Press.

- Freeman, Richard B. 2005. *Labour Market Institutions Without Blinders: The Debate over Flexibility and Labour Market Performance*. NBER Working Paper Series No.11286.
- Heinz, W. 2003. *From work trajectories to negotiated careers. The contingent work life course*. New York: Kluwer Academic/Plenum Publishers.
- Hevenstone, D. 2010. National Context and Atypical Employment. *International Sociology*, 25(3): 315-347.
- OECD 1994. *OECD Jobs Study, Evidence and Explanations, Part I: Labor Market Trends and Underlying Forces of Change*. Paris: OECD.
- Schmeißer, C., Stuth, S., Behrend, C., Budras, R., Hipp, L., Leuze, K., & Giesecke, J. 2012. *Atypische Beschäftigung in Europa 1996-2009*. Berlin: WZB.
- Schmid, G. & Protsch, P. 2009. *Wandel der Erwerbsformen in Deutschland und Europa*. Berlin: WZB.
- Sennett, R. 1998. *The corrosion of character. The personal consequences of work in the new capitalism*. New York, NY: W.W. Norton & Co.