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**Session 5– Invited paper**

**FLEXIBLE WORK AND WORKING HOURS IN THE NETHERLANDS**

Submitted by Statistics Netherlands \*

**I. Introduction**

1. To improve quality of work is an important element of the Social Policy Agenda of the EU. Also it is high on the agenda of the ILO. Quality is recognised as multidimensional with a number of components that interact with one another. Within the EU, guidelines were adopted to improve the quality of work. These guidelines are monitored on a regular basis<sup>1</sup>. For this a set of indicators were developed. They cover 10 dimensions of job quality: Intrinsic job quality, Skills and Career development, Gender equality, Health and safety at work, Flexibility and security, Inclusion and access to the labour market, Work organisation and work-life balance, social dialogue and worker involvement, Diversity and non-discrimination, Overall work performance. The ILO also has been working on quality of work in the discussion on decent work. Decent work also has several dimensions. Six were distinguished: opportunities to be able to find work,

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<sup>1</sup> See for instance Communication from the commission to the council, the European Parliament, The European economic and social committee of the regions (COM2003) 728): Improving quality in work: review of recent progress

working conditions, productive work, equity in work, security at work, dignity at work. For these dimensions statistical indicators were presented<sup>2</sup>.

2. This paper deals with the quality dimension: flexibility and security. The Commission of the EU defined two indicators for this dimension: fraction of employees working part-time and fraction of employees with a fixed term contract. The ILO defined two groups of indicators referring to flexibility and security of work: Decent hours and Stability and security of work. For decent hours two indicators were suggested: excessive hours and time-related underemployment. For stability and security of work also two indicators were suggested: tenure and temporary work. So, the general idea is that flexible contract and working hours are the most important elements.

3. Therefore the analysis in this paper is restricted to these aspects. This paper describes the situation of the Netherlands concerning flexible work contracts and excessive hours. The analysis is limited to employees. For this the data of the Dutch Labour Force Survey of the year 2003 is used.

## II. Flexible work contracts

### II.1. Fixed term contracts and contracts with flexible working hours

4. Employers could want to make use of their work force in a flexible way. There are two ways in which the employers can build in flexibility in the contract. They can hire persons with a fixed term contract. Or they can arrange in the contract that they hire a person not for a fixed number of hours a week. When there is more work they can ask them to work more and at slow times those persons work less hours. With these kinds of contracts often a minimal number of hours is guaranteed. For the work this flexibility in the working hours means no steady income. In the Netherlands the vast majority of the employees have a contract of unlimited duration. In 2003 this was more than 90 percent. About 2 percent had a contract of a fixed duration of one year or more. The remaining 7 percent had a fixed term contract with a duration of less than one year. Mostly it is a length of 6 to 12 months. Flexible working hours is even less common. Only about 8 percent of the employees had in 2003 a contract with no fixed number of hours a week. Relative often both elements are combined. About 5 percent had both a fixed term contract with flexible hours.

Table 1, Flexible work, employees 15-64 years, NL LFS 2003

|                                       | fixed hour contract |            | Total       |
|---------------------------------------|---------------------|------------|-------------|
|                                       | yes                 | no         |             |
|                                       | %                   |            |             |
| <b>Fixed term contract</b>            | <b>4.6</b>          | <b>4.9</b> | <b>9.4</b>  |
| <3 months                             | 0.4                 | 0.5        | 0.9         |
| 3-6 months                            | 0.7                 | 0.4        | 1.2         |
| 6-12 months                           | 1.9                 | 3.3        | 5.2         |
| Contract of duration >= 1 year        | 1.6                 | 0.6        | 2.2         |
| <b>Contract of unlimited duration</b> | <b>87.1</b>         | <b>3.5</b> | <b>90.6</b> |
| Total                                 | 91.7                | 8.3        | 100.0       |

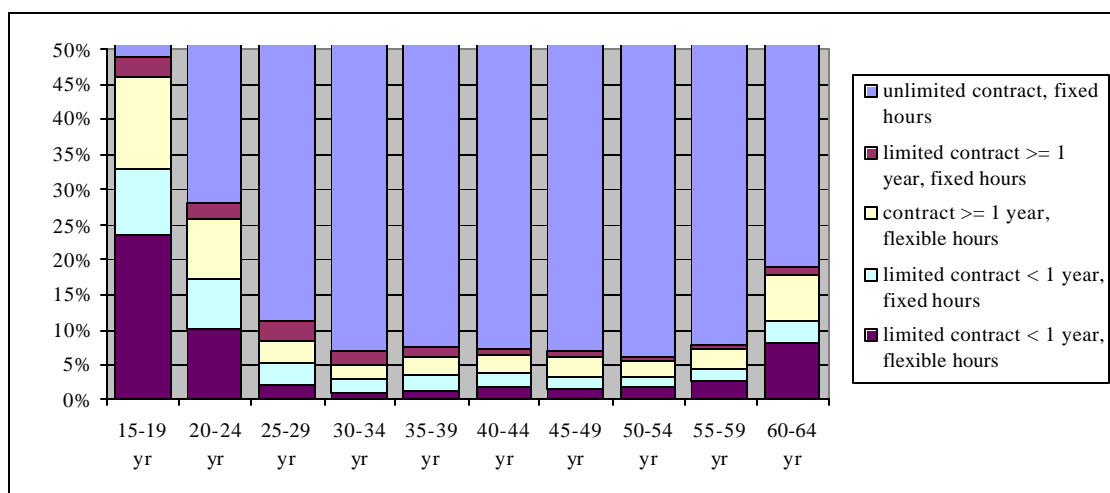
<sup>2</sup> Richard Anker, Igor Chernyshev, Phillippe Egger, Farhad Mehran and Joseph Ritter: Measuring Decent Work with Statistical Indicators, October 2002, Working paper No 2.

## II.2. Characteristics of persons with a flexible contract

5. The age of persons determines to a great extent if someone does flexible work. Young persons have much more often flexible jobs than older persons. Of the persons 15-19 years of age almost half had a flexible job in 2003. This mostly comprises of job with a fixed term contract of less than one year: one third. Also in the age group 20-24 year flexible work is relatively frequent. The explanation for the high incidence of flexible work has a lot to do with jobs students take up during their studies. They work to earn some pocket money or work in the holidays. In the age of 30-59 years, the incidence of flexible work is very low: only about 5 percent. With employees in the age of 60-64 years flexible work is considerably more popular.

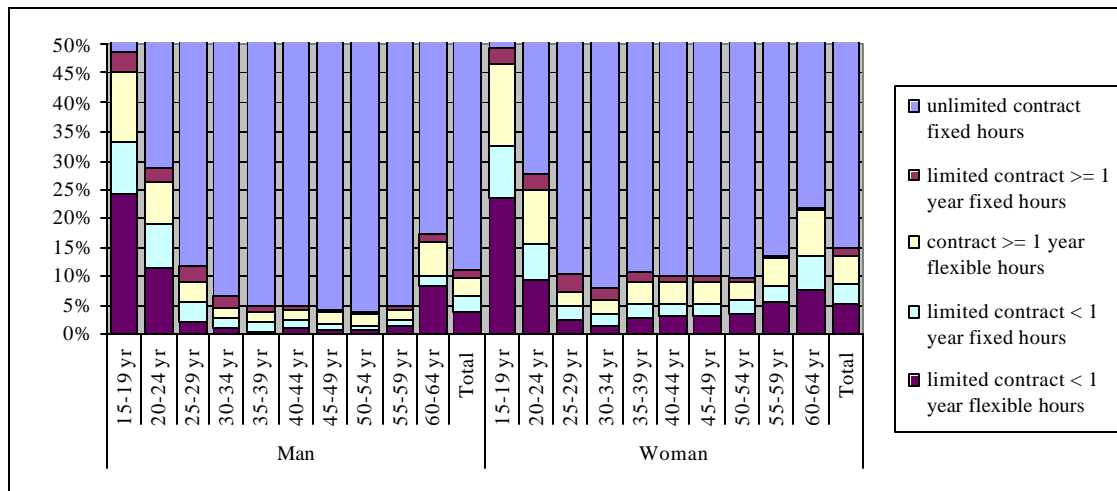
6. However, the importance of this should not be overestimated. Only a few of those persons work. But when they work, they do flexible work. This concerns probably pensioners doing some work after retirement.

Chart 1. Flexible work by age, NL LFS 2003



7. Women have somewhat more flexible jobs than men. About 11 percent of the men had a flexible job in 2003 and 15 percent of the women. There are strong differences per age group. For the young there are no differences between men and women. The differences occur after the age of 30. In age 30-49 years only 5 percent of the men had a flexible contract but about 10 percent of the women. This is twice as much. It has obviously to do with the birth of children. Also for older employees there are differences. Older women hold more flexible jobs than men with the same age. For instance the percentage of persons with flexible in the 55-59 year age group was 5 percent for men and 13 percent for women.

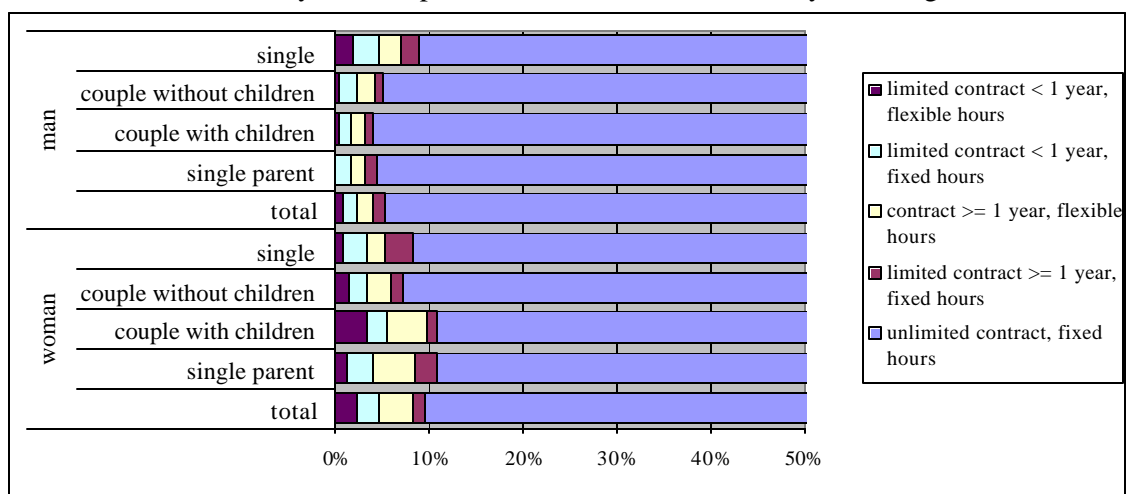
Chart 2. Flexible work by sex and age, NL LFS 2003



8. In order to assess the influence of the children on the type of contract the age group of 30-49 years is considered. For single men and women no differences are visible. However, for parents there are differences between the mother and the fathers. Fathers seldom have a flexible job: less than 5 percent. Mothers have much more often a flexible job: more than 10 percent. This has to do with the so called one-and-a-half earners family, which is popular in the Netherlands. In those case the man works full-time and the women part-time in order to combine it with raising children. This model obviously also applies when flexible work is concerned. When the man has a full-time secure job, the women can take up small or flexible jobs. Especially, the part of the employees that has a contract with flexible hours is much higher for mothers compared to fathers.

9. The presence of children seem to result in a polarization between men and women. For the men the percentage of flexible work is the lowest for fathers of all men and for women this percentage is the highest of all women in the age group 30-49 years.

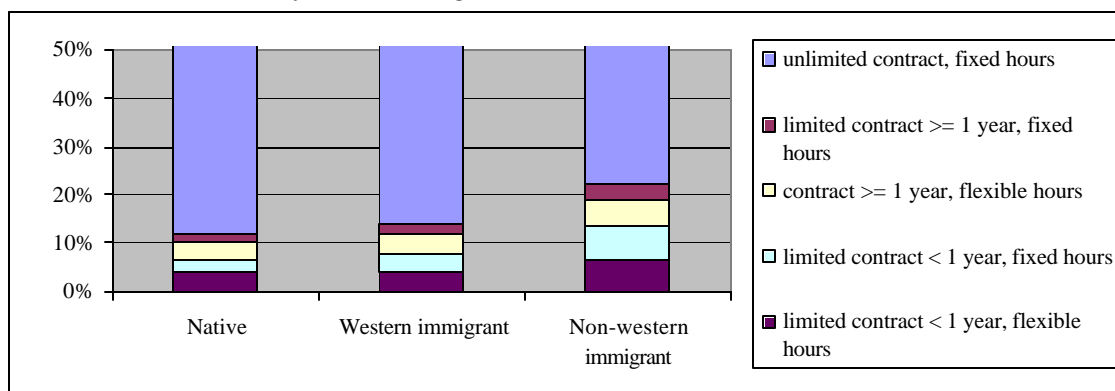
Chart 3. Flexible work by sex and position in the household 30-49 years of age, NL LFS 2003



10. Immigrants have more flexible jobs than natives. In 2003, more than 20 percent of the non-western immigrants had a flexible job in the Netherlands. This is almost twice as much as

employees with Dutch origin. Most of those immigrants had a contract of less than a year: 13 percent. But also the incidence of flexible hours is higher among this group.

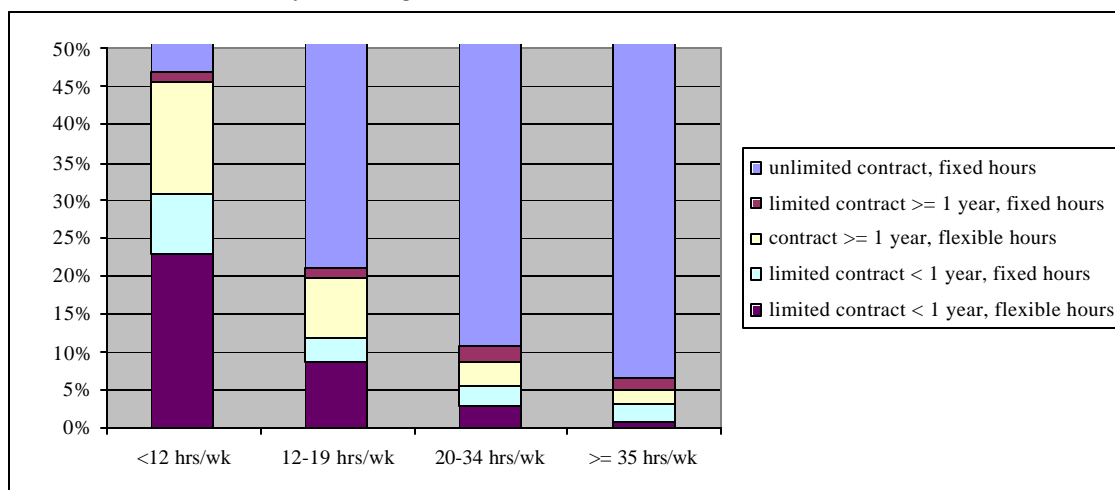
Chart 4. Flexible work by ethnic background, NL LFS 2003



### II.3. Working time and flexible contracts

11. Part-time work is sometimes also considered as a form of flexible work. In the Netherlands many persons work part-time. These are often women. In 2003, two fifth of the employees had a job of less than 35 hours a week. About a quarter had a job of 20-34 hours a week, a big part-time job and about 10 percent had a job of less than 12 hour a week, a marginal job. Working time and flexible work are strongly correlated. Persons working part-time also have more flexible contracts. This is in particular the case with small part-time jobs. In 2003, about half of the persons with a job less than 12 hours a week had also a flexible contract. In a lot of cases this involves a short fixed term contract. More than 30 percent had a fixed term contract of less than one year and about 15 percent a long term contract but with flexible hours. Also the other part-time jobs are relatively often combined with a flexible contract.

Chart 5. Flexible work by working time, NL LFS 2003



### III. Excessive hours

12. Excessive hours occur when a person works structurally more hours than usual. For employees, it is the case, when someone works more than the contractual hours on a structural

basis. This means that excessive hours can be analysed by studying working overtime. Therefore, this paper concentrates on working overtime on a regular basis.

### III.1. Employees working overtime

13. In 2003, about 30 percent of the employees had to do overtime work on a regular basis. This involves overtime at the work place as well as taking work home. For 12 percent of the employees this concerned overtime which was compensated in extra pay. Compensation in time had approximately the same incidence. In 12 percent of the cases there was no compensation in money or in time.

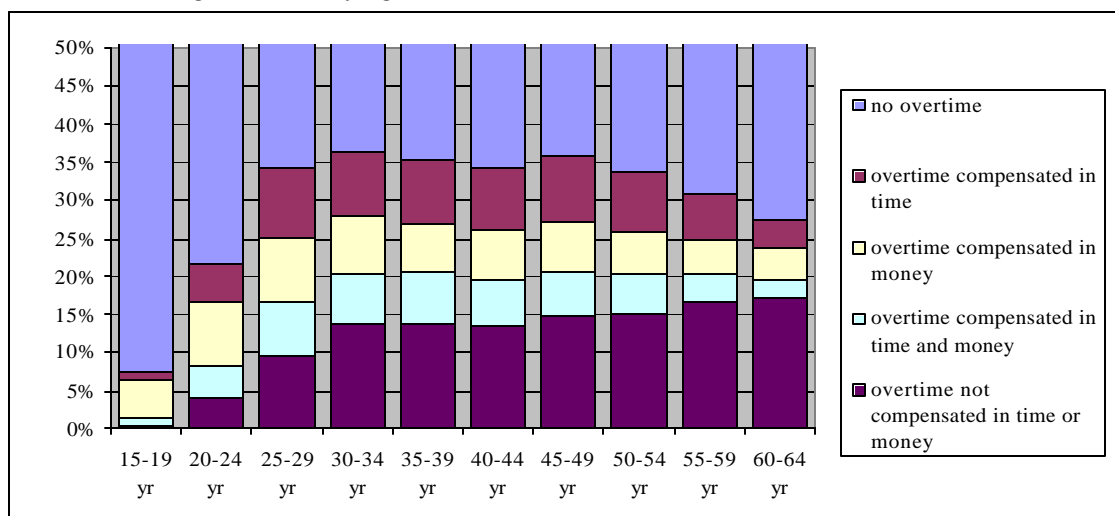
Table 2. Regularly working overtime, employees 15-64 years, NL LFS 2003

|                          | overtime compensated in time |    | Total     |
|--------------------------|------------------------------|----|-----------|
|                          | yes                          | no |           |
| %                        |                              |    |           |
| <b>no overtime</b>       | <b>69</b>                    |    | <b>69</b> |
| <b>overtime</b>          |                              | 13 | <b>31</b> |
| compensated in money     |                              | 5  | 12        |
| not compensated in money |                              | 7  | 19        |
| Total                    | 69                           | 13 | 100       |

### III.2. Characteristics persons working overtime

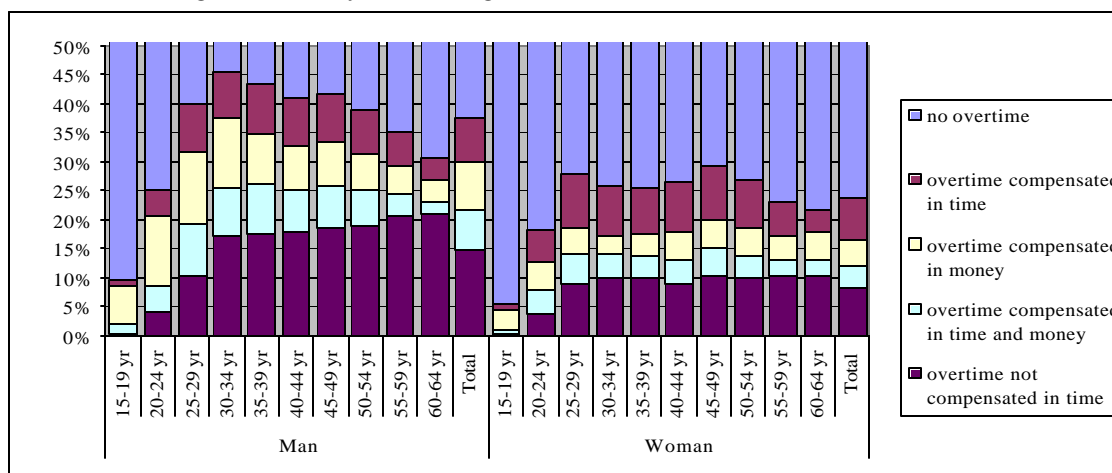
14. Working overtime is relatively rare for the young. Of the employees 20-24 years of age about 20 percent regularly had to do overtime work in 2003. The highest incidence of overtime is in the age 30-49. In these age groups about 35 percent of the employees said that they do overtime work. This percentage drops after the age of 55. There are significant differences in the kind of compensation for the overtime work. Overtime work, which is compensated in money, is most common for persons 25-34 years of age. The share of persons working overtime without compensation is rising with age. The older the person the higher this percentage is. For the 60-64 year old group, this proportion is 17 percent. Persons still working at older ages are so committed that they make long hours.

Chart 6. Working overtime by age, NL LFS 2003



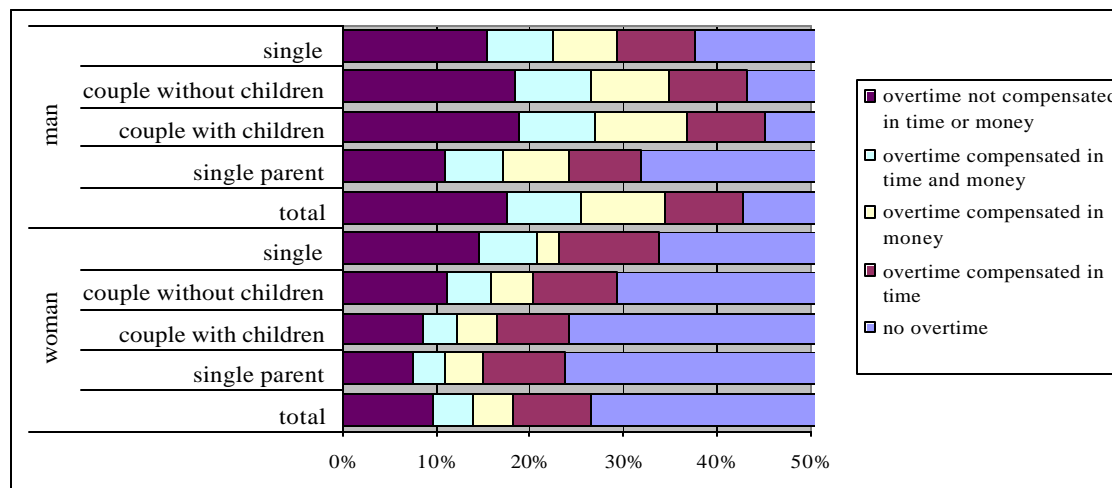
15. Men do considerably more often overtime work than women. A proportion of 37 percent of the men did overtime work in 2003, compared to 24 percent of the women. These differences between men and women are visible in every age group. Especially many men in the age 30-34 overtime work is frequent. 45 percent did that on a regular basis. In this age group it concerns mainly the type of overtime work, which is compensated in money. Older men do less overtime work. However, the share of overtime work without compensation is rising with age. For men of 25-29 it is 10 percent, but for men above 50 it is twice as much. For women the incidence of working overtime shows a less pronounced pattern. For women above 25 years of age it is about a quarter who did overtime work.

Chart 7. Working overtime by sex and age, NL LFS 2003



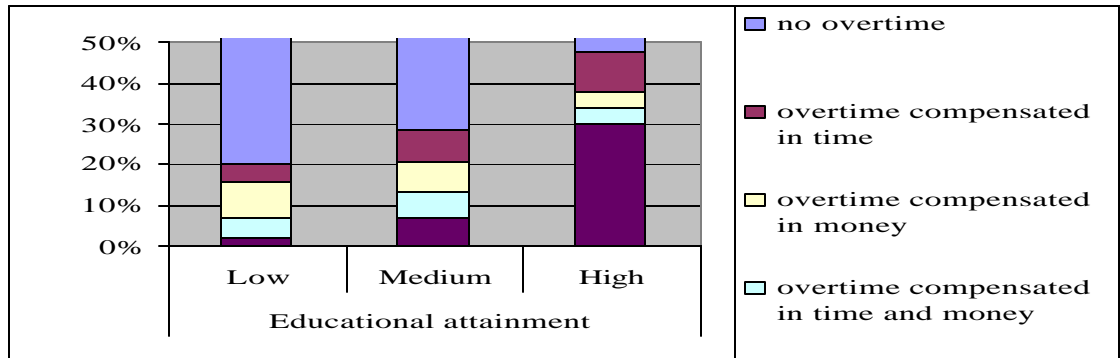
16. It seems interesting to see what the effect of having children on making long working hours. Therefore the age group of 30-49 years is considered. For men the highest incidence of overtime work is found with men which are part of a couple with or without children: about 45 percent. For women the lowest percentage is found for women part of a couple with children. So in a household with children, the father does overtime work relatively often. This is compensated by the mother doing less overtime work. Single women have the highest incidence of overtime work amongst women: 34 percent. This is significantly higher than the average for this age group, which was 28 percent.

Chart 8. Working overtime by sex and position in the household 30-49 years of age, NL LFS 2003



17. Working overtime is strongly related with the level of educational attainment of the person. Persons with a high education do considerably more often overtime work. For 2003, almost half of the employees stated that they did overtime work on a regular basis. For low educated employees this proportion was only one fifth. These differences concern mainly overtime work without compensation. This is done by 30 percent of the employees with a high education compared to a marginal 2 percent of those with lower educational levels. For the later category working overtime with monetary compensation is relatively popular.

Chart 9. Working overtime by educational attainment, NL LFS 2003



#### IV. Summarizing conclusions

18. Flexible contracts consist of two components. Firstly it can be a fixed term contract and secondly it can be a contract with no fixed but a variable number of working hours per week. Only a minority of the employees have a flexible work contract. In the Netherlands about 13 percent of the employees had such a form of flexible contract in 2003. More than 9 percent of the employees had a fixed term contract and in 8 percent flexible working hours. In about 5 percent of the cases both elements were combined. Persons who do flexible work are mainly young people. For a large part this concerns students working in side jobs next to their study. The second group, which do flexible work, are mothers with children at home. They do some flexible work while the father has a regular steady job. Also immigrants have relatively often flexible jobs. Finally, flexible contract are often combined with part-time work. Especially the small part-time jobs are also jobs with a short fixed term contract or with flexible hours.

19. In the Netherlands, more than 30 percent of the employees do overtime work on a regular basis. In 12 percent of the cases this was without any extra compensation in money or time. Working overtime has a high occurrence with employees of high levels of education. Almost half of them did overtime work in 2003. In most of the cases this is overtime work without compensation in money or time. Furthermore overtime work is performed relatively often by men in the age of 30-49 year. Women do less overtime work than men.

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