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**Forms of Non-standard Employment:
Data from the ad hoc module of the 2001 labour force survey in the EU**

Invited paper submitted by Eurostat¹

I. Scope of the analysis

1. Economic changes, changes in production processes as well as in the regulation of the labour market have contributed to a diversification of forms of employment. These emerging forms of employment relationships deviate from the standard form of full-time and permanent or stable (for an unlimited duration) paid employment. Data in this paper show the relative frequency of temporary employment and own-account workers as non-standard forms of employment on the basis of the regular labour force survey and a special ad hoc module in 2001.

2. The International Classification of Status in Employment (15th ICLS, '93) distinguishes two major types of "jobs": paid employment and self-employment (see also SNA '93, § 7.23-24). Paid employment exists when there is an agreement between employer and employee which gives the employee a basic remuneration for the work done which is not directly dependent on the revenue of the unit for which the employee is working. Temporary employment represents a major category of non-standard paid employment. The duration of these temporary jobs is a first characteristic to describe the uncertainty about the employment situation. Additional characteristics are the premises where the work is performed (for example, working at home) and the conditions for the termination of the contract (for example, whether the contract concerns a fixed task to supply a product or services, "contract for services").

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3. Self-employed persons receive a mixed income dependent upon the profit derived from the products or services provided. They are divided into two categories: own-account workers and employers who have engaged on an ongoing basis one or more employees to work in their business. The employment situation of own-account workers may be less certain than the situation of the self-employed with employees. A first indication of the continuity of their employment situation is given by the duration of their current business.

4. The own-account workers may include persons who supply their own personal services to another business although they do not have an employment contract. In this sense, they are similar to employees. Several criteria can be used to distinguish these nominal self-employed. These criteria are the following:

- a) the extent to which the worker can determine his own work methods and schedule (the extent of autonomy); contrary to the self-employed, employees are usually working under the direct supervision or according to strict guidelines set by the employer
- b) whether the worker depends on a single user enterprise, client or customer; contrary to the self-employed who operate on a market and usually have many customers, employees are regularly working for a single enterprise
- c) whether the work is on a continuous basis or whether the employment situation ceases to exist when the goods or services are provided; first evidence on the continuity of the employment situation is provided already by the duration of the current business
- d) the extent to which the worker or on the contrary the user enterprise, makes significant investments and provides tools, material and machinery to carry out the work (economic reality of the business) and
- e) the mode of remuneration (wages or salary on the basis of hours worked or amount produced or a profit depending on the sales of goods or services); a related criterion is the continued receipt of wages and salary during holidays and sickness.

II. Data collection

5. The data source is the regular labour force survey as well as a special ad hoc module in 2001 on working time patterns. The data from the regular labour force survey refer to the Spring, most seasonal jobs are therefore excluded.

6. At the time of the analysis, data from the ad hoc module in 2001 were available for seven Member states: Spain, France, Italy, Netherlands, Portugal, Finland and the United Kingdom (2). The ad hoc module included three questions about the first three criteria (a.), (b.) and (c.) to identify the dependency of the self-employed and to describe the atypical situation of employees with a temporary job.

III. Results

III.I. Employment by status in employment

7. Self-employment in the Union amounts to 13% of total employment but it is more than 20% in Italy and Portugal and 30% in Greece (table 1). Own-account workers represent 8% of total employment in

2 Data besides the Member states will also be available for the Czech Republic, Estonia, Lithuania, Latvia, Hungary, Romania, Slovenia and the Slovak Republic

the Union. In these three Member states as well as in Belgium, Spain and Ireland, the percentage of own-account workers is higher than on EU average.

Table 1. Employment by status in employment (%), 2001

	B	D (*)	DK	GR	E	F	IRL	I	L	NL	A	P	FIN	S (*)	UK	EU	CH
employees	85	90	92	61	80	89	83	73	93	89	87	77	87	90	89	85	83
- temporary job, training or trial	1	7	3	1	1	3	0,5	3	2	5	6	3	1	2	0,4	3	6
- temporary job, other	8	5	7	12	30	11	3	7	2	9	2	18	16	12	6	10	6
self-empl. with empl.	4	5	4	8	5	4	6	12	4	3	5	6	4	4	3	5	8
self-empl. wh/ empl.	9	5	4	22	13	5	10	11	2	7	6	15	8	6	8	8	7
unpaid family workers	2	1	1	8	2	1	1	4	(1)	1	2	2	1	0,3	0,3	2	3
Total (x1000)	4.016	35.977	2.680	3.814	14.590	23.584	1.684	21.045	185	7.996	3.662	4.690	2.386	4.050	27.571	157.932	3.938

(*) D and S: 2000

8. Among the employees, two categories of temporary jobs are distinguished. A first category of 3% of paid employment in the EU consists of employees with a temporary contract in relationship with a training or a trial period. Temporary employment due to training or apprenticeship is particularly important in Germany, Austria and Switzerland. This category will not be covered in the further analysis because this employment is intrinsically temporary employment. It depends less on the labour market conditions. The focus is on a larger category of all other temporary jobs, about 10% of paid employment in the EU. Mainly in Spain, Portugal and Finland but also in Greece, France and Sweden, the proportion of this temporary employment is larger than on EU average.

9. In the EU, temporary employment of maximum three months amounts to 18%. In Belgium, Denmark, Spain, France, the Netherlands, Finland and Switzerland, the percentage of temporary employment of a short duration is higher than on EU average. In Ireland and Portugal, most temporary employment is long-term temporary employment of more than one year.

Table 2. Employees with a temporary job (excluding trial period or training contract) by duration (%), 2001

	B	D (*)	DK	GR	E	F	IRL	I	L	NL	A	P	FIN	S (*)	UK	EU	CH
≤ 3 months	35	7	25	10	23	23	6	16	5	25	18	3	28	18	17	18	23
4-12 months	46	54	48	56	67	53	22	62	56	54	69	46	39	50	43	54	52
≥ 13 months	19	39	27	34	10	23	71	22	39	21	13	51	33	32	40	28	25

(*) D and S: 2000

III.II. Employees with a temporary job by duration of the temporary job, working at home, their autonomy, dependence and type of contract

10. In general, few employees with a temporary job are working at home, can determine their own work methods and schedule or are regularly working for more than one employer.

11. About 1% of the employees with a temporary job in the EU is working at home. In Finland (5.8%), but also in Austria (9%) and Belgium (3%), it is considerably more.

Table 3. Employees with a temporary job by duration, working at home, autonomy, dependence and contract for a fixed task (%), 2001 [preliminary data]

	E	F	I	NL	P	FIN	UK	CH
all temporary jobs (*)								
home-worker	0,4	0,3	2,1	1,3	1,0	5,8	1,2	3,7
autonomy	2,6	41,4	2,4	1,5	2,3	.	0,5	
> 1 employer	4,0	5,5	11,7	1,5	2,8	.		
fixed task	37,7	29,3	20,5	22,3	9,5	.	5,5	
total (x 1000)	3511	2300	1018	628	639	344	1542	180
≤ 3 months								
home-worker	.	.	.	.	.	2,9	.	.
autonomy	2,1	34,1	1,5	.	.	.	.
> 1 employer	4,0	2,8	15,2	.	1,7	.		
fixed task	22,5	36,4	17,0	31,6	14,4	.	9,4	
total (x 1000)	423	403	105	53	19	85	141	42
4-12 months								
home-worker	0,3	.	2,0	.	.	4,7	.	.
autonomy	1,8	43,5	2,1	.	.	.	.
> 1 employer	1,8	4,2	7,5	.	.	.		
fixed task	17,3	25,6	14,2	24,0	3,9	.	5,4	
total (x 1000)	1200	993	419	129	294	118	351	93
≥ 13 months								
home-worker	.	0,7	3,1	.	.	10,4	2,2	6,9
autonomy	5,7	39,2	2,9	.	3,7	.	.	
> 1 employer	2,8	4,2	11,4	.	5,1	.		
fixed task	32,2	17	14,7	43,1	14,3	.	5,8	
total (x 1000)	180	441	149	69	327	99	331	45
unknown								
home-worker	0,5	.	2,0	1,7	.	3,6	1,0	
autonomy	3,1	23,5	2,9	2,0	.	.	0,6	
> 1 employer	5,7	7,9	16,0	2,0	.	.		
fixed task	56,3	27,8	31,6	16,6	.	.	4,7	
total (x 1000)	1708	463	345	376	.	42	719	

(*) excluding temporary jobs due to training, apprenticeship or trial period

12. In France, more than 40% of the employees with a temporary job have an autonomy in their job but their autonomy is limited to the sequence of the tasks to be performed and the working methods and does not seem to involve the decision about their working times (see annex for the relevant questions). In Italy more than 10% of the employees with a temporary job is working regularly for more than one employer while in Spain and France, this was 4-6%.

13. The proportion of temporary jobs with a contract for a fixed task instead of a time-limited contract is more important than for the other characteristics such as home-work or the control over working methods and working times. It varies between 38% in Spain, 30% in France, around 20% in Italy and the Netherlands and less than 10% in Portugal and the United Kingdom. The percentage of a contract for a fixed task in Spain and Italy is particularly high in the case of an unknown duration of the temporary job. In this case, it is difficult to tell the duration of the temporary job. However, in France, the Netherlands and the United Kingdom, the percentage of contracts for a fixed task is higher when the temporary job is of a short duration than when the duration is four months or longer or unknown.

III.III. Employees with a temporary job for 3 months or less with a contract for a fixed task by occupation

14. In the Netherlands, Portugal and the United Kingdom, the most frequent occupation of employees with a temporary job for three months or less and with a contract for a fixed task is an office clerk. In Spain and Italy, agricultural and fishery labourers are the most frequent occupation. These occupation are also common occupation for all employees with a temporary job.

15. Some occupations are typical for employees with a temporary job for 3 months or less with a contract for a fixed task in the sense that they are not frequent occupation of employees with a temporary job in general. In the Netherlands, physical and engineering associate professionals, in Portugal, other associate professionals (for example, administrative or cultural occupations) and in the United Kingdom, extraction and buildings trades workers are typical occupations.

Table 4. Most frequent occupations of employees with a temporary job for 3 months or less with a contract for a fixed task, 2001, [preliminary data]

	E	I	NL	P	FIN	UK
	(%) rank *)	(%) rank *)	(%) rank *)	(%) rank *)	(%) rank *)	(%) rank *)
teaching professionals		(3)		9,1	(3)	11,8 (3)
physical & engineering associate profs			6,7			
other associate professionals				12,5		7,2
office clerks	(5)	10,1 (4)	48,6 (3)	38,1 (4)		39,6 (2)
customer services clerks						10,6
services workers	11,2 (3)	(5)	5,9 (1)	(2)	(1)	(1)
models & salespersons			5,7 (4)			
extraction & building trades	12,0 (1)	15,1		13,9 (3)		24,4
sales & services elementary	7,9 (4)	8,3 (2)	(2)	(1)	(4)	(4)
agricultural and fishery labourers	23,0	22,6 (1)				
labourers in construction, mfg...	12,5 (2)	6,0	8,7 (5)	12,2 (5)		(5)

(*) rank of most frequent occupations of all employees with a temporary job

III.IV. Self-employed without employees by duration of their business, their autonomy, dependence and continuity of their business

16. In Spain, France, Italy, the Netherlands, Portugal and Finland, between 10 - 20% of the own-account workers as well as the employers report that they can not determine their own work methods and schedule. In the United Kingdom however, more than half of the self-employed report that they can not determine their own work methods or schedule. In Italy, Finland and Portugal, this percentage is higher among own-account workers who started in the past twelve months and decreases when they are in business for a longer time.

17. In Spain, France, Italy, the Netherlands, Finland and the United Kingdom, between 10 - 35% of the own-account workers are working regularly for only one client or customer. In Portugal, two third of the own-account workers are regularly working for one client. In France, Italy and the United Kingdom, relatively more own-account workers who started in the past twelve months are working for a single client than those who are in business for a longer time. On the other hand, relatively many employers are regularly working for a single client - except in the United Kingdom.

Table 5. Own-account workers (without employees) by duration of their business, dependence and discontinuity of their business (%), 2001 [preliminary data]

	E	F	I	NL	P	FIN	UK	CH
<u>all own account workers</u>								
subordinate	12	14	10		7	16	63	
for 1 customer	23	14	18	32	68	34	12	
discontinuity	26	37	5	62	10	2		
total (1000)	1900	1351	2332	450	926	198	2322	265
<u>< 1 year</u>								
subordinate	14	10	18		21	25	64	
for 1 customer	25	21	28	34	47	27	21	
discontinuity	26	43	11	65	18	.		
total (1000)	140	116	165	49	56	13	287	5
<u>1-2 years</u>								
subordinate	16	14	12		15	22	62	
for 1 customer	23	11	21	22	52	27	18	
discontinuity	25	38	7	76	17	.		
total (1000)	173	127	212	58	74	18	269	24
<u>≥ 3 years</u>								
subordinate	11	14	10		5	14	63	
for 1 customer	23	14	17	33	71	36	10	
discontinuity	26	37	4	59	9	2		
total (1000)	1588	1106	1955	343	796	167	1766	236

Self-employed (with employees) by duration of their business, dependence and discontinuity of their business (%), 2001 [preliminary data]

	E	F	I	NL	P	FIN	UK	CH
<u>all employers</u>								
subordinate	10	11	10		17	22	54	
for 1 customer	17	24	19	35	50	23	4	
contract for services	17	30	4	63	7	.		
total (1000)	807	993	2612	293	306	95	826	307
<u>< 1 year</u>								
subordinate	.	7	20		.	.	58	
for 1 customer	22	33	36	41	45	.	12	
contract for services	26	29	10	77	.	.		
total (1000)	32	56	142	10	15	5	43	18
<u>1-2 years</u>								
subordinate	7	15	16		.	30	54	
for 1 customer	18	31	25	.	53	29	.	
contract for services	19	27	4	88	.	.		
total (1000)	62	79	183	13	26	8	56	39
<u>≥ 3 years</u>								
subordinate	11	11	9		17	21	53	
for 1 customer	17	23	17	35	50	22	4	
contract for services	16	31	3	61	7	.		
total (1000)	713	857	2212	262	265	82	721	248

18. There is no difference between the relative frequency of own-account workers whose job or business ceases to exist after services are provided according to the contract and employers in this similar situation but there are differences across the Member states.

III.V. Self-employed without employees with a start of their business less than 2 years ago, without autonomy and dependent on a single client, by occupation

19. In Spain, the Netherlands and Finland, own account-workers who started their business less than two years ago, without control over their working hours and methods and who are dependent on a single client are most frequent managers of small enterprises while in Portugal they are agricultural and fishery workers. In the United Kingdom, they are extraction and building trades workers. All these occupations are also common occupation for own-account workers in general.

20. Typical occupations of own-account workers who started their business less than two years ago are office clerks and drivers in the Netherlands and machine operators and assemblers in Spain. These occupations are less frequent among own-account workers in general.

Table 6. Most frequent occupations of own-account workers with a start of their business less than 2 years ago, without autonomy and dependent on a single client, 2001, [preliminary data]

	E	I	NL	P	FIN	UK
	(%) rank *)	(%) rank *)	(%) rank *)	(%) rank *)	(%) rank *)	(%) rank *)
corporate managers			11,3 (5)			
managers of small enterprises	21,0 (1)		37,8 (1)	11,2 (2)	22,8 (2)	(3)
other professionals			11,8 (2)		(4)	6,8 (5)
other associate professionals	9,6 (5)	13,5 (2)			(5)	8,5 (2)
office clerks			6,7			
services workers		12,2 (5)	(3)	7,8 (7)	8,7 (3)	10,1 (6)
models and sales persons		11,8 (1)		(5)		
agricultural and fishery workers	11,4 (2)	(4)		26,1 (1)	12,8 (1)	
extraction & building trades workers	8,8 (3)	7,7 (3)	(4)	14,0 (3)	9,1 (6)	16,6 (1)
machine operators & assemblers	8,2					
drivers	(4)		5,1		8,9 (8)	6,6 (4)
sales & services elementary occupation		17,6 (6)		10,5 (4)		

(*) rank of most frequent occupations of all own account workers

IV. Conclusions

- Temporary jobs (excluding contracts for training or trial period) vary between 2 - 3% of paid employment in Ireland, Luxembourg and Austria and more than 15% in Spain, Portugal and Finland. Furthermore, more than one in five of these temporary jobs are short-term jobs in Spain, Finland and also in Belgium, Denmark, France and the Netherlands [and Switzerland].
- Contracts for a fixed task seem to be a significant characteristic of temporary employment
- Among self-employed persons the dependency on a single client or customer seems to be related with the duration since they started their business.
- The lack of control of their working methods and schedule seems to apply to own-account workers as well as employers.

Annex

Questions about autonomy/subordinate relationship, dependency and type of contract

Spain:

- (a.) Can you determine your own working methods and working hours? [Yes/No]
- (b.) Are working usually for a single enterprise or client? [Yes/No]
- (c.) [Self-employed:] Do you have a contract where your business ends when you have provided the services? [Yes/No]
[Employee:] Do you have a contract to provide goods or services?

France:

- (a.) Can you choose or change the sequence of your tasks or your working methods? [Yes/No]
- (b.) Are working usually for one or more [when employee:] employers or [when self-employed:] clients? [Yes/No]
- (c.) Does your employment end when you have provided the goods or services as specified? [Yes/No]

Italy:

- (a.) Do you determine the means, tools and working hours to be used to complete your task? [Yes/No]
- (b.) Do you usually work for a single firm or client? [Yes/No]
- (c.) Does your employment contract have a fixed-term and will it end at a fixed date or when a particular task or project is completed?

Portugal:

- (a.) How are your own work methods and working times determined? [By yourself/by your employer (= according to contract or collective agreement)]
- (b.) Do you usually work for a single business, institution or client or for different...?
- (c.) Does your employment contract of past week end when a product or service is provided, at a fixed date or does it continue? [when self-employed: assessment of the most important contract with a business...]

Finland:

- (a.) [Self-employed:] Can you decide independently on how and at what time you work? [Independently/Employer or customer]
- (b.) [Self-employed:] Are you working simultaneously for one or more employers, businesses or customers?
- (c.) [Self-employed & temporary jobs:] Is the duration of your work dependent on the completion of a specific product or service? [Yes/No]

United Kingdom:

- (a.) [Employees:] Does your job description define your job in terms of hours of work, product to supply or tasks to perform?
[Self-employed:] Is the paid work that you usually do defined in terms of hours of work, product to supply or tasks to perform?
- (b.) [Self-employed:] Do you have one or more than one client or customer?
- (c.) [Employees:] In what way was the job not permanent? Was it done under contract for a fixed period or for a fixed task?

Switzerland:

- (a.) [Self-employed without employees:] Can you determine your own work methods and schedule? [Yes/No]
- (b.) [Self-employed without employees:] In general, are you working only for one client? [Yes/No]
Were you employed by this firm before your current activity? [Yes/No]
- (c.) [Self-employed without employees:] Do you have a long-term agreement with this client? [Yes/No]