

Concept Note – New Forms of Employment

UNECE Steering Group on Measuring Quality of Employment: Working Group 7

Introduction

In recent years, there has been a rise in new forms of work, driven by the emergence/adoption of new business models and management philosophies that are *enabled* by the technological advances.

The increase in workers involved in new forms of employment sparked discussions among policymakers on the importance of ensuring adequate social protection and acceptable working conditions. With the wide range of new forms of work, agencies such as OECD and Eurofound have developed indicators on these new forms of work.

The Steering Group on Measuring Quality of Employment is looking into the issue for assessing whether complementary information could be included into the framework on Measuring Quality of Employment (MQE) to address and capture these new forms of employment.

For this purpose, an in-depth study on the various indicators available could provide useful insights.

This paper presents the results of the available indicators on new forms of employment by Eurofound and OECD and compares them to the indicators currently included in the Handbook on Measuring Quality of Employment.

The conclusion includes the results of this analysis and is followed by proposals on how to move forward.

Overview of available indicators on new forms of employment

Currently, the Handbook on Measuring Quality of Employment includes indicators on different types of employment: employees (permanent/fixed-term contracts and full-time/part-time) and self-employed workers (family worker, own-account worker, members of producers cooperative and employers), which already include some new types of employment, although they are not measured exclusively or comprehensively¹. Based on research, Eurofound and OECD recommend measuring new forms of employment with the indicators as presented below.

¹ The indicators are not measured (i) exclusively and (ii) comprehensively because: (i) The indicators are not for measuring new forms of work but comparison between some forms of employment statuses; (ii) The indicators are not measured comprehensively as there are few of such indicators. The employment groups also require further disaggregations to

EUROFOUND

Eurofound characterises 9 new forms of employment such as, employee sharing, job sharing, casual work etc, which are not included in the MQE framework. The new forms are shown in Table 1, more details can be found in the Annex.

Table 1 New forms of employment (Eurofound)

Forms of Employment	Definition
Employee Sharing	where an individual worker is jointly hired by a group of employers to meet the HR needs of various companies
Job sharing	where an employer hires two or more workers to jointly fill a specific job, combining two or more part-time jobs into a full-time position
Interim management	in which highly skilled experts are hired temporarily for a specific project or to solve a specific problem
Casual work	where an employer is not obliged to provide work regularly to the employee, but has the flexibility of calling them in on demand
ICT-based mobile work	where workers can do their job from any place at any time, supported by modern technologies
Voucher-based work	where the employment relationship is based on payment for services with a voucher purchased from an authorised organisation that covers both pay and social security contributions
Portfolio work	where a self-employed individual works for a large number of clients, doing small-scale jobs for each of them
Crowd employment	where an online platform matches employers and workers, often with larger tasks being split up and divided among a 'virtual cloud' of workers
Collaborative employment	where freelancers, the self-employed or micro enterprises cooperate in some way to overcome limitations of size and professional isolation

Source: Eurofound (2015), *New forms of employment*

comprehensively examine new forms of employment considering that many different types of new work have emerged in the labour market.

Although these forms of employment can generally be classified under “Employees” and “Self-Employed”, some will overlap in both employment classifications in which Voucher-based work and ICT-based mobile work can be classified under both “Employees” and “Self-Employed”. Furthermore, these forms of employment are not mutually exclusive. For e.g a worker performing casual work can also be engaged in ICT-based mobile work in an individual employment, ICT mobile work could overlap with Portfolio work, and casual work with employee sharing.

Therefore, Eurofound mainly examines broader classifications: long-term temporary employees, short-term temporary employees, economically dependent self-employed, independent self-employed and employer (Table 2).

Table 2 Classifications of persons employed in new forms of employment (Eurofound) and their inclusion in the Handbook on Measuring Quality of Employment

Classifications	Definition	Included in Handbook on Measuring Quality of Employment
Employees: 1. Long-term temporary 2. Short-term temporary	1. Employees with fixed-term contracts of more than one year (excl. those employed by a temporary employment agency) 2. Employees with fixed-term contracts of less than one year (excl. those employed by a temporary employment agency)	Measures on fixed-term contract workers as whole without short/long-term breaks
Self-employed: 1. Economically dependent self-employed 2. Independent self-employed, with employees 3. Independent self-employed, without employees	1. Workers that have relationships with their clients and often only one main client, that resemble employee relationships 2. Workers that have autonomy over their work and operate independently, with employees 3. Workers that have autonomy over their work and operate independently, without employees	Measures on self-employed without these finer breaks
Employer	Self-employed workers who have employees	√

Source: Eurofound (2018), *Does employment status matter for job quality?*

OECD

OECD's new forms of employment are mainly classified into platform work, self-employment, fixed-term & temporary work, variable hours, other part-time work and other casual work (Table 3).

Table 3 New forms of employment (OECD) and their inclusion in the Handbook on Measuring Quality of Employment

Classifications	Definition	Included in Handbook on Measuring Quality of Employment
Platform workers	Individuals who use an app or website to match themselves with customers, in order to provide a service in return for money.	X
Temporary work (incl. fixed-term contracts)	Wage and salary workers whose job has a pre-determined termination date	√
Variable hours contracts workers	Typically, part-time contracts that include a clause stating that hours worked can vary from one week to the next	X
Self-employed workers	Employers, workers who work for themselves, members of producers' co-operatives, and unpaid family workers	√

Source: OECD (2019), *Policy Responses to New Forms of Work*

Conclusion

Among the various emerging forms of work, platform work and self-employment capture the most policy attention in most countries. As more workers take on such jobs, it becomes increasingly essential to examine these groups of workers to support them while protecting both businesses and workers.

The comparison shows that from the broader Eurofound classifications and the OECD classifications for new forms of employment, most are already included in the MQE framework by the overarching indicators on fixed-term contract workers, self-employed, and self-employed with one client. For better identification of the new forms of employment share of those indicators, further refinement of the indicators is necessary.

Platform work as such can currently not be captured using the MQE indicator set, and hence the development of a specific indicator for it is recommended. The proposals are described in more detail below.

Proposed inclusions into Handbook on Quality of Employment

New forms of employment may include (but are not limited to) the following proposed measurements:

1. Disaggregation of the indicator - Fixed-Term Contract Employees

The current indicator measures fixed-term contract employees as a whole without distinguishing the differences in the period of their contracts (less than/more than one year). After reviewing the indicator, it will be insightful to examine different potential breakdowns such as:

- Long-term Temporary Employees
- Short-term Temporary Employees

2. Disaggregation of the indicator - Employees

The “Employees” indicator can also separately be broken down into various forms to differentiate their employment relationships by the following groups:

- Employee-sharing
- Job sharing
- Interim Management
- Casual Work
- ICT-based mobile work
- Voucher-based work
- Employees involved in more than one form of employment (e.g. Casual Work and Voucher-based work)

3. Disaggregation of the indicator – Self-Employed

The indicator mainly measures self-employed persons by family worker, own-account worker, members of producers cooperative and employers which may not accurately capture and distinguish workers in new forms of work. After reviewing the indicator, it will be useful to examine other potential breakdowns to understand the differences between different groups of workers due to the

variations of operational behaviours and relationships with their clients. Some suggested breakdowns are as follows:

- Economically dependent Self-employed
- Independent self-employed, with employees
- Independent self-employed, without employees

The self-employed workers in new forms of work can be further broken down into various forms to differentiate their employment relationships by the following groups:

- Portfolio work
- Crowd employment
- Collaborative employment
- ICT-based mobile work
- Voucher-based work
- Self-employed persons involved in more than one form of employment (e.g. Portfolio work and Voucher-based work)

4. Indicator on Self-Employed Platform Workers

To better understand how workers in new forms of employment find their jobs, this indicator will allow the measurement of the proportion of self-employed workers that found their gig through apps or websites.

New forms of employment in Europe – An overview

Nine broad new employment forms were identified in this project using the working definitions adopted (see Figure 2). They can be classed in two groups, which are sometimes interlinked:

- new models of the employment relationship between employer and employee, or client and worker;
- new work patterns – in other words, new ways in which work is conducted.

At the same time, the employment forms can be differentiated by whether they pertain to employees or to the self-employed and freelancers; they might also apply to both groups. Overlaps between these nine types are possible, and an individual employment can fall into more than one category.

In relation to new employment relationships that differ from the traditional concept of one employer and one employee, two new employment forms are emerging across Europe: employee sharing and job sharing. **Employee sharing** means that an individual worker is jointly hired by a group of employers (who are not clients of a traditional temporary work agency). Such workers rotate between the different companies. In contrast to this is **job sharing**, in which a single employer hires two or more workers to jointly fill a specific job.

A third employment form that redefines the employment relationship is **voucher-based work**, in which the employment relationship and related payment is based on a voucher rather than an employment contract. In most cases, the workers then have a status somewhere between employees and self-employed.

As regards new work patterns, these include interim management, casual work, ICT-based mobile work, crowd employment, portfolio work and collaborative employment. **Interim management** is a new work pattern among employees and describes situations in which a worker – usually a highly skilled expert – is hired for a temporary period of time by an employer, often to conduct a specific project or solve a specific problem. In contrast to traditional fixed-term work arrangements, interim management has some elements of consultancy, but the expert has employee status rather than that of external advisor.

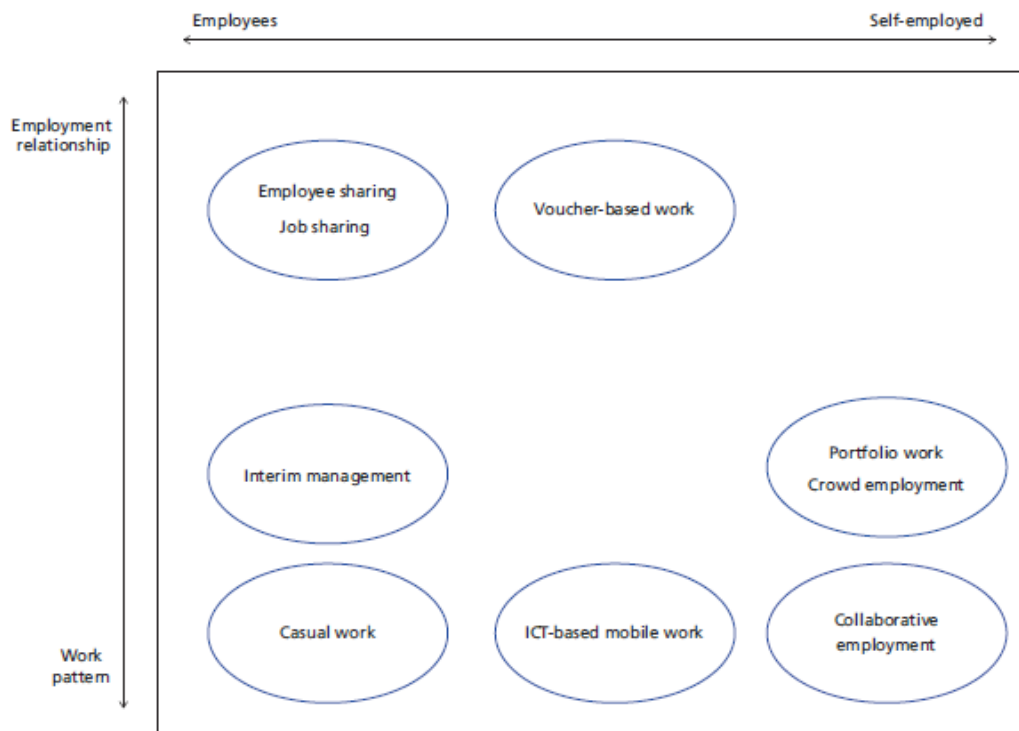
Casual work is also employee-oriented. Here the employer is not obliged to regularly provide the worker with work, but has the flexibility to call on them when needed.

ICT-based mobile work refers to work patterns characterised by the worker (whether employee or self-employed) operating from various possible locations outside the premises of their employer (for example, at home, at a client's premises or 'on the road'), supported by modern technologies such as laptop and tablet computers. This is different from traditional teleworking in the sense of being even less 'place-bound'.

For the self-employed and freelancers, **crowd employment** is a new option; this is also characterised by not being place-bound. Virtual platforms match a large number of buyers and sellers of services or products, often with larger tasks being broken down into small jobs. In a similar way, **portfolio work** done by the self-employed refers to situations in which they work for a large number of clients, providing just small amounts of work for each of them.

Finally, new patterns of self-employment in the form of new **collaborative models** that go beyond traditional business partner relationships were found in a variety of countries.

Figure 2: Classification of nine new forms of employment



Source: Eurofound

Interestingly, there is not much difference in the number of countries in which each new employment form was reported, many being found in around 10 countries (Table 1). Interim management and voucher-based work were less common, and ICT-based mobile work was the most common.

Table 1: New forms of employment identified in European countries

	Employee sharing	Job sharing	Interim management	Casual work	ICT-based mobile work	Voucher-based work	Portfolio work	Crowd employment	Collaborative employment
Austria	X					X			X
Belgium	X			X	X	X		X	X
Bulgaria	X								
Croatia				X					
Cyprus					X		X		X
Czech Republic	X	X	X					X	
Denmark					X		X	X	
Finland	X				X				
France	X		X	X	X	X			X
Germany	X				X			X	X
Greece	X		X		X	X	X	X	X