

Werner Eichhorst and Paul Marx (eds.), *Non-Standard Employment in Post-Industrial Labour Markets. An Occupational Perspective*, Cheltenham: Edward Elgar Publishing, 2015, 448 pp. (hardcover), ISBN 978-1-78100-171-4.

In their volume '*Non-Standard Employment in Post-Industrial Labour Markets. An Occupational Perspective*', the editors Werner Eichhorst and Paul Marx assemble a remarkable number of contributions (combining case studies and data), addressing the highly debated topic of the diffusion of non-standard or atypical work and its effects on the labour markets of selected Western European Countries and the US.

The book contains 14 contributions and is divided into two main parts, one dedicated to single-country studies and the other to comparative approaches. Both parts of the volume draw on elements of sociology, political science and, in particular, labour economics. The aims of the book are thoroughly explained by the editors in their introduction. Given the ongoing deindustrialisation and growing private service

sector employment, Eichhorst and Marx discuss how labour markets underwent a profound transformation, marked by a growing rate of non-standard work. With the aim of understanding the developments in today's labour markets, the volume, which adopts an occupational perspective, provides an interesting point of view on how and to what extent the most recent labour market reforms in the observed countries have affected patterns of employment.

## 1. COUNTRY CHAPTERS

In the first part, the volume aims at 'mapping' the unequal incidence of non-standard employment across occupations in the selected countries, investigating its variation over the last 20 years and framing the changes into their respective economic and institutional contexts. The chapters can be grouped into two-country clusters: continental European countries (Germany and France), Mediterranean countries (Italy and Spain), flexicurity countries (Netherlands and Denmark), and Anglo-American countries (UK and US).

The first contribution deals with the situation in Germany. The authors provide useful data on the spread of different types of non-standard employment, which display a considerable variety (i.e. occupational heterogeneity) through sectors of activity (e.g. the case study on the academic, banking and insurance sectors, creative occupations, cleaning, manufacturing and elderly care sectors). In fact, some occupations drift towards inequality (not only low-skilled service occupations, such as cleaning, but also teaching and scientific occupations in general), while others stick to the traditional standardised model (banking and insurance and the skilled segment of manufacturing occupations). The authors persuasively contend that the different employment patterns depend on a range of factors like the production model and the related professional requirements, the structure of the industrial relations system and the institutional arrangements which might facilitate or impede the use of non-standard employment.

The chapter on France stresses one basic feature of the French labour market: a regulatory framework based on a generous statutory minimum wage (*Salaire minimum interprofessionnel de croissance* – SMIC), which is apparently effective for limiting inequality. According to Françon and Marx, the high costs of adjusting staff levels and the limited scope for linking wages with productivity explain the widespread diffusion of temporary contracts in France, notwithstanding the strict regulation of the use of fixed-term contracts. In fact, the authors state that non-compliance with labour law is a key determinant in the French context that may be due to both the strict barriers to individual and collective dismissals of permanent workers and the weak presence of union representatives at company level, who could play an important monitoring role in the use of temporary work. Moreover, in contrast to Germany, the analysis of the French case shows that

atypical employment rarely plays the role of a stepping stone towards permanent employment.

The following chapters address the Spanish and Italian labour markets. Both countries were severely affected by the economic and sovereign debt crisis and extensive regulatory reforms were passed to cope with alarming levels of long-term unemployment, especially among young people. In their contribution, Molina and López-Roldán, who focus on the Spanish service sector, discuss the upsurge in temporary contracts, which, favoured by the regulatory framework, began in the mid-80s and continued through the years preceding the 2008 crisis. Even though temporary employment has become an entrenched feature of the Spanish labour market and a mechanism for employers to guarantee quantitative adjustments, the authors contend that most regulatory reforms and the changes in the industrial relations system, which have marked a shift towards decentralised collective bargaining, might be capable of reducing the use of atypical contracts. The Italian labour market went through a profound reforming period, which started in the 1997 (when agency work was first permitted) and continued in 2003 with the so-called 'Biagi Reform', which reduced the constraints in hiring through temporary contracts. Given the upsurge in the rates of both long-term unemployment and precarious work in the aftermath of the 2008 financial crisis, the most recent reform by the Monti government in 2012 (followed by the 'Jobs Act' by the Renzi government in 2015) aimed at promoting open-ended contracts mainly through a reduction in dismissal protection. However, in the opinion of Berton, Richiardi and Sacchi, the effects of the reforms in terms of labour market segmentation are still unpredictable, considering the combination of upskilling against the background of low educational attainment in conjunction with the issues of low productivity and employability of workers made redundant.

In their contribution, Gielen and Schils focus on the core feature of the Dutch labour market: the predominance of temporary employment. However, evidence shows that agency work, fixed-term contracts and, above all, part-time work, are most widespread in the service sector, while their incidence in other sectors is less significant. In this sense, aggregate data provide evidence of a considerable heterogeneity in the incidence of atypical work across sectors. Moreover, a Dutch peculiarity is the remarkable role of collective agreements in the regulation of the non-standard employment forms. With regard to this, the authors correctly assert that atypical employment can have very distinct characteristics. On the one hand, there are forms that are clearly disadvantageous for the workers, such as temporary and low-paid jobs as well as involuntary part-time occupations. On the other hand, there are types of non-traditional employment that could benefit employees in respect of both their career progression and their family responsibilities, such as voluntary part-time (and even self-employment), which are thoroughly promoted by the social partners. The chapter by Madsen highlights the low rates of temporary employment in the Danish labour market. The author argues that a relatively low level of employment protection legislation might explain the limited use of non-standard-employment, asserting that

the flexibility demanded by employers is embedded in the labour market's 'flexible' institutions, which, at the same time, guarantee generous social protection to the unemployed, pursuant to the 'flexicurity' pattern. Still, he points out that the model is currently under pressure, in the sense that the increased openness of the Danish labour market to migrants and undeclared workers may lead to forms of precarious employment in those sectors (e.g. cleaning, construction and road transport) where these workers are commonly employed.

The last two country chapters address the British and US labour markets. The contribution by Koslowski and McLean illustrates how the British labour market has changed significantly during the past 40 years. Besides the upsurge in service sector employment, the increase in female employment, the decline of unionism and the parallel prominence of statutory employment protection, the increase of flexible forms of employment remains a key factor in the UK. However, the authors stress the existence of occupational heterogeneity in the use of temporary contracts and, rather prudently, argue that this might not be accounted for by institutional changes alone, nor by structural variables. The analysis of the US labour market conducted by Nelson shows how, notwithstanding weak employment protection legislation, non-standard employment might still be convenient for employers, as its growth in several sectors (customer service clerks, personal and protective service workers, elementary occupations) demonstrates. According to Nelson, the general trend is due to the higher costs of regular employment, considering that non-standard employees are not normally entitled to employer-provided benefits. Conversely, the higher rates of contingent workers among university teachers can be explained in large part by the tenure system, providing substantial stability to those who complete the seven-year probationary period and thus enjoy a life-time commitment.

## 2. COMPARATIVE CHAPTERS

The second part of the book focuses on how labour market institutions affect occupational diversity in the patterns of non-standard employment. The contribution by Chung examines differences in the perceived employment insecurity between workers across different occupations. The author contends that there is a correlation between cross-national variations in the insecurity gaps between occupations and employment protection legislation: the stricter the rules on the hiring and firing of workers, the higher the employment insecurity gap between professionals and service workers. This view is substantially shared by Muffels, who, in the following chapter, analyses the role of institutions (employment protection, labour market policies and industrial relations patterns) in the transition from non-standard to standard employment. The author concludes that labour law regulations, public policies and private sector arrangements tend to affect employment security outcomes and thus mould the 'insider-outsider' divide.

The following chapters by Dieckhoff, Gash, Mertens and Romeu-Gordo, and Leschke deal with the growth of female employment and its correlation to non-standard work patterns. The first compares non-standard employment in the service sector in Germany and the UK, arguing that the effect of having children only has a relative influence in Germany, where childcare policies are most developed. Likewise, Leschke, while tracing a link between female employment rates and the spread of precarious jobs, notes that the correlation is mitigated in countries with appropriate childcare facilities. In the next chapter Keune discusses the approach of unions to non-standard employment at the national level. He first contends that trade union strategies were traditionally oriented towards opposing the use of non-standard employment for two main reasons. On the one hand, they seek to reduce competitive pressure for insiders, who make up the core of trade union membership. On the other hand, they show a clear preference for an employment model based on long-term stability, which couples with the idea of social justice they pursue. Through a cross-country comparison (Denmark, The Netherlands, Germany, Spain, Italy, UK), Keune observes that the different role and influence of unions at the national level profoundly affects occupational diversity. Still, he argues that an effective and structural reduction of precarious work requires much more effort and resources from both trade unions and other actors, among which are employers and their organisations, parliaments and non-governmental organisations.

The book concludes with a chapter by Busemeyer and Thelen, dealing with 'Non-standard employment and systems of skill formation in European countries'. The authors trace an interesting link between the vocational training systems and the growth of non-standard employment. The analysis shows that apprenticeship-based vocational training, such as the German one, could marginalise those who do not enjoy training, especially in the service sector. Therefore, they contend that a hybrid system featuring school-based training (as in the Danish model) might more likely reduce the overall risk of non-standard employment.

### 3. CONCLUSION

The articles contained in the book are written by an international group of authors and comprise some very interesting analyses, filled with, and enhanced by, empirical data and case studies. The overall approach appropriately combines the analysis of employment practices and other determinants such as institutional environment and skill formation regimes. Rather convincingly, the contributions exhibit how simple dichotomies such as industry *vs.* service and high- *vs.* low-skilled workers do not reflect the essence of the current labour markets. The evidence collected in the volume certainly provides some useful insights for industrial relations, political science and labour economics scholars.

However, if one of the goals of the book was also to address policymakers, a delicate issue cannot be left unmentioned. Given the ultimate tendency of policymakers to rely on ‘numbers’ to pass wide-ranging reforms of the labour market regulation in ‘selected’ European countries,<sup>1</sup> the book might have benefitted from a preliminary categorisation of ‘non-standard’ employment also from a legal point of view. While it is certainly true that the question of the boundaries and frontiers of employment subordination has always been the core of labour law issues,<sup>2</sup> it is also true that the transformations in the labour markets that are accounted for in the volume give new boost to the traditional discussion.<sup>3</sup>

Although the editors admit that they relied on the most commonly-encountered notions in the economic literature, a policy-oriented notion of ‘standard-work’ and, conversely, of ‘non-standard work’ cannot be based on the historically-variable spread of a form of work, such as the open-ended, full-time employment contract, on the one hand, and its multiple variations, on the other hand. On the contrary, the two categories might emerge only through a process of legal qualification, which depends on the form of work the policymakers intend to promote or to refrain from promoting. In this sense, the question of whether fixed-term employment, part-time employment and agency work are all forms of ‘non-standard employment’ ought to require careful scrutiny, in order to avoid delicate issues of methodology and language. On the one hand, all the above-mentioned forms of work are certainly deviations from the good old full-time, permanent and bilateral employment contract. On the other hand, they are far from being similar or even equivalent, as long as they respond to different needs of both employers and employees. This emerges clearly from the different way national and supranational legislators approached the latter. For instance, the European legislator convincingly bolstered part-time employment (Council Directive 97/81/EC), whereas the core of the discipline in matter of fixed-term work was the rules aimed at limiting the (abuse in the) succession of temporary employment contracts (Clause 5 of Council Directive 1999/70/EC).

Clearly, not all the non-standard forms of employment are capable of dragging the employee into a situation of precariousness and job insecurity. As it emerges through the contributions in this volume, part-time is normally favoured by unions, whilst fixed-term employment is not. Accordingly, a flexible job is not in itself an unequal or contingent job, although an unequal, contingent job is often – but not necessarily – *also* a flexible job. Likewise, self-employment might be qualified as a form of precarious work only when it is not genuine and it does not respond to the interests and intentions of both the client and the self-employed work (e.g. in the event of ‘scam self-employment’).

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<sup>1</sup> On the Italian case, see Biasi (2014).

<sup>2</sup> Veneziani (1986).

<sup>3</sup> Davidov, Freedland and Kountouris (2015).

In brief, if the overall analysis was aimed at driving further legislative intervention (at which level?) on a nuanced category of ‘non-standard employment’ gathering together part-time, temporary work and agency work, the attempt would be inaccurate from a legal point of view. In fact, such an operation would turn out to be one of the typical ‘misuses’ that the comparative method traditionally warns against: hasty generalisations relying on uncritical or doubtful premises.<sup>4</sup> Above all, in the current extensive reform of labour law protection, the idea that labour law institutions (and actors) are negative externalities (i.e. a burden) hampering the flourishing of the labour markets is a staple that should be at least questioned and not only taken for granted as a mantra.<sup>5</sup> Yet, the fundamental issues arising from such a faith-based approach do not affect, or pertain to, the volume, where the editors simply state that ‘in some cases reforms lowering dismissal protection could contribute to a less severe segmentation of the labour market’. Which cases they are, remains an open question. Perhaps the future outcomes of the labour market reforms which overturned the protective nature of labour law in several Mediterranean countries will provide us with further material for discussion, which lies nonetheless outside the main scope of the book.

In a nutshell, the overall contributions in the volume help trace a solid link between the spread of those (multiple) forms of work, which depart from the old pattern of full-time, permanent job and the profound economic and social transformations in the observed national contexts. In this sense, the different analyses, insightfully conducted from different points of view, correctly highlight the peculiarities of the single countries in the matter of institutional determinants. This helps rendering the book’s findings noteworthy and extremely valuable.

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