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Chapter 3

Taking the measure of temporary employment

Temporary employment has grown in a number of OECD countries during the past two decades and this growth has raised concerns that temporary jobs may be crowding out more stable forms of employment, becoming an additional source of insecurity for workers and increasing labour market dualism between workers finding stable career jobs and those failing to do so. This chapter sheds light on these issues by assembling harmonised data on temporary employment in OECD countries.

The share of temporary jobs in total employment is shown to have followed different trajectories in different OECD countries with the strong growth experienced in several European countries being a far from universal pattern. Temporary jobs are disproportionately filled by younger and less educated workers, but temporary workers are a diverse group who work in a wide range of occupations and sectors. Temporary jobs tend to pay less than permanent jobs and sometimes offer less access to paid vacations, sick leave, unemployment insurance and other fringe benefits, as well as less access to training. Temporary workers are also less satisfied with their jobs and more often report inflexible work schedules and monotonous work tasks. Despite the generally short duration of temporary jobs, temporary workers show considerable continuity in employment and between one-third and two-thirds of temporary workers move into a permanent job within two years, depending on the country considered. The other side of the coin is that up to one-fourth of temporary workers become unemployed, while even larger numbers remain in temporary jobs. Mobility into permanent jobs is lower for less educated workers and it cannot be excluded that a significant number of workers cycle among temporary jobs – possibly with intervening spells of unemployment – for an extended period of time. Policies to facilitate mobility from temporary into permanent jobs may be desirable for such workers.

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Introduction

Temporary employment has grown in a considerable number of OECD countries in the past two decades (see also OECD, 1993 and 1996, on the issue of temporary work) and this expansion has raised concerns that temporary jobs may be an additional source of insecurity and precariousness for workers. Concerns also have been expressed that temporary jobs may lead to growing labour market segmentation and dualism, trapping growing numbers of workers in a Hobbesian realm of “short, brutish and mean” jobs that offer little employment security, poor pay and fringe benefits, and little prospect of upward mobility (Rosenberg and Lapidus, 1999). However, reliable evidence for assessing these fears remains scarce, in part, due to difficult definitional and measurement problems involved in studying temporary employment, particularly in an internationally comparative context.

Temporary employment may also have beneficial effects. Indeed, the expansion of temporary employment seems to reflect, in part, individuals’ and employers’ increased demands for flexibility in working patterns (see also OECD, 1993, 1996 and 1999, on this issue). Some individuals may prefer to be employed in temporary rather than permanent jobs for a number of reasons, *e.g.* temporary jobs may involve less commitment to the employer and, hence, better opportunities to combine work with other activities (*e.g.* education and care giving). Other individuals may value temporary jobs as a means of entering the labour market, securing an immediate source of income while gaining work experience that can help them to move up the job ladder. Similarly, by acting as a buffer, temporary jobs may allow employers to adjust their operations more effectively to changes in competitive conditions, including business-cycle fluctuations in demand. Employers may also use temporary jobs as a least-cost way of screening potential candidates for permanent jobs in their firms. Finally, there is some evidence that temporary employment, and, in particular, the intermediary services of temporary agencies, may improve the matching of job seekers to job vacancies, contributing to a reduction in frictional unemployment (Katz and Krueger, 1999).

Temporary employment has been an area in which many OECD governments have felt the need to intervene, but the best way forward has not always been evident. Areas of frequent intervention have included: *i*) setting (or lifting) restrictions governing the use of temporary contracts, as well as the degree of employment protection accorded to “permanent” workers; *ii*) establishing equal-treatment standards requiring employers to harmonise pay or fringe benefits between temporary and permanent workers; and *iii*) providing employers with incentives to hire certain disadvantaged job-seekers on temporary jobs or to move them into permanent jobs. There have been many legislative initiatives in each of these areas, but also considerable confusion surrounding the principles of best practice.

One may question what is the best strategy for OECD governments to follow in this area and whether there is an optimal level of regulation of temporary employment that can improve the overall performance of the labour market without exposing a subset of workers to excessive insecurity and precariousness (Cahuc and Postel-Vinay, 2001). To shed more light on this and related issues, this chapter gathers new evidence on the growth in temporary employment, as well as on how temporary jobs compare to permanent jobs

from the perspective of the welfare of the workers in these jobs. This includes tackling the following questions:

- Is a steady rise in the share of temporary jobs in total employment a near universal trend across OECD countries or are national experiences more varied?
- How do workers in temporary jobs differ from those in permanent jobs?
- How do the wages paid to temporary workers compare with those paid to similar workers in permanent jobs?
- Are temporary workers penalised in their access to key fringe benefits?
- Are temporary workers satisfied with their jobs?
- What is the average duration of temporary contracts and how long do temporary workers stay in their jobs?
- What are the chances for temporary workers to obtain training, to move up the job ladder or to move into permanent jobs?

This is an ambitious set of issues, but falls short of being a comprehensive assessment of temporary employment. Among the important issues not addressed here, in a detailed manner, are the potential efficiency gains from temporary employment and international differences in employment protection legislation (see, however, OECD 1999 for the latter).

Main findings

- The distinction between temporary and permanent jobs is complex and differs significantly between OECD countries. Nonetheless, it is clear that temporary jobs are a significant feature of the employment landscape in most OECD countries. Despite this commonality, international differences in the share of temporary jobs in total employment are large. One of every three jobs is temporary in the Spanish labour market, but fewer than one in twenty in Luxembourg, the Slovak Republic and the United States. Furthermore, these differences are quite persistent, suggesting that there is no universal trend towards a common, high level of temporary employment.
- There is also considerable diversity across OECD countries in how the share of temporary jobs in total employment evolved between 1985 and 2000. A strong rising trend was observed for certain European countries (France, Italy, the Netherlands, Portugal and Spain). However, this is far from a general pattern. Many countries show no clear trend and, in a few cases (Greece and Luxembourg), the temporary share has tended to follow a downward trajectory. Furthermore, the country in which temporary employment grew most strongly during 1985-95, Spain, saw a decline in the temporary share during 1995-2000.
- Temporary jobs are disproportionately held by younger and less educated workers, as well as those employed in low-skill occupations, agriculture and small firms. In many OECD countries, there is also some tendency for women to be over-represented among temporary workers, but gender differences are only large in a few countries (Belgium, Finland, Japan) and men are more likely than women to hold temporary jobs in Turkey. Despite these differences in the incidence of temporary employment, temporary workers are a diverse group and they work in a wide

range of sectors and occupations, and for both public and private employers of all sizes.

- The aggregate evidence for European countries indicates that the average wage of temporary workers lags those of permanent workers by between 17% (in Germany) and 47% (in Spain). Using regression techniques to control for differences in individual and job characteristics reduces the wage penalty associated with temporary employment, but it is still statistically and economically significant, ranging up to 27% in the Netherlands. The wage penalty to temporary work is similar for women and men.
- Another important dimension of temporary jobs is the access they provide to a number of key fringe benefits, such as paid vacations, paid sick leave, unemployment insurance and a pension. Although nominally covered by virtually all public schemes and many voluntary, employer-provided schemes, the *de facto* eligibility of temporary workers appears to be substantially lower in some cases. This is due to the impact of eligibility criteria, such as minimum contribution periods. In other words, temporary employment *per se* rarely disqualifies workers from benefits, but the very short duration of many temporary jobs may have that effect. By contrast, temporary employees with fixed-term employment contracts of a year or longer appear to enjoy the same benefits as permanent employees with the same employer.
- Temporary workers tend to be less satisfied with their job than permanent workers. The relative dissatisfaction of temporary workers focuses on pay and, especially, job security. Temporary workers are also significantly more likely to report monotonous work tasks and inflexible work schedules, and somewhat more likely to report working night and weekend shifts.
- Most temporary contracts are issued for durations of less than a year and most temporary workers do not remain on the same temporary job for longer than a year. However, in some OECD countries, a considerable number of temporary workers are hired on longer-duration contracts or cumulate several contract renewals and, hence, accumulate job-tenure of five years or more. Evidence for 11 European countries suggests that more educated temporary workers, as well as those employed in the public sector, tend to be employed on fixed-term contracts of above-average duration, while workers under the age of 25 or who were unemployed previously tend to hold contracts of below-average duration.
- The evidence for European countries suggests that the majority of temporary workers have considerable continuity in employment: being in employment one year earlier and remaining in employment one and two years later. Depending on the country considered, between one-third and two-thirds of temporary workers move into a permanent job within a two-year time interval, suggesting considerable upward mobility. The other side of the coin is that up to one-fourth of temporary workers are unemployed when interviewed one and two years later, and employers provide significantly less training to temporary than to permanent workers. Temporary workers who are more educated have significantly better chances to receive training and to move into permanent jobs than less educated temporary workers.

1. Trends and main features

This section provides an overview of temporary jobs and the workers who hold them. The first issue addressed is to ascertain the number of workers in temporary jobs (*i.e.* jobs

that provide little or no prospect of a long-lasting employment relationship) and to test the common perception that the number of workers in “just-in-time jobs” is climbing steadily. The section also provides an overview of the different contractual forms that temporary employment assumes, as well as their numerical importance in accounting for the total number of temporary jobs. Finally, the demographic and occupational profile of temporary workers is examined, along with several characteristics of their employers.

Before they can be counted and analysed, it is necessary to define temporary jobs and develop a strategy for identifying them in the available data sources. (See Annex 3.A for a detailed discussion of these issues.) For the purposes of this chapter, temporary jobs are those forms of dependent employment which, by their nature, do not offer workers the prospect of a long-lasting employment relationship. In many cases, the temporary nature of the job is apparent. For example, this is the case when there is a written employment contract specifying that the job lasts a limited amount of time (*e.g.* a fixed-term contract for 3 months) or when a worker is hired to perform a specific and time-limited task (*e.g.* to replace a sick worker or fill a seasonal job). Other cases are less clear-cut, but for each country a list of identifiable job types judged to be temporary has been chosen and then used to classify all jobs as either temporary or permanent.¹

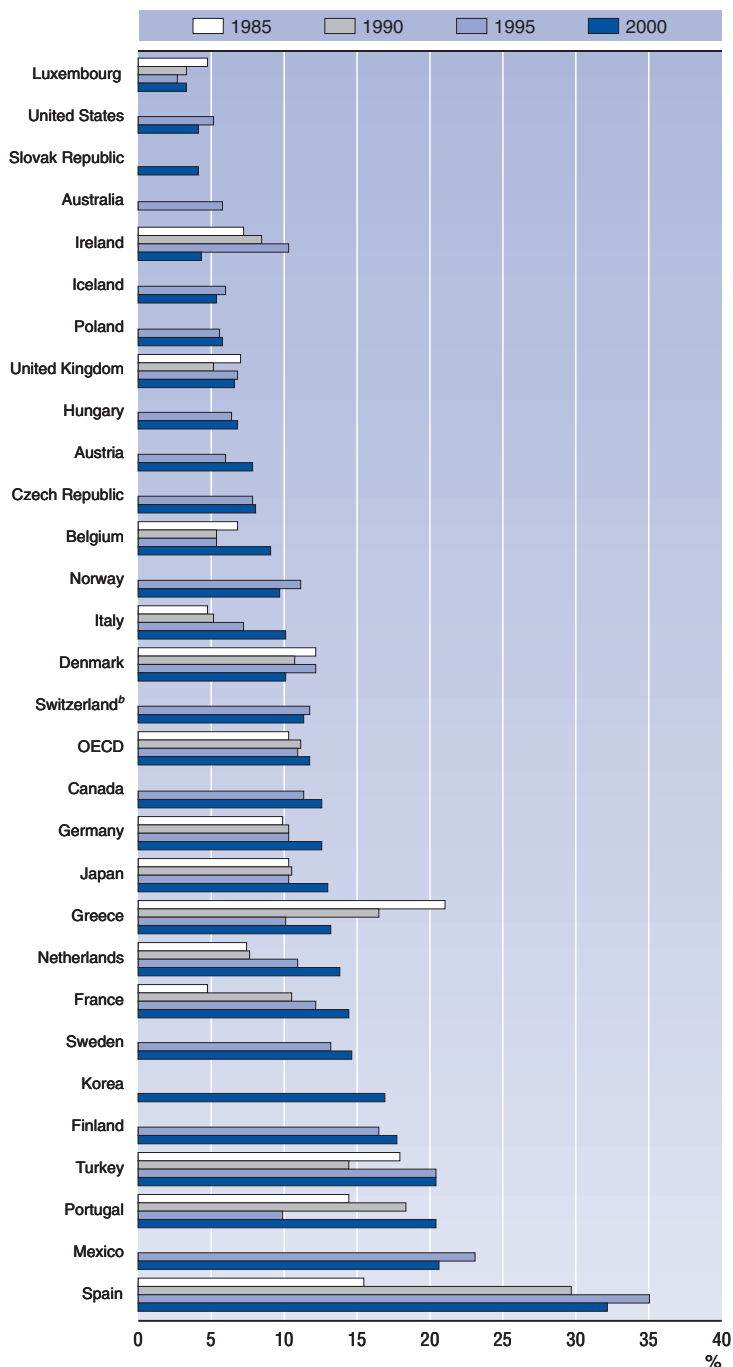
In most cases, the list of job types that is defined as constituting temporary employment has been based on national practice. In some cases, there is no official national definition of temporary employment. In others, the conventionally used definition does not correspond to the concept of a temporary job that is adopted here. In such cases, an attempt has been made to develop a definition of temporary employment that is as consistent as possible with both the conceptual definition mentioned above and the measures used for other countries.

Temporary employment raises particular difficulties for making international comparisons, for both economic and statistical reasons. The categories of temporary jobs differ significantly across OECD countries, both in terms of their numerical importance and the legal and customary rules surrounding their use. Accordingly, the economic significance of holding a temporary job could differ significantly between workers in two different countries. The adequacy of national datasets for differentiating temporary from permanent workers also varies. As a result, it should be understood that international comparisons of temporary employment are subject to a significant degree of non-comparability.

A. Trends in the level of temporary employment

Chart 3.1 provides an overview of the evolution of the share of temporary employment in total dependent employment during 1985-2000. Temporary jobs are a significant feature of the employment landscape in all OECD countries, but fears that stable jobs have all but disappeared are not confirmed. Despite the caveats attached to making international comparisons, international differences in the share of temporary jobs are large enough to indicate substantial diversity in the relative importance of temporary jobs. One of every three jobs is temporary in the Spanish labour market, but fewer than one in twenty in Luxembourg, the Slovak Republic and the United States. Furthermore, these differences are quite persistent, suggesting that there is no universal trend towards a common, high level of temporary employment.

Chart 3.1. Share of temporary employment in OECD countries, 1985-2000

 Percentage of dependent employees in temporary jobs^a


a) There are breaks in the time series for Greece and Ireland due to changes in the classification of temporary workers between 1995 and 2000. The data refer to 1986 instead of 1985 for Portugal; to 1987 instead of 1985 for Spain; to 1996 instead of 1995 for Switzerland; to 1997 instead of 1995 for Australia, Canada, Czech Republic, Hungary and Poland and to 2001 instead of 2000 for Korea and United States. Countries are ranked in ascending order by the share of temporary employment in the most recent year reported and OECD refers to an unweighted average of countries shown.

b) The Swiss data only cover persons with a permanent residence permit and hence exclude foreign workers with a seasonal or short duration residence permit.

Source: See Table 3.A.1 in Annex 3.A.

The relative importance of the different contractual types of temporary jobs also appears to be quite heterogeneous, based on data for a smaller number of countries (Table 3.1). In five of these eight countries, fixed-term contracts are by far the most common form of temporary jobs. However, jobs mediated by temporary work agencies (TWAs) came to be more numerous than fixed-term contracts in the Netherlands during the course of the 1990s.² The relative importance of fixed-term contracts is even lower in Mexico and the United States, due to the preponderance of seasonal workers in the former and the use of different contractual forms for temporary workers in the latter (Di Natale, 2001). These differences in the mix of contractual types of temporary employment mean that even among countries having similar total shares of temporary jobs, the implications of temporary employment for workers and firms may be quite different.

There is also considerable diversity across OECD countries in how the share of temporary jobs in total employment evolved between 1985 and 2000 (Chart 3.1). As is well known, a strong rising trend was observed in certain European countries (France, Italy, the Netherlands, Portugal and, especially, Spain). However, this is far from being a universal pattern and many countries show either no clear trend or, in a few cases (Greece and Luxembourg), the temporary share tended to fall. Furthermore, the country in which temporary employment grew most strongly during 1985-95, Spain, saw a modest decline in the temporary share during 1995-2000.³

Table 3.2 presents an accounting decomposition of total employment growth during the 1990s into the components attributable to temporary and permanent jobs. This decomposition provides a check on the common perception that few if any new permanent jobs are being created. Once again, the diversity of national experience is highlighted by these results. Temporary jobs account for over two-thirds of total employment growth, or grew

Table 3.1. **Components of temporary employment**

Percentage of temporary workers having each type of contract^a

		Temporary help agency workers	Fixed-term contracts	On-call workers	Seasonal workers	Other temporary workers
Australia	1997	21.7	75.9	..	2.4	..
Canada	1995	2.1	50.4	33.0	14.5	..
France	1990	12.2	48.6	..	2.8	36.4
	1995	12.2	45.0	..	3.1	39.7
	2001	25.7	57.9	..	3.4	40.9
Korea	2001	5.7	63.9	13.4	..	17.0
Mexico	1995	..	17.1	..	47.8	35.1
	2000	..	9.3	..	54.0	36.6
Netherlands	1992	25.1	28.1	29.6	..	17.3
	1995	31.4	27.7	28.7	..	12.2
	1999	36.8	23.8	27.3	..	12.1
United Kingdom	1992	6.7	48.1	..	6.5	38.7
	1995	10.4	54.0	..	4.4	..
	2000	15.8	48.3	..	4.1	31.8
United States	1995	14.1	..	14.2	..	71.8
	2001	13.2	..	14.8	..	72.0

.. Data not available.

a) See Table 3.A.2 in Annex 3.A for explanation of the categories of contract type reported for each country.

Source: Data from national Labour Force Surveys for France, Mexico and United Kingdom; Pot *et al.* (2000) for Netherlands; the 2001 Supplement to the Labour Force Survey for Korea; the 1995 Survey of Work Arrangements (SWA) for Canada; the 1997 Survey of Forms of Employment (FOE) for Australia; and the 1995 and 2001 Supplements on Contingent and Alternative Work Arrangements to the Current Population Survey for United States.

Table 3.2. **Contributions of temporary and permanent jobs to total employment growth,^a 1990-2000**

	Cumulative growth of total employment (percentage)	Percentage-point contribution of temporary employment	Percentage-point contribution of permanent employment
Austria (1995-2000)	1.1	2.0	-0.9
Belgium	17.7	5.3	12.4
Canada (1997-2000)	9.3	2.3	7.0
Czech Republic (1993-2000)	-2.9	2.4	-5.4
Denmark	4.8	-0.1	5.0
Finland (1991-2000)	7.1	4.4	2.7
France	9.9	5.9	3.9
Germany (1991-2000)	-2.1	2.4	-4.5
Greece	18.5	-1.0	19.5
Hungary (1997-2000)	7.7	2.2	5.5
Iceland (1991-2000)	17.5	38.3	-20.8
Ireland	47.4	-1.6	48.9
Italy	-1.2	4.8	-6.0
Japan	11.4	3.8	7.6
Luxembourg	17.2	0.6	16.6
Mexico (1995-2000)	27.2	3.0	24.2
Netherlands	25.1	9.9	15.2
Norway (1996-2000)	8.0	-2.8	10.8
Poland (1997-2000)	-4.3	-0.1	-4.2
Portugal	8.7	3.9	4.8
Slovak Republic (1994-2000)	-0.4	1.8	-2.2
Spain	24.7	10.2	14.4
Sweden (1997-2000)	6.6	1.7	5.0
Switzerland (1991-2000)	-0.5	-1.4	0.8
Turkey	39.9	14.1	25.8
United Kingdom	6.5	1.9	4.6
United States (1995-2001)	9.3	-0.5	9.8
OECD average^b	11.6	4.2	7.4

a) The contribution of a component of employment is calculated as the change in that component relative to the initial level of total employment. For T, temporary employment and E, total employment: $((T_t - T_1)/E_1 - 1) * 100$, gives the percentage-point contribution of temporary employment.

b) Unweighted average of countries shown.

Source: See Table 3.A.1 in Annex 3.A.

despite a fall in total employment, in seven of the twenty-nine countries included in the analysis. However, permanent jobs accounted for two-thirds or more of total employment growth in thirteen of these countries and neither component was dominant in the remaining nine countries. Although it is true that temporary jobs have accounted for most or all job growth in certain countries in certain recent periods (see OECD, 1996 for an analysis of earlier periods) it is not the case that OECD economies have generally failed to generate new permanent jobs.⁴

International differences in the share of temporary jobs and its evolution over the past two decades reflect a number of country-specific factors, such as the regulations affecting temporary employment, the sectoral composition of employment, business competitive strategies and the characteristics and preferences of the workforce. There is a growing research literature on the determinants of the incidence of temporary employment, but a unified account that does justice to the diversity of national experiences across the OECD has yet to emerge. Juxtaposing that literature with the data presented here generates several insights:

- The combination of strict employment protection legislation (EPL) for permanent workers with the liberalisation of regulations for temporary employment appears to account

Box 3.1. The special case of temporary agency workers

Measuring employment mediated by temporary work agencies raises particular difficulties. For example, the turnover of agency workers is very high and it is important to distinguish between stock and flow measures. Another complexity is that the employment contract of agency workers can be with either the agency or the employer in whose establishment they are working at a given time. In the former case, it is even possible that these workers will have an open-ended contract with the agency (*i.e.* might be considered as a permanent worker using the terminology of this chapter). This is possible in Austria, Finland, Germany, the Netherlands and Sweden (Storrie, 2002). As a result of the special nature of agency work, the most reliable data on temporary agency workers in many OECD countries are collected by the means of special surveys, rather than the general labour force surveys analysed in this chapter for most countries. This text box summarises some of the insights that can be gleaned from these alternative sources of information.

Since 1992, the number of agency workers has increased at least five-fold in Denmark, Spain, Italy and Sweden and just under four-fold in Austria (Storrie, 2002). Despite this rapid growth, temporary agency jobs still account for only a small share of all jobs. Looking at the average daily number of people that perform agency work as their main job, it is estimated that between 1.8 and 2.1 million of temporary agency workers were employed in the European Union in 1999, accounting for a little more than 1% of total employment (CIETT, 2000). France has the largest number of temporary agency workers in the EU, but the incidence of agency work is highest in the Netherlands.

In Europe, agency workers are generally more likely to be male (with the exception of Scandinavian countries) and younger than are other workers (Storrie, 2002). For a number of EU countries there is also evidence that the proportion of ethnic minorities is higher among agency workers than in other employment forms (the Netherlands, Sweden, Germany). Furthermore, some European countries (Belgium, Germany, and the Netherlands) have targeted special activation policies at temporary work agencies which are subsidised for placing the long-term unemployed or other hard-to-employ groups (*e.g.* older workers in the Netherlands) into temporary jobs. Preliminary evaluation of these measures in Germany are encouraging (Lechner *et al.*, 2000).

There is some limited evidence that temporary agency work varies procyclically, but it is not yet possible to differentiate clearly between business-cycle effects and the recent secular increase in the temporary agency work in most countries. For example, employment growth in the temporary help services accounted for 8.2% of net non-agricultural employment growth in the economic expansion of 1992 to 1998 in the United States, despite only representing approximately 1% of total employment (Katz and Krueger, 1999). In the old *länder* of Germany, the number of workers employed by temporary work agencies also appears to show procyclicality (Boockmann and Hagen, 2001). In France, temporary agency workers increased their share of total employment from 1.8% in 1996 to 3.8% in 2000, a period of cyclical upswing (Jourdain, 2001).

Katz and Krueger (1999) show that the expansion of the temporary help industry in the United States coincided with an inward shift in the Beveridge curve, indicative of improved efficiency in the matching of workers to job vacancies. They argue that labour market intermediaries increase competition and reduce bottlenecks (*e.g.* allowing employers to find qualified substitute workers quickly), keeping wage pressure low even in a tight labour market, and estimate that the expansion in the temporary agencies reduced the US NAIRU by almost 4% over the period 1989 to 1998.

for the rapid growth of the share of temporary jobs that occurred in a few European countries (see Dolado *et al.*, 2001, for Spain and Blanchard and Landier, 2001, and Cadiou *et al.*, 2000, for France). Similarly, employment mediated by temporary work agencies expanded at a very fast rate in Italy, after its legalisation in 1997 (Carmignani *et al.*, 2001; Italian Ministry of Labour, 2001; Nannincini, 2001). At the other end of the policy spectrum, the low shares of temporary employment in Australia, the United Kingdom and the United States suggest that employers make little use of temporary contracts where national legislation provides little job protection for permanent workers. Despite these suggestive national cases, differences in EPL do not appear to explain much of the overall variation in the share of temporary jobs across OECD countries (OECD, 1999).

- The evolution of temporary employment over time reflects different trends in the different components of temporary employment and a full accounting of the role of regulatory changes on the share of temporary jobs would have to account for these differences. In some countries, the expansion of temporary employment has been driven mainly by the growth of TWA employment (see also Box 3.1). In others, like Sweden, on-call jobs appear to have been the most dynamic component of temporary employment during the nineties (Holmlund and Storrie, 2002).
- In other OECD countries, factors other than changes in EPL appear to be more important for explaining the share of temporary jobs. For example, there is some evidence that temporary jobs have grown as a response to protracted recession (Morishima, 2001; Pot *et al.*, 2000; Holmlund and Storrie, 2002), which might have increased employers' demand for "flexible" labour. By contrast, a high share of agricultural workers appears to be the most important factor explaining the high (but, often falling) shares of temporary jobs in certain other OECD countries (Greece, Mexico and Turkey).⁵ Finally, the example of France suggests that the introduction of large-scale public employment programmes for labour force groups experiencing difficulties (see Table 3.A.4 and Chapter 1) has sometimes made an important contribution to the growth in temporary employment.
- In sum, a considerable number of factors are important for determining the share of temporary jobs and no attempt is made here to provide an exhaustive list or quantify their relative importance.

B. Characteristics of temporary workers and temporary jobs

Additional insights into the nature and implications of temporary employment may be gained by inspecting the composition of temporary employment in terms of the gender, age, education level and occupation of temporary workers, and the industry and size of the employing establishment. This information is particularly useful for assessing whether temporary employment is likely to play an important role in confining vulnerable work-force groups in a lower tier of precarious jobs.

The strongest demographic patterns in the incidence of temporary employment are the strong over-representation of younger and less educated workers (Table 3.3). On average for the countries considered, youths (*i.e.* workers aged 15-24 years) are approximately 3 times as likely as older workers to hold a temporary job, suggesting that these jobs often serve as entry ports into the world of work. Indeed, one-half of young workers hold

Table 3.3. Incidence of temporary employment by individual and job characteristics, 2000

Share of temporary employment in total dependent employment for the indicated group (percentage)

	Gender		Age groups			Educational attainment ^a			Industry			Occupation ^b				Size of establishment		
	Female	Male	15-24	25-54	55+	Low	Medium	High	Agriculture	Industry	Services	White collar	Pink collar	Blue collar	Unskilled occupations	Less than 20 persons	20-50 persons	50 and more persons
Australia ^c	6.6	5.0	6.1	5.7	5.0	..	..	..	4.5	3.4	6.6	8.5	5.2	4.1	4.6	..	..	..
Austria	8.4	7.6	28.2	3.8	2.6	21.9	4.2	5.7	7.2	8.7	7.6	6.1	8.2	9.1	5.5	8.7	10.5	6.2
Belgium	12.1	6.6	19.7	4.5	2.1	10.3	8.7	8.1	11.2	7.2	9.7	7.1	7.0	5.3	10.0	12.2	8.4	6.9
Canada ^c	13.3	11.8	29.5	8.8	10.5	15.4	14.5	10.6	35.6	8.3	12.9	..	..	..	..	16.0	12.0	9.6
Czech Republic	9.4	7.0	10.3	3.8	33.6	14.0	7.2	9.5	7.8	6.5	9.5	6.4	7.9	5.2	19.7	9.4	8.3	6.7
Denmark	11.7	8.8	30.6	6.5	5.1	18.9	8.5	5.9	13.8	7.6	11.0	7.7	14.0	11.0	11.9	11.8	12.3	7.8
Finland	20.9	14.5	49.5	14.3	5.1	17.9	20.5	13.9	27.9	13.1	19.3	16.7	19.9	15.2	23.9	20.0	17.7	12.8
France	15.7	14.3	34.8	6.6	3.0	16.3	15.2	13.0	26.7	15.2	14.7	9.6	13.7	13.3	17.8	13.9	14.7	10.6
Germany	13.1	12.5	38.9	6.1	3.8	29.5	9.2	9.1	25.4	10.8	13.5	10.0	10.3	10.9	15.1	13.4	13.4	11.1
Greece	15.7	11.5	28.4	12.1	12.2	17.7	12.1	9.4	41.7	13.0	12.7	7.8	9.7	13.4	22.6	15.4	9.2	6.9
Hungary	6.4	7.3	11.5	5.4	10.9	10.7	6.4	4.6	10.8	6.3	6.9	4.8	5.9	6.4	15.6	8.5	6.7	5.6
Iceland	5.9	4.9	11.2	4.6	2.2	5.3	5.8	5.0	7.8	3.4	5.8	5.8	5.9	3.8	6.5	6.5	4.4	3.5
Ireland	6.0	3.6	15.1	5.7	4.9	11.5	8.4	8.1	6.1	2.7	5.5	6.0	9.9	5.1	15.6	12.7	9.7	6.4
Italy	12.2	8.8	14.7	5.4	5.5	10.2	9.6	11.3	36.7	7.8	10.2	6.5	6.9	6.8	18.1	11.8	8.5	7.3
Japan	20.9	7.7	24.8	9.5	17.9	..	..	..	..	..	..	..	..	..	..	..	..	..
Luxembourg	4.6	2.6	11.3	1.8	1.0	3.2	3.7	2.9	10.1	2.1	3.7	2.9	3.2	2.5	2.7	3.6	3.8	3.1
Mexico ^d	11.7	25.2	25.7	17.8	24.4	26.3	12.7	9.4	74.1	25.9	8.8	..	..	..	..	28.7	12.4	21.6
Netherlands	17.2	11.5	24.3	6.9	6.7	17.1	11.7	10.2	32.1	10.2	13.2	7.2	13.8	8.5	20.5	14.8	12.2	10.5
Norway	11.8	7.8	33.6	8.6	5.2	11.1	9.4	9.7	12.1	6.3	10.7	7.5	16.0	9.0	18.1	10.1	10.1	9.2
Poland	4.8	6.6	13.0	4.0	11.3	13.9	5.6	2.1	20.0	6.1	5.0	2.3	6.0	5.6	13.1	10.9	4.3	2.3
Portugal	22.7	18.6	34.4	10.9	6.5	19.4	24.0	20.6	26.4	18.2	21.7	10.5	14.1	12.1	20.9	21.1	13.5	13.0
Slovak Republic	4.3	3.8	7.4	2.7	13.6	6.0	4.0	2.8	8.0	3.9	3.6	2.3	4.6	3.1	9.7	..	..	..
Spain	34.6	30.6	67.4	25.2	11.8	36.6	29.5	26.2	60.0	37.7	27.7	19.7	30.9	36.6	49.1	40.3	26.9	21.1
Sweden	16.9	12.3	41.3	10.5	7.5	17.9	14.0	13.4	25.3	7.4	16.9	10.3	18.3	10.3	23.1	19.8	14.3	10.2
Switzerland ^e	12.8	10.5	44.9	5.3	4.1	30.0	5.9	8.6	20.1	11.0	11.7	10.4	11.3	15.0	5.4	14.0	9.6	10.0
Turkey	12.6	22.2	23.7	18.7	37.7	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	7.7	5.9	12.0	4.9	5.8	5.3	6.0	8.9	8.2	4.7	7.4	6.5	7.3	4.6	9.5	6.6	6.7	6.6
United States ^f	4.2	3.9	8.1	3.2	3.8	6.1	4.1	3.3	11.1	3.2	4.2	3.5	4.2	3.7	7.5	..	..	..
OECD average^g	12.2	10.5	25.0	8.0	9.4	15.7	10.4	9.3	21.9	9.6	10.8	7.7	10.6	9.2	15.3	14.4	10.9	9.1

.. Data not available.

a) Highest level of education or training successfully completed. Low refers to ISCED 0/1/2, medium refers to ISCED 3 and high refers to ISCED 5/6/7.

b) Four broad occupational groupings were defined in terms of the 1-digit occupations of ISCO-88: white-collar occupations correspond to occupations 1-3 (i.e. legislators, senior officials and managers; professionals; technicians and associate professionals); pink-collar occupations correspond to occupations 4 and 5 (i.e. clerks; and service workers and shop and market sales workers); blue-collar occupations correspond to occupations 6-8 (i.e. skilled agricultural and fishery workers; craft and related trades workers; and plant and machine operators and assemblers); and unskilled occupations correspond to occupation 9 (i.e. elementary occupations).

c) The data relate to 1997. The size of establishment classification is: less than 20 persons, 20-99 persons and 100 and more persons.

d) The size of establishment classification is: less than 15 persons, 16 to 100 persons, more than 100 persons.

e) The Swiss LFS data only cover persons with a permanent residence permit and hence exclude foreign workers with a seasonal or short duration residence permit.

f) The data relate to 2001.

g) Unweighted average of countries shown.

Source: Secretariat calculations based on data from the sources documented in Table 3.A.1 in Annex 3.A.

Table 3.4. **Distribution of temporary employment by individual and job characteristics, 2000**

Share of temporary workers in each group (percentage)

	Gender	Age groups			Educational attainment ^a			Industry			Occupations ^b				Size of establishment		
		Female	15-24	25-54	55+	Low	Medium	High	Agriculture	Industry	Services	White collar	Pink collar	Blue collar	Unskilled occupations	Less than 20 persons	20 to 50 persons	50 and more persons
Australia ^c	53.5	23.0	70.8	6.2	..	..	..	3.8	15.5	80.7	47.5	14.9	29.0	8.6	..	..	..
Austria	47.1	59.2	38.9	2.0	54.4	35.3	10.3	0.9	35.8	63.3	23.3	32.3	36.8	7.6	44.6	16.0	39.3
Belgium	58.5	38.9	59.2	1.9	35.5	34.3	30.2	0.7	22.1	77.2	36.4	29.8	18.1	15.7	35.3	13.5	51.3
Canada ^c	50.9	40.9	51.9	7.1	4.0	51.8	44.2	1.5	4.0	94.5	..	..	..	..	42.7	31.3	26.0
Czech Republic	53.8	19.6	38.5	41.8	16.3	70.0	13.7	4.9	32.9	62.2	27.8	21.6	25.2	25.3	47.3	15.3	37.4
Denmark	55.5	54.6	40.8	4.6	40.9	44.6	14.5	2.5	19.3	78.2	25.6	38.3	21.7	14.4	37.8	17.1	45.1
Finland	59.1	31.2	66.5	2.3	21.7	50.6	27.7	3.4	21.7	74.9	40.7	26.3	21.3	11.6	45.7	19.7	34.7
France	48.7	43.7	54.3	2.0	32.8	45.2	22.1	2.8	27.4	69.9	25.7	32.4	29.1	12.8	99.7	0.1	0.1
Germany	46.2	55.6	41.0	3.4	41.1	42.1	16.8	3.0	29.8	67.2	32.1	24.7	29.4	13.9	40.1	13.2	46.7
Greece	47.4	25.6	67.3	7.1	41.0	40.5	18.5	3.5	27.1	69.5	18.3	27.5	34.7	19.5	79.4	9.6	11.0
Hungary	44.2	26.0	65.3	8.8	28.1	60.7	11.2	6.6	32.6	60.7	23.2	19.9	34.7	22.1	45.0	14.3	40.6
Iceland	55.1	38.5	55.3	6.2	44.0	36.1	19.9	7.9	13.8	78.3	38.0	33.5	17.3	11.2	50.3	22.6	27.1
Ireland	57.4	46.3	48.9	4.7	42.5	30.8	26.7	2.3	18.2	79.5	23.5	43.3	15.1	18.1	41.7	16.7	41.6
Italy	48.2	30.3	63.1	6.6	43.0	43.5	13.6	10.2	26.7	63.2	22.1	25.5	27.1	25.3	70.6	12.6	16.8
Japan	64.2	23.8	50.8	25.4	..	..	..	..	..	..	..	..	..	..	..	..	..
Luxembourg	54.0	54.9	43.3	1.8	32.6	50.0	17.4	1.8	13.7	84.5	33.0	32.5	24.4	10.1	53.8	11.9	34.3
Mexico ^d	19.7	37.0	55.6	7.4	79.7	11.6	8.7	65.2	25.9	8.8	..	..	..	..	56.6	26.7	16.7
Netherlands	53.4	45.2	50.8	4.0	40.0	40.0	20.0	4.4	17.8	77.8	30.3	36.5	17.0	16.2	23.1	11.2	65.7
Norway	58.6	39.3	55.3	5.4	14.3	53.0	32.7	2.1	14.5	83.3	27.3	45.0	16.7	11.0	40.9	18.1	41.0
Poland	38.7	25.4	61.3	13.3	22.5	71.4	6.1	7.9	40.7	51.4	14.3	23.1	36.2	26.4	40.6	14.7	44.7
Portugal	50.8	43.7	52.1	4.2	70.3	17.5	12.3	3.2	35.6	61.2	16.5	31.0	32.4	20.1	90.0	3.6	6.5
Slovak Republic	50.4	25.4	56.6	18.0	10.6	81.0	8.4	14.0	36.2	49.8	19.1	24.9	29.2	26.9	90.3	6.6	3.1
Spain	41.8	35.6	60.4	3.9	57.9	17.9	24.2	6.5	38.7	54.8	13.6	26.1	34.0	26.3	58.4	9.3	32.3
Sweden	58.5	30.9	60.8	8.3	23.8	47.6	28.6	1.8	12.6	85.6	31.4	41.3	17.5	9.7	42.0	18.9	39.2
Switzerland ^e	50.1	62.3	33.3	4.5	54.5	28.9	16.7	1.7	24.8	73.5	37.8	29.8	29.5	2.9	43.7	15.2	41.1
Turkey	11.9	28.0	67.0	5.0	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	53.8	35.4	53.8	10.8	10.0	51.4	38.6	1.1	17.4	81.5	36.7	37.4	13.5	12.3	33.6	15.3	51.1
United States ^f	49.9	32.5	56.2	11.3	18.4	51.1	30.5	3.2	18.2	78.5	33.2	34.6	19.2	13.0	..	..	..
OECD average^g	49.3	37.6	54.3	8.1	35.2	44.3	20.5	6.4	24.1	69.6	28.2	30.5	25.4	15.9	52.2	14.7	33.1

.. Data not available.

a) Highest level of education or training successfully completed. Low refers to ISCED 0/1/2, medium refers to ISCED 3 and high refers to ISCED 5/6/7.

b) Four broad occupational groupings were defined in terms of the 1-digit occupations of ISCO-88: white-collar occupations correspond to occupations 1-3 (i.e. legislators, senior officials and managers; professionals; technicians and associate professionals); pink-collar occupations correspond to occupations 4 and 5 (i.e. clerks; and service workers and shop and market sales workers); blue-collar occupations correspond to occupations 6-8 (i.e. skilled agricultural and fishery workers; craft and related trades workers; and plant and machine operators and assemblers); and unskilled occupations correspond to occupation 9 (i.e. elementary occupations).

c) The data relate to 1997. The size of establishment classification is: less than 20 persons, 20-99 persons and 100 and more persons.

d) The size of establishment classification is: less than 15 persons, 16 to 100 persons, more than 100 persons.

e) The Swiss LFS data only cover persons with a permanent residence permit and hence exclude foreign workers with a seasonal or short duration residence permit.

f) The data relate to 2001.

g) Unweighted average of countries shown.

Source: Secretariat calculations based on data from the sources documented in Table 3.A.1 in Annex 3.A.

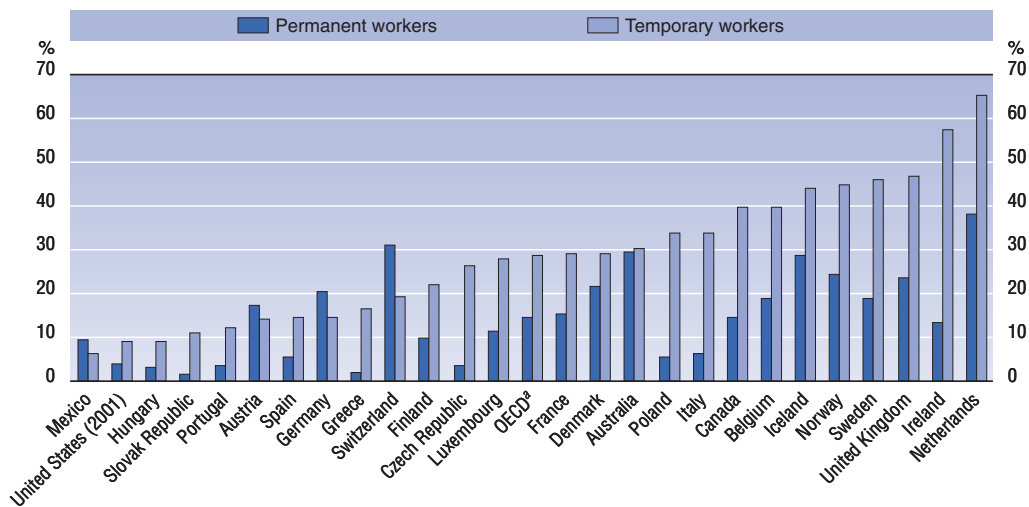
temporary jobs in two European countries (Finland and Spain). More suggestive of long-term traps in precarious work, workers who have not completed upper secondary schooling have a rate of temporary employment that is approximately 60% higher than that of more educated workers. However, there are some exceptions to these general patterns. For example, older workers have a higher incidence of temporary work than younger workers in the Czech and Slovak Republics and Turkey, while temporary work is most common for the most educated members of the workforce in the United Kingdom.

In many OECD countries, women are over-represented among temporary workers, but gender differences are only large in a few countries (Belgium, Finland, Japan and the Netherlands) and men are considerably more likely than women to hold temporary jobs in Turkey. The industrial and occupational profiles of temporary jobs help to explain why men are nearly as likely to hold temporary jobs as women. The highest concentrations of temporary jobs are to be found in agriculture and the unskilled (or “elementary”) occupations. These are predominantly manual jobs that are conventionally held by men. However, less skilled, service jobs (*i.e.* “pink-collar” jobs such as retail sales clerks and secretaries) are more likely to be temporary than are the skilled, white-collar jobs and jobs in industry. Finally, it appears that smaller firms are more likely to hire workers on temporary jobs than are medium- and large-sized firms.

Despite these differences in the incidence of temporary employment, temporary workers are a diverse group and are employed in significant numbers in all major sectors and occupations, and by employers of all sizes (Table 3.4). Averaging over 28 OECD countries, the majority of temporary workers are to be found in the same demographic and institutional categories as the majority of all workers (*i.e.* men, ages 25-54, at least an upper secondary education, semi-skilled or skilled occupations, and service industries). It follows that the majority of temporary workers do not appear to fit the profile of at-risk

Chart 3.2. **Incidence of part-time work for temporary and permanent workers, 2000**

Percentage of workers employed for less than 30 hours per week



a) OECD refers to an unweighted average of the countries shown.

Source: See Table 3.A.1 in Annex 3.A.

workers, likely to be marginalised in the labour market, despite the over-representation of youths and less educated workers in temporary jobs. It also follows that many temporary workers provide a large share of their family's income and are unlikely to voluntarily accept lower earnings and fringe benefits in exchange for the opportunity to work intermittently or try out a series of jobs.

In most OECD countries, temporary workers are more likely to work a part-time schedule than are permanent workers (see Chart 3.2), sometimes very much more likely (*e.g.* in the Czech Republic, Ireland, Italy and Poland). In Ireland and the Netherlands, more than one in two temporary workers are part-time workers. However, these two types of “non-standard” work are far from being synonymous. In several countries, permanent workers are actually more likely to be employed part time than are temporary workers, who tend to be either apprentices (Austria, Germany and Switzerland) or agricultural workers (Mexico). These international differences in the overlap between temporary and part-time jobs emphasise the diversity of temporary jobs and consequent complexity of any assessment of their implications for the welfare of the workers in these jobs. The following section examines these issues in greater depth.

2. Pay, access to fringe benefits and job satisfaction of temporary workers

A. Pay levels of temporary workers

Theoretical considerations suggest that pay in temporary jobs may be either better or worse than in permanent jobs. Wage formation theories based on the hypothesis of compensating differentials – the pay attached to a job must compensate for any less advantageous characteristics – would suggest that temporary workers be paid more than workers in permanent jobs, assuming that most workers would prefer a permanent job. On the other hand, theories of dual labour markets predict that workers in the secondary segment of the labour market – including those on temporary jobs – are paid less (and have less access to fringe benefits) than workers in the primary segment of the labour market. From an efficiency-wage perspective, Guell (2000) argues that in the case of fixed-term contracts, the possibility of renewing the contract matters more than the wage paid in order to provide workers with (“non-shirking”) work incentives. She shows that the higher are the chances of having one's contract renewed, the lower will be the wage paid for temporary work.

Certain policies and labour market institutions found in most OECD countries may have the effect of equalising the wages of temporary and permanent workers who perform equivalent work (see Table 3.5), although direct evidence for such an effect appears to be lacking. Minimum wage legislation, when present, typically covers workers in temporary jobs as well as those in permanent jobs. However, special sub-minimum wages are sometimes established for certain classes of workers likely to be found in temporary jobs (*e.g.* apprentices or youths). Similarly, legislation on equality of opportunity between different groups in the labour market typically applies to temporary workers, at least implicitly. However, collective agreements on pay do not always extend automatically to temporary workers and only a few OECD countries (*e.g.* Belgium, France and Spain) have enacted legislation that explicitly requires temporary workers to be paid the same wages as equivalent permanent workers.

Table 3.5. Wage determination principles applying to temporary employment

	Minimum wage	Collective agreements applying automatically	Equal opportunity	Equal pay to regular
Australia	yes	no	yes	yes
Austria	yes	no	yes	yes
Belgium	yes, for > 1 month employment	yes	yes	yes
Czech Republic	yes	yes	yes	no
Denmark	not applicable	yes	yes	no
Finland	not applicable	yes	yes	no
France	yes	yes	yes	yes
Korea	yes	yes, to union members	not explicitly	no
Japan	yes	yes, to union members	not explicitly	no
Italy	not applicable	yes, usually special provisions	yes	no
Mexico	yes	yes	not explicitly	no
Netherlands	yes	yes	yes	yes
Norway	not applicable	yes	yes	no
Poland	yes	yes	yes	yes
Portugal	yes	no	yes	no
Spain	yes	yes	yes	yes
Sweden	not applicable	yes	yes	yes
Switzerland	not applicable	no	yes	no
Turkey	yes	no	not applicable	no
United Kingdom	yes	no	yes	no
United States	yes	no	yes	no

Source: Secretariat elaboration of data collected directly from OECD Member governments.

The inconclusiveness of theoretical and institutional arguments means that the impact of temporary employment on pay is essentially an empirical question. A number of studies provide estimates of wage differentials between temporary and permanent workers, for one or a few countries. Among these, Booth *et al.* (2000) found evidence for Britain of a significant wage penalty of the order of 16% for men on temporary contracts and 13% for women on temporary contracts. They also concluded that the fact of having held a temporary job, at an earlier stage of their working life, carried a significant wage penalty for men, but not for women. Dekker (2002) finds evidence of significant wage penalties for temporary workers in the Netherlands, Germany and the United Kingdom, on the basis of wage regressions estimated using national longitudinal data. Blanchard and Landier (2001) conclude that individuals on fixed-term contracts earned on average about 20% less than permanent workers in France.⁶ Houseman (1997), using data from a survey of US employers, found that workers on temporary jobs – defined as including fixed-term contracts, on-call work, contracting out and seasonal workers – were paid significantly less than permanent workers.

Table 3.6 compares the gross hourly wage distributions of temporary and permanent workers in 13 EU countries.⁷ It shows that temporary workers are paid less than permanent workers, with the average wage gap varying between a high of 47% in Spain and a low of 17% in Germany. The wages of temporary workers are below those of permanent workers at the 25th, 50th and 75th percentiles of the wage distribution. However, a considerable number of temporary workers have above-average wages. In nine of the thirteen countries analysed, the wage of the 75th percentile of temporary workers is essentially the same or higher than the median wage for permanent workers. Temporary jobs are not synonymous with low-paid jobs, at least in European countries.

The evidence presented in Table 3.6 does not account for differences in individual or job characteristics, such as age or sector of employment, that may lower the wages of tem-

Table 3.6. **Relative wages of temporary workers, 1997**Distribution of hourly gross wages (in ECU) for full-time workers by temporary/permanent status^a

	Work arrangement	25th percentile	Median	75th percentile	Mean	Wage gap ^b
Austria	Permanent	7.4	9.2	12.2	10.2	n.a.
	Temporary	5.8	7.7	9.6	8.3	0.81
Belgium	Permanent	8.6	10.8	14.0	11.9	n.a.
	Temporary	7.1	8.9	11.2	9.4	0.79
Denmark	Permanent	13.4	15.7	18.6	16.7	n.a.
	Temporary	11.3	12.7	15.3	13.0	0.78
Finland	Permanent	8.2	10.0	12.6	11.0	n.a.
	Temporary	6.5	7.8	10.0	8.4	0.77
France	Permanent	6.8	8.9	12.0	10.2	n.a.
	Temporary	5.3	6.4	8.2	7.2	0.71
Germany ^c	Permanent	9.1	11.5	14.9	12.5	n.a.
	Temporary	7.1	8.9	11.7	10.4	0.83
Greece	Permanent	3.7	5.0	6.7	5.6	n.a.
	Temporary	2.5	3.4	4.4	3.8	0.67
Ireland	Permanent	6.8	9.3	13.0	10.7	n.a.
	Temporary	4.9	6.5	8.6	7.1	0.67
Italy	Permanent	6.1	7.4	9.1	8.0	n.a.
	Temporary	4.3	5.6	6.7	5.8	0.72
Portugal	Permanent	2.0	2.7	4.4	3.9	n.a.
	Temporary	1.6	2.1	2.7	2.5	0.65
Spain	Permanent	4.9	6.9	10.6	8.4	n.a.
	Temporary	3.1	4.1	5.2	4.4	0.53
Netherlands	Permanent	10.5	12.9	16.4	14.6	n.a.
	Temporary	7.0	8.7	11.0	9.1	0.63
United Kingdom ^c	Permanent	6.9	9.6	13.4	11.1	n.a.
	Temporary	5.5	7.0	9.5	8.2	0.74

n.a.: Not applicable.

a) The wage data refer to dependent employees working more than 30 hours per week.

b) The wage gap is computed as the ratio of the mean wage of temporary workers to the mean wage of permanent workers.

c) The data refer to national panel surveys included in the ECHP: the Socio-Economic Panel for Germany and the British Household Panel Survey for United Kingdom.

Source: Secretariat calculations based on microdata from the European Community Household Panel, wave 4.

porary workers relative to those of permanent workers, without indicating any causal impact of temporary work contracts on the wage received by a particular worker. Table 3.3 shows that, for example, youths are more likely to be employed in temporary jobs than older workers and that temporary jobs are more likely to occur in agriculture and to be offered by small-size firms. All these characteristics would be expected to lower the wage of an average temporary worker compared with those of an average permanent worker.

Multivariate regression techniques can be used to provide a more accurate estimate of the *independent* impact of holding a temporary job on pay, by standardising for pay differences due to other individual and job characteristics. Table 3.7 presents such estimates, which are based on wage regressions that were estimated separately for men and women.⁸ On the basis of the results shown in Table 3.7 the following conclusions can be drawn:

- Standardising for worker and job characteristics reduces the wage penalty associated with holding a temporary job, but does not eliminate it. There are statistically significant wage penalties for temporary workers in all of the countries considered (except that the estimated penalty is not significant for Belgian women), with the estimated wage penalty being as high as 27% for Dutch men.⁹

Table 3.7. **Multivariate estimates of the wage penalty for temporary work, 1997**OLS coefficients from log-wage regression for full-time workers^d

	Men		Women	
	Number of observations	Coefficient	Number of observations	Coefficient
Austria	(1 587)	-0.06*	(854)	-0.12**
Belgium	(1 155)	-0.12**	(72)	-0.02
Denmark ^b	(1 427)	-0.06**	(1 097)	-0.05**
Finland	(1 550)	-0.16**	(1 525)	-0.12**
France	(959)	-0.14**	(861)	-0.20**
Germany ^c	(2 994)	-0.10**	(1 724)	-0.18**
Greece	(1 311)	-0.12**	(743)	-0.20**
Ireland	(1 334)	-0.12**	(748)	-0.20**
Italy	(2 501)	-0.13**	(1 372)	-0.15**
Netherlands	(2 270)	-0.24**	(862)	-0.22**
Portugal	(2 322)	-0.07**	(1 558)	-0.14**
Spain	(2 582)	-0.16**	(1 212)	-0.19**
United Kingdom	(2 088)	-0.13**	(1 481)	-0.13**
ECHP countries ^d	(19 739)	-0.15**	(11 918)	-0.16**

ECHP: European Community Household Panel.

* and ** denote statistical significance at the 10% and 5% levels, respectively.

a) OLS coefficients for a dummy variable for temporary employment. The dependent variable is the logarithm of the gross hourly wage and the regression is estimated for full-time workers (> 30 hours per week). In addition to the dummy for temporary work, controls are included for age, education, firm-size, public or private sector, one-digit occupation, job tenure.

b) Data refer to 1996. Therefore, Denmark is not included in the pooled ECHP-countries model.

c) There is no information on firm-size for Germany which is, therefore, excluded from the pooled ECHP-countries regression.

d) Pooled regression for all countries shown above, except Denmark and Germany.

Source: Secretariat estimates using data from the European Community Household Panel, waves 3 and 4.

- When the estimated wage penalties for temporary work differ by gender, they tend to be larger for women than for men. However, the wage penalty for men is substantially larger than that for women in Belgium and somewhat larger in Finland and the Netherlands.
- Re-estimating the model including part-time workers (results not shown) does not affect the findings of significant wage penalties nor does it impact much on their estimated size.

These findings suggest that temporary jobs pay less than permanent ones, even after controlling for a range of individual and industrial characteristics. However, the regressions do not control for all potentially important characteristics, nor for the potential endogeneity of temporary work. Furthermore, it should be borne in mind that national differences in the estimated wage penalties may reflect, not only different economic and institutional contexts, but also differences in data quality. Accordingly, these regressions may still provide biased estimate of the wage penalty to temporary jobs.

B. Fringe benefits of temporary workers

Another important dimension of temporary jobs is the access they may grant to a number of key, fringe benefits such as paid vacations, paid sick leave, unemployment insurance, maternity leave and a retirement pension. In analysing this issue, it is important to distinguish between countries where most benefits are provided on a universal basis by legislation, as is the case for many European countries, and countries where many benefits are provided by employers on a voluntary basis, as in the United States.

National regulations in the area of workers' (or citizens') access to benefits tend to be complex and it is often difficult to judge whether temporary workers fall in or out of the net.¹⁰ In some cases, workers on particular employment relationships, such as agency and on-call work, or traineeships, internships and probationary contracts – which are sometimes included among temporary jobs (see Annex 3.A) – are excluded from statutory fringe benefits. Even when temporary workers are subject to the same rules as permanent workers, their *de facto* entitlement to benefits may be more limited. In particular, temporary workers may fail to gain access to some or all benefits when entitlement conditions are formulated in terms of earnings thresholds and minimum duration of employment or minimum contribution periods. The risk of failing to access key fringe benefits is probably greater for temporary workers when fringe benefits are provided by employers on a voluntary basis, rather than under statutory requirements.

Some evidence on legal conditions for entitlement to fringe benefits that may affect temporary workers' access to such benefits is presented in Table 3.8.¹¹ The following facts emerge:

- Paid holidays are a statutory right for workers in all OECD countries except for Turkey and the United States, but entitlement is usually conditional on having been employed for some minimum period of time with the same employer (which varies between 13 days in Finland and one year in Mexico) and sometimes also on a working hours threshold (Finland, Korea and Japan). In many countries, paid vacations for workers on short-term contract may actually be granted in the form of extra pay rather than as actual days off work.
- Paid sick leave is a statutory right in the majority of OECD countries (but not in Australia, the Czech Republic, Korea, Japan, Switzerland and the United States),¹² but in most countries entitlement is conditional on some minimum contribution period (varying between 3 days in Denmark and 6 months in Portugal) or on having earnings above a minimum threshold (the United Kingdom). In Austria, most temporary workers are entitled to paid sick leave, but this is not the case for on-call workers (who are, however, entitled to postpone work when sick).
- Entitlement to unemployment insurance is a statutory right in most OECD countries, except for Australia and Mexico, but the ability to draw benefits is usually subject to rather long contribution periods (varying between 4 months in France and one year in most other countries) and sometimes also to a minimum earnings threshold (Austria, Norway, Poland, the United Kingdom and the United States) or an hours threshold (Finland and Korea).
- Entitlement to paid maternity leave is a statutory right in most OECD countries (except for Australia, the Czech Republic, Japan, Switzerland and the United States) which is, however, subject to a minimum contribution period in most OECD countries, varying between 3 days in Denmark and 30 weeks in Mexico.
- Participation in a public pension scheme is statutory right in all OECD countries. However, participation in the scheme is sometimes conditional on a minimum employment period (Finland, Korea, Mexico, Poland, Portugal) or earnings threshold (Finland, Switzerland and the United Kingdom) or hours threshold (Korea). However, in the case of private (or of a mix of private and public) pension plans, transferability of rights upon changing jobs may be a problem.

Table 3.8. General conditions for entitlement to fringe benefits

	Paid holidays		Sick leave		Unemployment insurance ^a			Pension		Paid maternity/parental leave ^b		
	Statutory right	Employment duration	Statutory right	Contribution period	Statutory right	Contribution period	Other conditions	Statutory right	Employment duration	Statutory right	Contribution period	Beyond contract
Australia	yes	often 12 months	no		yes, income support	all		yes		no		
Austria	yes	6 months	yes (not for on-call workers)	earnings threshold for those with < 1/5 full-time hours	yes	52 weeks in past 24 months	earnings threshold for those with < 1/5 full-time hours	yes	earnings threshold for those with < 1/5 full-time hours	yes	earnings threshold for those with < 1/5 full-time hours	yes
Belgium	yes	all	yes	3 months	yes	312 days in past 6 months for < 36 years old and more days for older age groups		yes	all	yes	all	yes (at benefit level)
Czech Republic	yes	various conditions	no	not applicable	yes	12 months in past 3 years		yes	not applicable	no	not applicable	yes
Denmark	yes	all	yes	> 72 hours in past 8 weeks	voluntary participation	52 weeks in past 3 years; 34 weeks for part-timers		yes	all	yes	> 72 hours in past 8 weeks	yes
Finland	yes	>14 days or > 35 hrs per month	yes	all	yes	43 weeks in past 24 months and >18 hours per week		yes	a month and minimum earnings	yes	all	yes (by the state)
France	yes	1 month	yes	800 hours in past 12 months	yes	4 months in past 18 months		yes	all	yes	200 hours per quarter in past 6 months or 800 hours in past year	yes
Germany	yes	all pro rata	yes	all	yes	12 months in last 3 years or 6 months if a "seasonal worker"		as for all employees	none, accumulates per month worked	yes	all	yes

Table 3.8. **General conditions for entitlement to fringe benefits** (cont.)

	Paid holidays		Sick leave		Unemployment insurance ^a			Pension		Paid maternity/parental leave ^b		
	Statutory right	Employment duration	Statutory right	Contribution period	Statutory right	Contribution period	Other conditions	Statutory right	Employment duration	Statutory right	Contribution period	Beyond contract
Korea	yes (under certain conditions)	30 days and > 15 hours week	no	collective agreements	yes	6 months in past 18 months	> 80 hours monthly (not available for daily workers)	yes	1 year and > 15 hours week	yes	all	no
Japan	yes	6 months and > 80% full-time	no	not applicable	yes, if works > 20 hours day	11 days per month in past 12 months or 14 days per month in past 6 months. 26 days in past 2 months for daily worker		yes	all	no		no
Italy	yes	all	yes		yes	52 weeks in past 2 years						
Mexico	yes	> one year	yes	minimum contributions	no	not applicable	not applicable	yes	lifetime jobs or voluntary contributions	yes, under sick leave	30 weeks in past 12 months	
Netherlands	yes	all	yes	all	yes	in the last 39 weeks one has to have worked for 26 weeks		yes (different system)		yes		
Norway	yes	all	no	collective agreements	yes		income past year > 125% of basis; or mean income past 3 years > 100% of basis	yes	all	yes	all	yes
Poland	yes	all	yes	30 days	yes, if earnings > minimum wage	365 days in past 18 months	earnings > minimum wage	yes	it varies	yes	6 months	no
Portugal	yes	30 days	yes	6 months	yes	18 months in past year		yes	120 days per year	yes	6 months	yes
Spain	yes		yes		yes	360 days in past 6 years		yes		yes		

Table 3.8. General conditions for entitlement to fringe benefits (cont.)

	Paid holidays		Sick leave		Unemployment insurance ^a			Pension		Paid maternity/parental leave ^b		
	Statutory right	Employment duration	Statutory right	Contribution period	Statutory right	Contribution period	Other conditions	Statutory right	Employment duration	Statutory right	Contribution period	Beyond contract
Sweden	yes	all	yes	all	yes	6 months in the past 12 months		yes	all	yes	all	yes
Switzerland	yes	pro-rata	no	3 months	yes	6 months in the past 2 years; 12 months for a repeat claim		yes	earnings > threshold	no	not applicable	
Turkey	no		yes		yes	120 days in past 3 years		yes		yes		
United Kingdom	yes (not for all sectors)	13 weeks ^c	yes	3 months and earnings > threshold	yes	some employment in the previous 2 years	contributions paid > some multiple of threshold	yes (for public pensions)	earnings > threshold	yes	26 weeks and earnings > threshold	yes
United States	no	varies	no	often 1 to 6 months	yes if did not quit voluntarily	state set minimum earnings	no	yes (for public pensions)	often one year (private plans)	no	12 months and 1 250 hours in past year	no

a) Unemployment insurance is meant here as contribution-based unemployment insurance and does not include means-tested social assistance benefits which are available to the unemployed in many OECD countries.

b) Parental leave includes here mainly leave taken in conjunction with child birth, *i.e.* maternity leave. However, for some countries the same rules apply to additional child-care leave.

c) It is currently under consideration to remove the 13 weeks limit and give holiday entitlement to all workers.

Source: Secretariat elaboration of data collected directly from OECD Member governments.

- With regard to meeting minimum contribution periods for claiming fringe benefits, separate spells of employment can be cumulated in most OECD countries, albeit over a relatively limited time period. For example, the rules for drawing unemployment benefits often require that individuals have paid 12 months or 365 days of contributions in the previous two or three years. This implies that temporary workers alternating short spells of employment and unemployment may still be able to draw benefits which are not tied to a specific job (see also Chapter 4).
- There may also be grounds for concern that temporary workers may not be able to claim certain benefits, like paid sick leave or maternity leave (when granted) beyond the expiry date of the contract (Korea, Japan, Poland and the United States, but possibly more countries).

On the basis of the legal rules for entitlement to benefits, it is difficult to predict what fraction of temporary workers are able to qualify for statutory fringe benefits. Temporary workers with little or highly fragmented employment experience may fail to qualify for benefits. Unfortunately, the frequency with which this occurs is unclear, since it depends on the detailed dynamics of temporary work and how they interact with the calculation of entitlement thresholds.

Administrative complexity or confusion may also limit the *de facto* entitlement of temporary workers to benefits to which they are *de jure* entitled. For example, if the social security files are not computerised it may be difficult for temporary workers with a fragmented contribution record – due to having worked for a series of firms – to demonstrate that they meet eligibility criteria. Similarly, there is anecdotal evidence that agency workers may fail to accumulate benefit entitlements, as envisioned by law, because it sometimes is not clear whether the temporary work agency or the firm in which the work is performed is responsible for paying contributions into the social security funds (Storrie, 2002). Again, the severity of these problems is not clear, because little evidence is available on the actual entitlement rates of temporary workers to fringe benefits that are state-provided or mandated by national legislation.

There is evidence that temporary workers receive fewer fringe benefits than permanent workers in countries where many fringe benefits are provided by employers on a voluntary basis (e.g. Australia, Canada and the United States). For example, Houseman (1997 and 2001) and Di Natale (2001) report that temporary workers in the United States are less likely than permanent workers to benefit from an employer-provided health plan, paid sick leave and a pension plan. Lipsett and Reesor (1997a and 1997b) reach a similar conclusion for Canada.

There are special grounds for concern that temporary workers may have more difficulty building up rights to a private pension than permanent workers. For example, there is evidence for the United States and Canada that temporary employees are less likely to join employer-provided pension plans than permanent employees (Houseman, 1997 and 2001, and Di Natale, 2001, for the United States; Lipsett and Reesor, 1997b for Canada). In the United Kingdom, there are sometimes waiting periods before newly hired employees can join an employer-provided pension plan and minimum contribution periods (vesting times), which can be as long as two years. In Austria, employer-provided pension schemes sometimes require a minimum employment duration as a pre-condition (a minimum age of the employee is also sometimes a pre-requisite).

Of particular concern for temporary workers, is the transferability of pension rights acquired under one employer. The risk is that the pension contributions paid may be entirely

or partly lost when workers leave a job.¹³ In some OECD countries special steps have been taken to prevent workers from losing pension contributions paid into an employer-pension fund upon leaving the employer, for example through requirement that all pension contributions paid are reimbursed to the worker.¹⁴ In the United Kingdom new personal pension schemes were recently launched, like the new “Stakeholder” pension plan, which allows workers to pay quite low charges and is very flexible (see Casey, 2001, for more details). In the United States, tax incentives are provided to employers to establish retirement plans for “non-highly-paid” employees, which include many temporary employees.

To sum up, temporary work *per se* does not appear to prevent workers from gaining entitlement to statutory benefits in most cases. However, workers on very short contracts or with certain employment relationships (*e.g.* daily workers, traineeships, agency or on-call work) may not be entitled to statutory benefits. Temporary workers with employment contracts of over a year are likely to enjoy the same benefits as permanent employees with the same employer. The same may be true for other temporary workers, provided they build up some minimum contribution record, possibly across a series of short jobs and short spells out of work.

If a significant share of temporary workers fail to get access to fringe benefits such as paid sick leave, maternity leave, unemployment insurance or a pension scheme, this may be a source of insecurity and cause considerable stress, with possible negative (and long-lasting) consequences for the well-being of individuals and their families. Data on actual take up rates of benefits by employment status are needed to be able to assess whether this is an important problem. A full analysis of this issue would also have to consider the potential efficiency and equity gains from imposing minimum thresholds for benefit eligibility. For example, incentives to find and stay in employment could be dulled if even a very short period of employment qualified (or re-qualified) a worker for extensive unemployment benefits (see Chapter 4).

C. Job satisfaction and working conditions

The preceding analysis suggests that differences in wages and fringe benefits will tend to make temporary jobs less attractive than permanent employment. The potential insecurity associated with a temporary jobs would probably have a similar effect. However, other considerations may dispose certain individuals to prefer a temporary job to a permanent job. This could be the case for individuals desiring to gain some initial work experience or to combine work with other activities, such as studying or caring for family members.

This section compares the job satisfaction levels of temporary and permanent workers. Job satisfaction indexes are somewhat difficult to interpret, being based on individuals’ subjective evaluations of their situation. Accordingly, objective indicators of working conditions in temporary jobs are also examined so as to paint a fuller picture of how favourably temporary jobs compare with permanent jobs.

Temporary workers tend to be less satisfied with their jobs than permanent workers, according to survey evidence on job satisfaction levels in 14 European countries¹⁵ (Table 3.9). The overall job satisfaction level of temporary workers varies between 77% that of permanent workers in Greece and parity in Belgium and Finland. Similar conclusions are reached on the basis of an alternative data source for European countries (see Table 3.B.1 in Annex 3.B).

Table 3.9. **Relative job satisfaction of temporary workers, 1997**

Ratio of average satisfaction levels of temporary to permanent workers
(a value above 100 corresponds to greater job satisfaction for temporary workers)

	Overall satisfaction ^a	Satisfaction with pay ^b	Satisfaction with job security ^c	Satisfaction with working conditions ^d
Austria	96.3	94.9	84.5	99.2
Belgium	100.6	96.0	74.6	105.1
Denmark	98.5	92.0	72.6	96.3
Finland	101.1	92.4	66.3	101.9
France	95.5	92.8	61.3	102.3
Germany ^e	95.1	97.3	82.7	99.0
Greece	76.7	78.9	57.1	80.7
Ireland	94.4	90.6	64.9	101.4
Italy	84.2	84.9	62.1	93.8
Luxembourg ^e	94.8	96.3	77.9	105.1
Portugal	91.3	92.6	71.5	98.6
Spain	90.6	89.9	63.6	96.2
Netherlands	98.9	94.7	73.5	107.1
United Kingdom	95.9	89.2	74.3	..
ECHP average^f	93.9	91.6	70.5	99.0

.. Data not available.

a) Data refer to the variable PK001: satisfaction with work or main activity.

b) Data refer to the variable PE031: "How satisfied are you with your present job in terms of earnings?"

c) Data refer to the variable PE032: "How satisfied are you with your present job in terms of job security?"

d) Data refer to the variable PE036: "How satisfied are you with your present job in terms of working conditions?"

e) Data refer to 1996.

f) Unweighted average of countries shown.

Source: Secretariat calculations using data from the European Community Household Panel, wave 4.

Which characteristics of temporary jobs account for the generally lower levels of satisfaction? Comparisons of the relative satisfaction levels of temporary workers with respect to pay, job security and working conditions indicate the following:

- Not surprisingly, temporary workers are much less satisfied with job security than are permanent workers. The relative satisfaction level of temporary workers, with the security offered by their current job, varies between a low of 57% in Greece and a high of 85% in Austria. The flexibility potentially offered by temporary jobs may be attractive to a portion of workers in temporary jobs, but a considerable number of temporary workers probably would prefer a more secure job.
- Consistent with the analysis of wages in this chapter, temporary workers are also less satisfied with their pay than are permanent workers in all of the countries considered. However, dissatisfaction with pay is not as strong as dissatisfaction with job security. Once again, temporary workers in Greece have the lowest satisfaction relative to permanent workers.
- With few exceptions, satisfaction with working conditions does not appear to be much different for temporary than for permanent workers.

Objective indicators of working conditions also suggest that temporary jobs are typically less desirable than permanent jobs (Table 3.10 and Box 3.2). The incidence of monotonous tasks and inflexible work schedules is significantly higher among temporary workers, who are also somewhat more likely to work night and weekend shifts (see also Table 3.B.2). The finding with respect to inflexible work hours is particularly noteworthy, since it highlights the possibility that the scheduling flexibility associated with temporary jobs may more frequently be used to satisfy employers' production needs than workers' time-use preferences.

Table 3.10. Working conditions^a of temporary and permanent workers, 2000

Percentage of workers reporting undesirable working conditions

	Unpleasant working conditions		Monotonous tasks		Working antisocial hours		Limited working-time flexibility		Limited work autonomy	
	Permanent workers	Temporary workers	Permanent workers	Temporary workers	Permanent workers	Temporary workers	Permanent workers	Temporary workers	Permanent workers	Temporary workers
Austria	31.8	44.4	25.9	39.6	18.6	21.6	59.3	67.2	51.3	67.1
Belgium	36.8	47.3	30.4	40.0	19.9	16.8	60.8	70.5	52.4	53.7
Denmark	32.6	28.5	36.7	35.6	16.6	14.9	48.9	57.0	33.7	37.4
Finland	37.5	35.4	48.3	40.9	26.6	20.4	69.3	73.5	48.3	49.7
France	41.1	50.5	41.4	44.0	17.1	20.4	61.1	73.6	50.0	68.8
Germany	33.7	22.1	25.7	32.0	17.5	20.4	74.4	72.0	53.5	57.1
Greece	45.5	48.3	54.0	54.0	24.1	21.2	81.5	87.9	72.1	85.6
Ireland	41.9	40.7	52.5	43.1	20.3	16.0	61.1	68.0	54.4	68.0
Italy	40.5	50.2	46.3	54.7	15.1	21.8	54.0	69.1	60.8	64.8
Luxembourg	34.8	33.7	29.2	37.0	15.9	10.9	55.0	78.4	54.4	49.4
Netherlands	31.6	28.1	26.4	29.3	19.7	18.6	58.6	74.0	31.4	51.0
Portugal	39.7	36.4	41.4	47.3	14.7	17.3	70.2	77.2	59.3	56.7
Spain	49.4	54.7	59.5	60.4	21.0	18.8	71.5	81.6	57.9	68.2
Sweden	36.7	39.7	25.0	36.3	17.5	18.0	60.2	79.5	42.7	52.9
United Kingdom	40.8	45.1	57.4	57.2	23.1	30.9	54.0	68.9	45.8	54.3
European Union	37.9	40.5	39.3	45.7	18.8	20.9	62.7	74.1	50.7	60.8

a) See Box 3.2 for details of the definitions of the different working conditions indexes. A higher value indicates less favourable working conditions.

Source: Secretariat estimates based on microdata from the Third European Survey on Working Conditions (2000), collected by the European Foundation in Dublin.

Box 3.2. Measuring working conditions

The *European Survey on Working Conditions* is designed to monitor working conditions as perceived by workers. The third wave of this survey was conducted by the European Foundation, in close collaboration with EUROSTAT and national statistical offices, in March 2000. Fairly small, but representative, samples of the employed population aged 15 and over were surveyed in each of the fifteen countries of the European Union (approximately 1 500 persons in each country, except only 500 in Luxembourg).

A wide range of information on working conditions is available from the survey. For the purposes of this chapter, five aspects of *poor* working conditions have been selected for comparing temporary and permanent jobs. The definition of each type of working condition is given below along with the survey question(s) upon which it is based (in parenthesis):

Unpleasant working conditions. For between one-half to all of the time, exposed in main job to at least one of the following: vibrations from hand tools or machinery; loud noise; high or low temperatures; breathing in vapours, fumes, dust or dangerous substances; handling dangerous products; or radiation such as X rays, radioactive radiation, welding light or laser beams (Question 11a-g).

Monotonous work. Main job involves monotonous tasks (Questions 23f and 24d).

Working antisocial hours. Usually work at least once a month either at night or on Sundays or work shifts or irregular hours (Questions 16b,c and 18b).

Limited working-time flexibility. Cannot take a break when wanted and not free to decide when to take holidays or days off (Question 26b,c).

Limited work autonomy. Not able to choose or change either the order of tasks, work methods or work speed (Question 25a-c).

3. Career dynamics of temporary workers

A. Duration of temporary jobs and contracts

The duration of temporary jobs may affect the welfare of workers in several ways. First, shorter jobs will imply greater insecurity whenever searching for a new job involves some risk (*e.g.* the risk of a period of non-employment or of becoming re-employed at a lower wage). Second, employment conditions may differ quite considerably for temporary jobs of different durations. For example, fringe benefits sometimes may not be available to workers engaged in work lasting less than a certain minimum employment period (see Section 2.B). Finally, longer contracts may more often be transformed into permanent employment relationships or be more valued by future potential employers.

The majority of temporary workers (58% on average for the 23 OECD countries considered in Table 3.11) have been in their current job for less than one year, compared with only 13% of permanent workers.¹⁶ Workers in temporary jobs are most likely to have less than one year of tenure in Finland, the Netherlands and Poland, where approximately three out of four temporary workers have been with their current employer for less than 12 months. The opposite pattern holds for ongoing job tenures of over 5 years, which are

Table 3.11. Job tenure of temporary and permanent workers, 2000

Percentage distribution of on-going job tenures for each type of work arrangement

	Temporary workers					Permanent workers				
	Less than 1 year	1 to 2 years	2 to 3 years	3 to 5 years	More than 5 years	Less than 1 year	1 to 2 years	2 to 3 years	3 to 5 years	More than 5 years
Austria (1996)	35.3	22.2	16.5	10.4	15.6	9.4	8.3	7.0	13.7	61.6
Belgium	56.5	19.1	3.6	9.1	11.7	10.7	8.9	3.4	10.6	66.4
Canada (1997)	60.9	..	(27.4) ^a	..	11.7	19.1	..	(31.9) ^a	..	49.1
Czech Republic	..	..	..	..	..	9.6	8.1	4.8	16.1	61.3
Denmark	64.3	19.6	3.3	7.4	5.5	20.0	13.2	4.2	14.0	48.5
Finland	75.0	11.8	2.8	6.0	4.3	12.5	8.6	3.7	11.7	63.5
France	61.4	18.5	1.8	8.8	9.4	9.2	8.4	1.7	11.0	69.7
Germany	50.2	25.2	3.1	14.4	7.1	10.5	8.6	3.3	10.9	66.7
Greece	45.8	15.0	7.7	12.2	19.3	8.0	6.6	4.4	13.5	67.4
Hungary	55.4	16.2	3.6	10.6	14.1	9.5	10.5	3.8	16.2	59.8
Iceland	62.0	12.7	0.8	10.5	14.0	25.6	14.1	2.8	14.5	43.1
Ireland	66.8	14.9	2.4	8.6	7.3	19.1	12.7	3.3	14.6	50.2
Italy	51.7	16.2	3.0	9.6	19.5	8.3	7.6	2.4	11.0	70.7
Luxembourg	63.5	16.7	3.2	10.6	6.1	10.7	8.7	3.7	11.2	65.7
Mexico (1999)	40.2	..	(18.3) ^b	9.1	32.4	26.5	..	(23.2) ^b	12.1	38.2
Netherlands	72.5	13.1	3.0	6.3	5.1	14.0	10.5	4.1	13.3	58.1
Norway	60.7	12.4	11.5	9.0	6.2	12.8	6.8	11.1	14.2	55.2
Poland	73.4	9.9	1.9	5.4	9.5	13.2	9.5	3.7	13.5	60.1
Portugal	51.6	20.9	6.1	9.3	12.1	8.0	7.4	3.9	12.1	68.5
Spain	62.9	18.6	4.4	7.8	6.3	5.6	7.5	3.5	11.7	71.8
Sweden	56.3	17.3	3.0	10.5	12.9	9.9	8.8	2.0	9.9	69.4
Switzerland	43.9	22.6	1.4	22.0	10.2	14.9	10.8	3.3	12.6	58.4
United Kingdom	57.0	15.2	2.8	10.7	14.3	17.5	12.5	3.2	15.0	51.8
OECD average^c	57.6	16.9	4.3	9.9	11.6	13.2	9.4	4.0	12.9	59.8

.. Data not available.

a) 1 to 5 years of job tenure.

b) 1 to 3 years of job tenure.

c) Unweighted average of countries shown.

Source: Secretariat calculations using data from sources documented in Table 3.A.1 in Annex 3.A.

approximately five-times more common for permanent workers. However, these comparisons exaggerate, to some degree, the precariousness of employment for temporary workers, by failing to take account of the fact that employers sometimes convert temporary workers into permanent workers (see Box 3.3 in Section 3.C).

Although it is scarcely surprising that tenures are far lower for temporary than for permanent jobs, this is not a tautology since temporary contracts frequently can be renewed and there is turnover among workers in permanent jobs. Direct evidence on renewals is lacking, but these job tenure data indicate that renewals do not prevent temporary jobs from being much shorter than permanent jobs.¹⁷ Nonetheless, a considerable share of temporary workers at any given time appear to be in jobs that will last a year or more in all of these countries and, in a few OECD countries, a considerable share of temporary workers have job tenure rates longer than five years (approximately one out of three temporary workers in Mexico, and one out of five temporary workers in Greece and Italy). Seasonal workers (*e.g.* in agriculture) with strong attachments to a particular employer may account for many of these cases, which accordingly would not reflect continuity in year-round employment.

Survey data on the total duration of temporary contracts are available for the subset of temporary workers who are employed on fixed-term contracts in the European

Table 3.12. **Multivariate estimates of the determinants of being offered a longer-duration temporary contract, 1997**

MLE coefficients from an ordered probit model of contract duration^a

	ECHP countries ^b	Austria	Belgium	Denmark	Finland	France
Woman	-0.04	0.31	-0.19	-0.13	0.02	-0.25**
Low education	-0.32**	-0.06	-0.05	0.00	-0.61**	-0.07
Medium education	-0.18**	-0.17	0.07	0.05	-0.30**	-0.15
Age 15-24	-0.17**	-0.57**	-0.48*	-0.54*	-0.25	-0.15
Age 25-34	-0.03	-0.40*	-0.31	0.15	-0.29**	-0.17
Prior unemployment ^c	-0.14**	-0.25	-0.14	-0.29	-0.27**	-0.37**
Small firm	0.11**	0.07	0.16	0.68**	0.24	0.43**
Public sector	0.40**	1.21**	0.62*	0.59**	0.26*	0.81**
Country dummy variables	yes	no	no	no	no	no
Observations	3 720	140	193	126	438	413
Log-likelihood^d	-3 842.8**	-122.8**	-192.8**	-127.3**	-454.6**	-427.3**
	Greece	Ireland	Italy	Netherlands	Portugal	Spain
Woman	-0.27	-0.46	0.02	-0.24	0.06	-0.02
Low education	-0.46**	-1.23**	-0.01	0.51	-0.61**	-0.39**
Medium education	0.04	-0.71**	0.14	0.12	-0.55**	-0.16
Age 15-24	0.18	-0.14	0.36**	-0.80**	0.03	-0.30**
Age 25-34	-0.08	0.27	0.28**	-0.33	0.13	-0.03
Prior unemployment ^c	-0.10	0.64**	-0.13	-0.05	-0.07	-0.14*
Small firm	-0.19	0.07	-0.05	0.18	-0.20	0.08
Public sector	-0.07	0.22	0.03	0.38	0.46**	0.41**
Country dummy variables	no	no	no	no	no	no
Observations	183	162	4 204	135	425	1 073
Log-likelihood^d	-168.3**	-145.8**	-883.0**	-140.6**	-347.4**	-1 103.1**

* and ** denote statistical significance at the 10% and 5% levels, respectively.

ECHP: European Community Household Panel.

a) Ordered probit model with a trichotomous dependent variable indicating contract length (*i.e.* less than 6 months, 6 to less than one year and more than one year). This variable is based on variable ECHP PE025 and only applies to workers employed on fixed-term contracts, for whom the model is estimated by maximum likelihood techniques.

b) Pooled model for countries shown.

c) Dummy variable which takes the value one if the person was ever unemployed in the previous 5 years.

d) Indicators of statistical significance refer to the Chi-square test for the joint significance of all the regressors.

Source: Secretariat estimates based on data from the European Community Household Panel, wave 4.

countries that participated in the European Community Household Panel (ECHP) in 1997.¹⁸ On average over these eleven countries, one-quarter of these contracts were for durations of 6 months or less, and two-thirds lasted no more than a year (data not shown). However, considerable international differences are present and the share of contracts lasting no more than a year ranged from 45% in Ireland to 81% in Portugal.

In order to isolate the impacts of individual and job characteristics on the probability of being offered a temporary contract of increasing duration, an ordered-probit model was estimated using the ECHP data for workers on fixed-term contracts (Table 3.12). In general, younger and less educated workers, as well as workers having experienced unemployment during the preceding five years, are more likely to be offered shorter contracts than are other workers. However, there are several exceptions to these tendencies, with contract durations tending to be longer for workers under age 25 in Italy and formerly unemployed individuals in Ireland. The public sector offers fixed-term contracts of longer duration than the private sector in all of the EU countries considered except Greece, where there is no significant difference. Small employers use longer-duration contracts than medium-to-large size employers in Denmark and France, but firm size appears not to have a significant effect elsewhere. Country-by-country patterns may reflect economic and institutional regulations on duration of contracts or special hiring policies, for example, in the public sector, as well as differences in the quality of data and small sample sizes.

B. Human capital accumulation and training

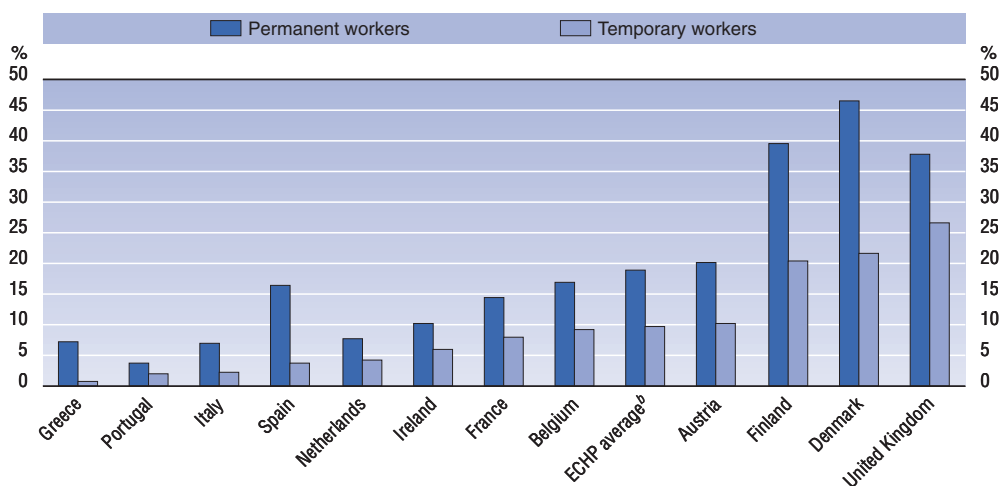
The career prospects of temporary workers could be compromised, if they receive less training from their employers than permanent workers. A theoretical argument can be made that employers would provide less training to temporary workers. Training is costly to provide and firms training workers who will soon leave the firm cannot expect to capture most of the benefits from that training. However, countervailing theoretical arguments can be advanced that employers would find it profitable to train temporary workers in certain circumstances: *i*) newly hired workers – including temporary workers – may require orientation training to perform well in their jobs; *ii*) the lower wages received by temporary workers (see Section 2.A) might reflect – in part – implicit employee financing of general training provided by the employer; *iii*) some temporary jobs have an explicit training component or serve as a probationary period for permanent jobs; and *iv*) it can be profitable for temporary work agencies to provide general training to workers they place with other employers, since doing so provides information about the workers' abilities that are valued by their customers.¹⁹ These considerations indicate that temporary workers' access to training is an empirical issue and the rest of this section presents new empirical evidence on this topic.

Temporary workers receive considerably less formal employer-provided training than permanent workers in 12 European countries (Chart 3.3). A similar picture emerges from the training data collected as part of the International Adult Literacy Survey (IALS), which extends the evidence to several non-European countries (Chart 3.4). The IALS data include separate measures of formal and informal training, which suggest that the training gap for temporary workers tends to be larger for formal training courses than for informal on-the-job training (which may pick-up the initial orientation often provided to newly hired workers by their co-workers).

Simple comparisons of training rates for temporary and permanent workers may confound the true causal effect of holding a temporary job on training access with the effects

Chart 3.3. Access to employer-sponsored training for temporary and permanent workers, 1997

Percentage of workers participating in a vocational education course paid for or organised by their employer^a



ECHP: European Community Household Panel.

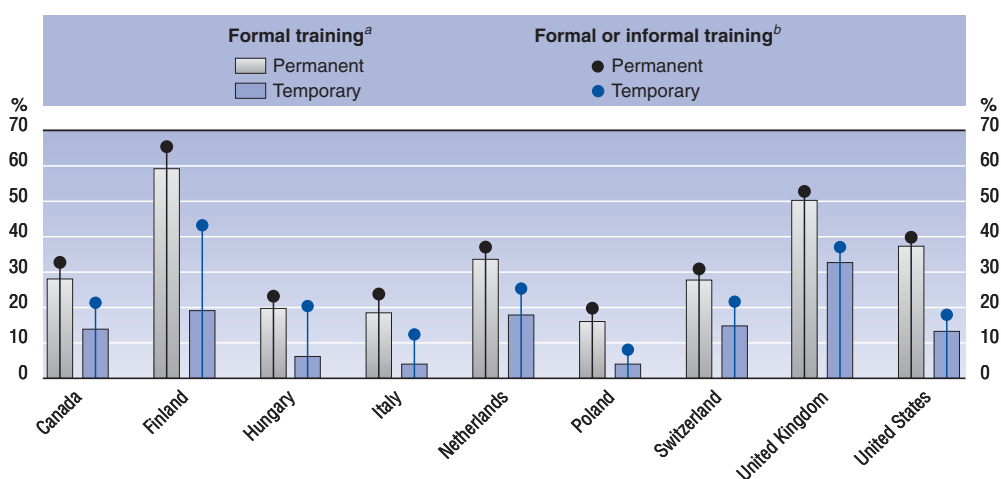
a) Variable PT017 ("Was the vocational course paid for or organised by the employer?") for workers receiving training in the past year.

b) ECHP average refers to an unweighted average of the countries shown.

Source: Secretariat estimates based on data drawn from the ECHP, wave 4.

Chart 3.4. Access to formal and informal training for temporary and permanent workers

Percentage of workers receiving the indicated types of training



a) Formal training during the past 12 months which was financially supported or directly provided by the employer.

b) Either formal or informal (i.e. on-the-job) training which was financially supported or directly provided by the employer during the past 12 months.

Source: Secretariat estimates based on data drawn from the International Adult Literacy Survey, 1994-97.

of differences in the characteristics of temporary and permanent workers or of their employers. Probit models of training participation that control for individual and job characteristics indicate that temporary workers are significantly less likely than permanent workers – when all other characteristics are set equal to their sample means – to receive formal training from their employers (Table 3.13). For the model pooling data for 12 European countries, the estimated effect of holding a temporary job is to reduce access to training by 6%, which is approximately the same impact as the difference between not having finished secondary schooling and having obtained a tertiary qualification, and a

Table 3.13. **Multivariate estimates of the determinants of receiving employer-provided training, 1997**

Probit-model estimates of the change in the probability of training associated with each factor^{a, b}

	ECHP countries ^c	Austria	Belgium	Denmark ^d	Finland	France	
Temporary job	-0.06**	-0.02**	-0.03**	-0.14**	-0.17**	-0.06**	
Woman	0.00	-0.05**	-0.04**	-0.02	0.01	-0.00	
Low education	-0.06**	-0.12**	-0.10**	-0.14**	-0.20**	-0.06**	
Medium education	-0.01**	-0.02	-0.08**	-0.07**	-0.08**	-0.03	
Age 15-24	0.01	0.05	0.08	0.12*	-0.06	0.11**	
Age 25-34	0.01	0.04*	0.05**	0.08**	0.01	0.04*	
Prior unemployment ^e	-0.03**	-0.05**	-0.08**	-0.14**	-0.10**	-0.03	
Small firm	-0.05**	-0.04**	-0.08**	-0.07**	-0.18**	0.01	
Public sector	0.04**	0.05**	0.03	0.07**	0.03	0.04	
Tenure 6-9 years	-0.02**	0.02	-0.03	-0.03	-0.04	-0.04	
Tenure 10-14 years	-0.00	-0.01	0.02	-0.07	0.01	0.01	
Tenure > 14 years	-0.02**	0.00	-0.00	-0.02	0.03	-0.01	
Country dummy variables	yes	no	no	no	no	no	
Observations	34 132	2 413	1 916	2 515	2 846	2 085	
Log-likelihood^f	-12 154.4**	-1 104.7**	- 840.2**	-1 535.8**	-1 702.4**	- 882.2**	
	Greece	Ireland	Italy	Netherlands	Portugal	Spain	United Kingdom
Temporary job	-0.03**	-0.00	-0.01**	-0.04**	-0.00	-0.03**	-0.14**
Woman	-0.01	-0.01	-0.00	-0.00	-0.00	-0.01	0.03*
Low education	-0.04**	-0.06**	-0.01**	-0.02*	0.00	-0.05**	-0.08**
Medium education	-0.02**	-0.00	0.00	0.00	0.01	0.00	-0.08**
Age 15-24	0.02	0.03	0.00	0.04**	-0.00	-0.01	-0.02
Age 25-34	0.02*	0.04**	0.00	0.03**	0.00	0.00	-0.02
Prior unemployment ^e	-0.01	-0.04**	-0.01**	-0.00	-0.01	-0.02	-0.04**
Small firm	-0.02	-0.03*	-0.01**	-0.04**	-0.02**	-0.05**	-0.09**
Public sector	-0.00	0.05**	0.01**	-0.00	0.01*	0.04**	0.13**
Tenure 6-9 years	-0.00	-0.03	-0.00	-0.02**	-0.00	0.02	-0.09**
Tenure 10-14 years	0.01	-0.03	0.00	-0.02	-0.00	0.04*	-0.06*
Tenure > 14 years	0.01	0.00	-0.00	-0.04**	-0.00	0.01	-0.08**
Country dummy variables	no	no	no	no	no	no	no
Observations	2 272	2 030	4 204	3 808	3 668	3 678	4 217
Log-likelihood^f	-393.2**	-700.5**	-883. **	-965.6**	-386.0**	-1 137.0**	-2 560.3**

* and ** denote statistical significance at the 10% and 5% levels, respectively.

ECHP: European Community Household Panel.

a) Change in the predicted probability of receiving training associated with an increase from 0 to 1 of the indicated dummy variable, when all other variables are set at their sample mean values. For example, the row 1, column 1 estimate of “-0.06” indicates that temporary workers are 6% less likely than permanent workers to receive training. The probit models were estimated by maximum likelihood techniques and also included 8 dummy variables for occupation and an intercept. The dependent variable takes the value of 1 for workers participating in training provided by their employer during the previous year (ECHP variables PT001 and PT017) and the sample is all dependent employees.

b) Indicators of statistical significance for the estimated changes in probability correspond to the significance of regressors in the underlying probit model.

c) Pooled regression for countries shown, except for Denmark (see note d).

d) The data for Denmark relate to 1996 because the occupational variable has many missing values in 1997.

e) Dummy variable which takes the value one if the person was ever unemployed during the previous 5 years.

f) Indicators of statistical significance refer to the Chi-square test for the joint significance of all the regressors.

Source: Secretariat estimates based on data from the European Community Household Panel, waves 3 and 4.

somewhat larger impact (in absolute value) than that estimated for gender, age, firm-size and employment in the public sector. When the model is estimated separately for each country, temporary workers are significantly less likely to be trained by their employers than permanent workers in 8 of the 12 countries considered, while there appears to be no significant difference in Austria, Belgium, Ireland and Portugal.²⁰

The findings reported here strengthen the evidentiary basis for concerns that working in temporary employment could compromise an individual's prospects for career. However, as previously noted, taking account of informal (on-the-job) training probably would give a somewhat more positive picture of the amount of training received by temporary workers. It should also be emphasised that temporary jobs offer some training, as well as work experience, and, hence, contribute more to human capital accumulation than many forms of non-employment. Furthermore, if mobility into permanent employment is high and few workers spend an extended period of time in temporary jobs, then lower training rates in temporary jobs may not much matter for long-term career prospects. Job mobility is investigated in the next sub-section.

C. Mobility of temporary workers

To assess whether temporary jobs are “stepping stones” into permanent employment or “dead-end” jobs, it is necessary to look at mobility into and out of temporary jobs. This issue is currently the focus of considerable research and the new evidence presented in this section should be viewed in combination with the findings of other recent studies, such as those summarised in Box 3.3. These prior studies clearly reveal that temporary workers are not all locked into temporary jobs, since a significant share move into permanent jobs within a fairly short period of time. However, differences in data sources and methods limit the comparability of these research findings and it is currently unclear how the mobility patterns of temporary workers differ between OECD countries.

Retrospective data for 21 OECD countries show that temporary workers demonstrate considerable continuity in employment, in the sense that approximately two out of three were also employed one year earlier (Table 3.14; see OECD, 1996, for similar data for the mid-1990s). Backward-looking employment continuity was highest in Portugal (77%) and lowest in Ireland (54%). Unfortunately, it is not possible, on the basis of these data, to distinguish whether these individuals were in temporary or permanent jobs one year earlier. Nonetheless, these results provide some indication that the majority of temporary workers succeed to keep a foot in employment over time. Among temporary workers not working one year earlier, most were either unemployed or pursuing full-time studies. Temporary jobs are particularly important ports of entry into employment for the unemployed in Spain, while over one-quarter of temporary workers in Denmark were recently full-time students.

A forward-looking perspective that assess the employment prospects of temporary workers is perhaps more important for assessing the mobility of temporary workers. Table 3.15 presents transition probabilities for mobility from temporary jobs to permanent jobs and to unemployment²¹ for 13 European countries. Mobility patterns over one-year (1996 to 1997) and two-year (1996 to 1998) time horizons indicate that:

- A considerable share of temporary workers move into permanent jobs within a year and this share increases substantially between the first and second years in all of the countries considered except Belgium.

Box 3.3. Evidence from the literature on transitions from temporary to permanent jobs

Using longitudinal data for the *Netherlands, Germany and Great Britain*, Dekker (2001) finds that *non-standard forms of employment* (including temporary and part-time jobs) often serve as entry jobs into permanent positions. Upward mobility, in this sense, is greater in the Netherlands and Germany than in Great Britain. Women are less likely to move out of non-standard employment than are men, but this difference could reflect a greater tendency for women to remain in part-time jobs rather than a greater tendency to remain in temporary jobs.

Guell and Petrangolo (2000) find that some *temporary workers* in *Spain* move to permanent positions before the expiry of the temporary contract, while others attain the maximum contract duration allowed by the law (three years) before moving into a permanent job or leaving the firm. They conclude that some firms use temporary jobs to screen workers for permanent positions, with “good” matches being converted to permanent contracts as soon as their quality is known, while other employers use temporary contracts to save on labour costs, renewing contracts up to the maximum allowed duration. The authors also investigate the effect of the 1994 Reform, which restricted somewhat the use of temporary contracts in Spain, and find evidence that it became easier for women and less educated workers to move from a temporary job to a permanent position after the reform.

Holmlund and Storrie (2002) find that about 10% of *Swedish* workers on *temporary contracts* move to permanent employment one quarter later, using information on individual labour market status from matched quarters of the Swedish labour force survey. Korpi and Levin (2001) conclude that having been in temporary employment reduces unemployment duration for a sample of Swedish unemployed.

Houseman (1997) finds that a very small number of *temporary work* positions – including fixed-term contract, on-call, contracting out and seasonal workers – are transformed into permanent jobs, on the basis of data from a survey of employers in the *United States*. Nonetheless, 40-55% of the establishments surveyed reported that they occasionally moved temporary workers to permanent jobs. Transitions from temporary to permanent jobs are more frequent for workers hired via the intermediation of a temporary help agency than for other categories of temporary workers. A similar finding for *Italy* is reported in Italian Ministry of Labour (2001).

Storrie (2002) analyses a sample of *agency workers* in *Germany, France, the Netherlands, Spain and the United Kingdom* and finds that 19% of them were subsequently hired by the client firm: 12% as permanent workers and 7% as temporary workers. An additional 18% found a permanent job with another employer, so that, in total, 30% obtained a permanent job after a spell of agency work.

Booth *et al.* (2000) conclude for *Britain* that *fixed-term contracts* (FTC) are frequently stepping stones into permanent work rather than dead ends, but that upward mobility is less common for seasonal and casual jobs. The authors find that the probability of moving from a FTC to a permanent job increases with the level of education for women, while education does not appear to play a significant role for men. On the other hand, younger men are significantly more likely to move to permanent positions than older men, while age does not have a significant impact for women. Working part time significantly reduces mobility into permanent jobs for men, but has no effect for women.

Box 3.3. Evidence from the literature on transitions from temporary to permanent jobs (cont.)

Blanchard and Landier (2001) evaluate the consequences of the introduction of *fixed-term contracts* (FTCs) in *France*. They find that transitions from FTCs to permanent jobs decreased from the eighties to the nineties for young people, as the use of FTCs by firms became more widespread. They find no corresponding change in the probability of making a transition from FTCs to unemployment. Russo *et al.* (1997) analyse the determinants of workers' chances to move from *short-term contracts* to permanent jobs in the *Netherlands*. The probability increases significantly with the age of the worker and the number of hours worked, but is lower for workers with children and highly-educated workers. No significant gender differences emerge from the analysis, although women (and foreigners) are more likely to occupy a temporary job than are men and Dutch nationals.

Contini *et al.* (1999) test the hypothesis that *short spells* of employment facilitate access to permanent jobs, using longitudinal data for *Italy, Germany and Great Britain*. They find significant mobility over four-year intervals (1986-89 and 1991-94). Italian women are found to have a significantly lower probability of moving to permanent jobs than Italian men, but the gender variable is insignificant for Germany and Great Britain. In general, few of the variables considered show a significant impact on the transition probabilities.

Chalmers and Kalb (2000) investigate whether taking up a “casual” job – a broader category than temporary jobs – increases the chances of moving into regular employment for *Australian unemployed*. To this end, the direct transition from unemployment into regular work is compared to the indirect transition from unemployment into first casual work and then regular work. The authors conclude that there is a beneficial effect from taking a casual job on the probability of finding a regular job, especially for young men and persons with disabilities.

- Mobility from temporary to permanent jobs varies considerably across the countries considered. Between 21% and 56% of temporary workers had moved into permanent employment after one year and between 34% and 71% after two years. Upward mobility is most common in Austria, Denmark, the Netherlands and the United Kingdom and least common in Belgium, France and Spain.
- Not all mobility out of temporary employment is into permanent jobs, as some workers move instead into unemployment. The transition probability between temporary employment and unemployment is similar over 1 or 2 years, ranging between a low of 7-10% in Portugal and a high of 21-24% in France and Germany. Consistent with temporary jobs implying heightened employment insecurity, a far lower share of workers in permanent jobs move into unemployment (1-5%).
- It cannot be excluded that a significant minority of temporary workers remain trapped in temporary jobs over an extended period of time. After two years, between one-quarter and one-half of temporary workers continued to hold a temporary job. Persistence in temporary employment was most common in Belgium and Spain and least common in Austria and Germany. Other workers may be cycling between temporary jobs and unemployment (previous bullet).

Table 3.14. **Previous labour force status of temporary workers**

Labour force status in 1999 of workers holding temporary jobs in 2000 (percentage distribution)

	Employment	Unemployment	Fulfilling domestic tasks ^a	Full-time education	Other status ^b
Austria (1997)	74.2	2.4	..	14.8	8.7
Belgium	64.8	14.1	1.5	15.7	3.6
Czech Republic	56.2	8.8	1.3	5.1	4.2
Denmark	62.0	6.7	1.2	26.4	3.7
Finland	59.3	15.5	2.6	18.9	3.3
France	58.4	21.7	1.9	15.7	2.2
Germany	64.9	10.2	1.8	17.5	5.3
Greece	73.0	17.4	1.4	5.8	2.4
Hungary	63.1	22.0	3.7	6.5	3.4
Iceland	70.9	3.0	0.7	23.1	2.3
Ireland (1997)	54.4	14.2	..	22.1	9.2
Italy	65.7	21.6	2.3	6.9	3.1
Luxembourg	60.1	8.3	4.3	22.7	4.6
Netherlands (1999)	69.4	5.9	..	14.5	10.1
Norway	75.4	3.0	2.1	17.2	2.0
Poland (1999)	59.1	20.1	2.6	9.3	7.8
Portugal	76.8	10.3	1.7	7.9	2.9
Spain	63.6	24.5	1.9	7.7	2.2
Sweden	57.6	14.7	1.6	22.8	2.8
Switzerland	73.0	9.0	..	..	18.0
United Kingdom	72.7	6.1	4.0	14.0	2.3
OECD average^c	65.5	12.3	2.1	14.7	5.0

.. Data not available.

a) This includes performing house work and taking care of children.

b) Other status include disability, retirement, military service and other non-participation status.

c) Unweighted average of countries shown.

Source: Data from the European Union Labour Force Survey, year 2000, provided by Eurostat.

In order to identify the factors facilitating – or impeding – the mobility of temporary workers, separate probit models were estimated of the probabilities of moving from a temporary job into, respectively, a permanent job or unemployment. These models control for a number of individual and employer characteristics with mobility patterns being analysed over one- and two-year periods for a pooled sample of temporary workers from 12 European countries (Table 3.16). Mobility into permanent jobs over two years is then examined in more detail by estimating separate probit models for each of the countries (Table 3.17). The estimation results indicate that:

- Mobility into permanent jobs is highest for medium to highly educated persons between the ages of 25 and 34, who have not been unemployed in the previous five years and are employed by a medium- or large-sized firm in the private sector (Table 3.16). Typically, worker and job characteristics associated with lower mobility into permanent jobs are also associated with an increased risk of falling into unemployment. One notable exception is temporary jobs in the public sector, for which the lower mobility into permanent jobs is entirely due to greater persistence in temporary employment.
- Less educated workers in Mediterranean Europe appear to face particular difficulties in moving from temporary to permanent jobs, since they are 17-24% less likely than highly educated workers to do so (Table 3.17).²² However, Austria and the United Kingdom are exceptions to the general pattern, since mobility into permanent jobs is lower for temporary workers with a tertiary qualification in these countries, than for their less educated counterparts.

Table 3.15. **One-year and two-year mobility of temporary workers**Labour force status in 1997 and 1998 by labour force status in 1996 (percentage distributions)^a

	Labour force status in 1996	Labour force status in 1997			Labour force status in 1998		
		Permanent workers	Temporary workers	Unemployed	Permanent workers	Temporary workers	Unemployed
Austria	Permanent workers	93.2	5.0	1.8	93.8	3.4	2.8
	Temporary workers	56.1	41.3	–	71.0	22.8	–
	Unemployed	26.1	–	58.1	42.4	–	47.0
Belgium	Permanent workers	94.7	3.1	2.2	94.6	3.7	1.7
	Temporary workers	42.7	48.5	–	41.7	49.7	–
	Unemployed	–	–	82.5	9.5	16.2	74.2
Denmark	Permanent workers	94.8	3.2	2.0	92.0	5.5	2.5
	Temporary workers	45.4	44.9	–	63.4	28.3	–
	Unemployed	22.3	18.5	59.2	43.8	–	38.9
Finland	Permanent workers	95.5	2.0	2.4	..	..	..
	Temporary workers	38.5	46.1	15.4	..	..	..
	Unemployed	8.4	19.5	72.1	..	..	..
France	Permanent workers	96.3	1.2	2.6	94.7	1.4	3.9
	Temporary workers	20.8	56.6	22.5	37.9	41.2	20.9
	Unemployed	9.5	17.2	73.3	20.9	26.2	53.0
Germany ^b	Permanent workers	92.8	3.3	3.8	92.3	2.5	5.2
	Temporary workers	40.6	36.4	23.0	53.1	22.7	24.2
	Unemployed	19.7	14.7	65.7	20.7	15.8	63.5
Greece	Permanent workers	89.8	7.4	2.8	88.9	7.4	3.6
	Temporary workers	36.4	52.7	10.8	46.2	44.8	8.9
	Unemployed	9.4	21.8	68.8	20.6	34.4	45.0
Ireland	Permanent workers	95.4	3.3	–	95.1	3.5	–
	Temporary workers	47.0	47.1	–	52.4	39.3	–
	Unemployed	16.4	10.7	73.0	27.8	10.2	62.0
Italy	Permanent workers	93.1	5.0	1.9	93.9	4.0	2.1
	Temporary workers	41.3	45.9	12.7	52.2	35.2	12.6
	Unemployed	8.3	9.3	82.4	15.7	17.7	66.6
Portugal	Permanent workers	92.0	4.9	3.1	89.3	6.7	4.0
	Temporary workers	39.0	51.4	9.7	55.4	37.9	6.7
	Unemployed	22.0	23.3	54.7	25.8	35.3	38.9
Spain	Permanent workers	92.4	4.5	3.1	91.2	5.9	2.9
	Temporary workers	23.1	59.4	17.5	33.8	50.9	15.3
	Unemployed	5.5	27.6	66.9	11.4	31.4	57.2
Netherlands	Permanent workers	95.9	2.9	1.2	95.2	3.2	1.6
	Temporary workers	49.1	43.2	–	65.1	29.9	–
	Unemployed	–	12.5	79.7	22.0	12.2	65.9
United Kingdom ^b	Permanent workers	96.4	2.2	1.4	96.4	2.1	1.5
	Temporary workers	56.1	34.5	–	67.0	27.0	–
	Unemployed	31.4	–	54.7	46.9	–	39.3

– Data not reported due to less than 30 observations.

.. Data not available.

a) Labour market transition probabilities are calculated for the sample of individuals beginning in dependent employment or unemployment in 1996 and moving into neither self-employment nor inactivity during 1997-98.

b) Data based on national panel data: Socio-Economic Panel (SOEP) for Germany and British Household Panel Survey (BHPS) for United Kingdom.

Source: Secretariat calculations using data from the European Community Household Panel, waves 3-5.

- The tendency for temporary workers aged 25-34 to have above-average chances of moving into permanent jobs is particularly strong in Germany, the Netherlands and the United Kingdom, where members of this age group are 15-20% more likely to do so than older workers. In Denmark and Ireland, it is the youngest workers who most often find permanent jobs.

Table 3.16. **Multivariate estimates of the determinants of mobility for temporary workers, 1996-98**

Probit-model estimates of the change in the probability of the indicated transition associated with each factor^{a, b}

	Moving into a permanent job		Moving into unemployment	
	In 1 year	In 2 years	In 1 year	In 2 years
Woman	-0.10	-0.03*	0.05**	0.05
Low education	-0.14**	-0.11**	0.12**	0.08**
Medium education	-0.01	0.02	0.07**	0.05*
Age 15-24	0.03	0.06**	0.01	-0.02
Age 25-34	0.04**	0.07**	-0.02*	-0.02**
Prior unemployment ^c	-0.10**	-0.11**	0.09**	0.11**
Small firm	-0.07**	-0.09**	0.00	0.04**
Public sector	-0.10**	-0.06**	0.00	-0.00
Observations	4 543	4 068	4 543	4 068
Log-likelihood^d	-2 910.9**	-2 629.5**	-1 750.5**	-1 460.8**

* and ** denote statistical significance at the 10% and 5% levels, respectively.

a) Change in the predicted probability of making the indicated transition which is associated with an increase from 0 to 1 of the indicated dummy variable, when all other variables are set at their sample means. For example, the row 1, column 2 estimate of “-0.03” indicates that the women among temporary workers are 3% less likely than men to move into a permanent job, over a two-year time horizon. The probit models were estimated by maximum likelihood techniques for a pooled sample of workers from 12 European countries (Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Portugal, Spain and United Kingdom) included dummy variables for countries and an intercept.

b) Indicators of statistical significance for the estimated changes in probability correspond to the significance of the associated regressors in the underlying probit model.

c) Dummy variable which takes value one if the person was ever unemployed during the previous 5 years.

d) Indicators of statistical significance refer to the Chi-square test for the joint significance of all the regressors.

Source: Secretariat estimates based on data from the European Community Household Panel, waves 3-5.

- Having been unemployed in the previous five years particularly reduces the probability of moving into permanent jobs in Austria and Germany (by 23% and 33%, respectively). However, it is unclear whether the association between past unemployment and low mobility into permanent jobs reflects a causal effect of unemployment (*i.e.* “scarring”) or whether prior unemployment is serving as a proxy for the presence of labour market difficulties not captured by the other variables (*i.e.* unobserved heterogeneity).
- For these 12 European countries as a whole, there is, at best, a weak tendency for women in temporary jobs to be more at risk of becoming unemployed than men, as well as somewhat less likely to move into permanent jobs. Gender differences in mobility are more pronounced in several countries, but not in a consistent manner. Women are more likely than men to move into permanent jobs in Germany, but less likely to do so in Austria.
- Temporary workers in small firms are less likely than those employed by larger firms to find permanent jobs. This association is strongest in Germany and Greece (17-18%) and may result from temporary workers having fewer opportunities to be promoted into permanent positions in small firms.
- The mobility of temporary workers into permanent jobs is particularly low in the public sector in France and Germany (19% and 23% lower, respectively). This is probably due to the tendency for temporary contracts to last longer in the public sector (Section 3.A). Denmark is, however, a notable exception, with public sector workers being 9% more likely to transit from temporary to permanent jobs.

Overall, the evidence presented in this section suggests that many temporary workers have a sustained commitment to paid employment and manage to keep a foot in employ-

Table 3.17. **International comparisons of the determinants of mobility for temporary workers, 1996-98**

Probit-model estimates of the change in the probability of moving into permanent employment over a two-year period that is associated with each factor^{a, b}

	Austria	Belgium	Denmark	France	Germany	Greece
Woman	-0.10*	-0.10	-0.07	-0.03	0.10*	0.02
Low education	0.19*	0.01	-0.03	-0.08	-0.08	-0.17*
Medium education	0.38**	-0.11	0.02	-0.04	-0.08	0.07
Age 15-24	0.05	-0.04	0.22**	0.02	0.04	0.11
Age 25-34	0.12	-0.05	0.07	0.01	0.15**	0.01
Prior unemployment ^c	-0.23**	-0.06	-0.08	-0.17**	-0.33**	0.01
Small firm	0.00	-0.19	0.00**	-0.04	-0.17**	-0.18*
Public sector	0.05	-0.13	0.09**	-0.19**	-0.23**	0.10
Observations	222	159	208	309	316	272
Log-likelihood^d	-116.1**	-104.3**	-127.3**	-203.9**	-192.18**	-171.0**
	Ireland	Italy	Netherlands	Portugal	Spain	United Kingdom
Woman	-0.07	0.01	0.04	-1.08	-0.00	-0.03
Low education	0.07	-0.24**	0.07	-0.24**	-0.17**	0.12*
Medium education	-0.00	0.07	0.11	-0.13	-0.02	0.18**
Age 15-24	0.14*	0.08	0.03	0.00	-0.02**	0.04
Age 25-34	0.10	-0.06	0.20**	0.08	0.02	0.15**
Prior unemployment ^c	0.08	-0.06	-0.00	-0.11**	-0.12**	0.00
Small firm	0.01	-0.13*	-0.10	-0.01	-0.07**	-0.10
Public sector	0.01	0.07	-0.05	0.01	-0.13**	0.07
Observations	241	381	240	511	1 012	197
Log-likelihood^d	-153.4**	-236.6**	-146.3**	-339.8**	-655.8**	-96.69**

* and ** denote statistical significance at the 10% and 5% levels, respectively.

a) Change in the predicted probability that a worker in a temporary job in 1996 will be in a permanent job in 1998 which is associated with an increase from 0 to 1 of the indicated dummy variable, when all other variables are set at their sample means. For example, the row 1, column 1 estimate of “-0.10” indicates that women are 10% less likely than men to move from temporary to permanent work over a two-year time horizon in Austria. The probit models were estimated by maximum likelihood techniques for workers in temporary employment in 1996 and include an intercept.

b) Indicators of statistical significance for the estimated changes in probability correspond to the significance of the associated regressors in the underlying probit model.

c) Dummy variable which takes the value one if the person was ever unemployed during the previous 5 years.

d) Indicators of statistical significance refer to the Chi-square test for the joint significance of all of the regressors.

Source: Secretariat estimates based on data from the European Community Household Panel, waves 3-5.

ment over the medium term: being in employment one year earlier and remaining in employment during the following two years. Furthermore, a considerable share of temporary workers move into permanent jobs over a relatively short time period, consistent with the stepping stone metaphor. However, others stay in temporary employment or become unemployed. Unfortunately, it is difficult to judge how many in this latter group are trapped in temporary jobs, because some of the persistence in temporary employment may be voluntary and two years is a relatively short-time horizon. A second limitation of these results is that no data are analysed for non-European countries, where mobility in and out of temporary jobs may follow different patterns.

Conclusions

Temporary jobs are a closely watched test case of a key issue related to labour market regulation, namely, how far should public policy go towards establishing minimum standards for the terms of employment? Regulatory standards are common for many aspects of the employment relationship (*e.g.* workplace safety, collective representation

and non-discrimination in hiring and pay). However, employment protection regulations – including rules governing temporary jobs – have attracted particular attention in the past decade, as a potentially important cause of persistently high unemployment. In response to this concern, a considerable number of OECD countries have liberalised the rules governing temporary employment. The consequent expansion in temporary employment – which has been dramatic in several countries – provides an important testing ground for the social implications of deregulation.

This chapter contributes to the factual knowledge required to assess the growth in temporary employment and its implications for the welfare of workers. The portrait that emerges is complex and confirms neither the most optimistic nor the most dire assessments. Temporary jobs are a significant feature of the employment landscape in OECD countries, but international differences in the share of temporary jobs in total employment are large and there does not appear to be a universal trend towards ever rising levels of temporary employment. Temporary jobs are disproportionately held by younger and less educated workers, but temporary workers are a diverse group and they work in a wide range of sectors and occupations, and for both public and private employers of all sizes.

The chapter's analysis of the quality of temporary jobs also generates a complex portrait that defies simple caricatures. Temporary employment is associated with a wage penalty, even after using regression techniques to control for differences in individual and job characteristics. However, it is also true that some temporary jobs pay quite well. Temporary employment *per se* rarely disqualifies workers from fringe benefits, but the very short duration of many temporary jobs may have that effect, in practice. Depending on the country considered, between one-third and two-thirds of temporary workers move into a permanent job within a two-year time interval, suggesting considerable potential for upward mobility. The other side of the coin is that up to one-fourth of temporary workers are unemployed two years later – indicating a far greater risk of unemployment than is observed for workers in permanent jobs – and an even larger share are still in temporary jobs. Since employers provide less training to temporary than to permanent workers, persons spending an extended period of time in temporary jobs may be compromising their long-run career prospects, in addition to being subject to considerable employment insecurity.

From a policy perspective, the chapter's analysis suggests adopting a nuanced approach that addresses the specific difficulties that temporary employment occasions for certain workers, but does not tightly limit temporary employment. Neither the liberalisation of the regulation of temporary employment nor the economic trends, such as globalisation and product market deregulation (see Chapter 5), thought to be increasing the demand for flexible employment have triggered an inexorable rise in temporary employment in the OECD area, although it has reached quite high levels in a few countries. This suggests that many employers prefer to maintain a quasi-permanent employment relationship with a considerable portion of their workforce and that strict regulatory limits on temporary employment are not needed to preserve “career” jobs. Even if career jobs do not appear to be endangered, difficulty of access to these jobs may be a serious concern for certain labour force groups.

The available evidence suggests that only a minority of temporary workers are at risk of long-term traps. However, certain groups of temporary workers – notably persons not having completed upper secondary schooling – appear to have greater difficulty finding permanent jobs. Moreover, it appears that the welfare of many workers in temporary jobs

could be adversely affected, if they are unable to obtain a permanent job for an extended period of time. Most of these workers demonstrate considerable attachment to paid employment and wages tend to be lower in temporary jobs, as well as access to training and fringe benefits. More research on mobility from temporary jobs, which follows workers over a longer period of time than could be analysed here, is clearly needed.

The empirical analysis in this chapter suggests that policies to shield temporary workers from the undesirable employment conditions sometimes associated with temporary jobs – especially, long-term traps in precarious employment – deserve serious attention. However, such measures would have costs as well as benefits and specific policy options would need to be analysed carefully. Accordingly, studies of whether access to benefits should be eased for temporary workers or policies implemented to facilitate transitions from temporary to permanent jobs would be of great interest. It would also be important to assess whether such policies are best targeted at certain disadvantaged categories of temporary workers, along the lines of what is already done for unemployed persons in some OECD countries, or if more general measures would be more effective, such as modifying rules concerning minimum qualification periods for fringe benefits, maximum allowable durations of temporary jobs or access to training.

Notes

1. For expository convenience, this chapter refers to all jobs not classified as temporary as “permanent” jobs. This should be understood as a short-hand label for jobs that do not inherently preclude a lasting employment relationship. Permanent jobs are often associated with open-ended employment contracts, but a variety of contractual forms are possible. Whatever the contractual details, it should be borne in mind that some of these permanent jobs will not, in fact, last a long time, either because the employee voluntarily quits or because the employer fires the worker (*e.g.* for inadequate performance or because business conditions change so as to make the job unprofitable). In the case of an employer wishing to fire a permanent worker, national regulations, union contracts and customary practice typically specify procedural protections (*e.g.* a requirement to show due cause or give advance notification) and compensation (*e.g.* severance payments) that are not available to workers in temporary jobs, although there are large differences among OECD countries in the extent of these protections (OECD, 1999).
2. The TWA share has also grown rapidly in France and the United Kingdom, but is still less than one-half that of fixed-term contracts.
3. The upward growth in Ireland also appeared to reverse after 1995, but this may be an artifact of a change in the statistical method used to identify temporary workers.
4. The share of temporary jobs in all new hires can be estimated from *flow* data for several OECD countries. These shares are much higher than those based on the *stock* data analysed in this chapter. For example, 71% of new hires in France were into temporary jobs in 2001 and 70% of new hires in the private business sector in Sweden were into temporary jobs in the late 1990s (Holmlund and Storrie, 2002). These higher values reflect the high turnover that occurs in temporary jobs, in addition to any net job creation.
5. With only a few exceptions, international comparisons of the level and trends in temporary employment look similar if workers in the agriculture, hunting and forestry sector are omitted (data not shown). However, L’Italien *et al.* (1999) show, on the example of the Canadian province of New Brunswick, that regional economies heavily dependent on one or a few seasonal industries can be highly seasonal with seasonal jobs spreading to all sectors.
6. This estimate is based on aggregate wage data and does not control for the likely impact of differences in individual or demand-side characteristics on differences in pay between workers in temporary and permanent jobs.
7. These estimates are calculated from micro-data drawn from wave 4 of the European Community Household Panel. Only full-time workers, defined as persons working for more than thirty hours per week, were included into the estimation sample. This restriction avoids the difficulties of computing hourly wages, which are typically subject to large errors due to misreporting of usual hours of work.
8. The data for estimation are drawn from wave 4 of the European Community Household Panel, with the estimation sample restricted to full-time workers. The estimated models do not control for the potential endogeneity of holding a temporary job nor for selection into employment.
9. The estimated wage penalty is 0.24 log-points, which corresponds to a difference of 27%.
10. In most OECD countries special rules hold for the self-employed. Whenever possible, the analysis in this chapter excludes the self-employed from temporary employment (see Annex 3.A). However, the distinction between self-employed persons and temporary employees is sometimes not very clear. This is particularly the case for self-employed persons that work for one employer at a time, often at the employer's premises and/or with work infrastructure provided by the employer.
11. The information presented is based on answers provided by OECD Member countries in response to a questionnaire sent out by the OECD secretariat. Large institutional differences characterise OECD countries in these matters and no attempt is made here to provide the fine details of national legislation. The aim, instead, being to survey whether the rules for participation in certain schemes are of a character that may penalise temporary workers relative to permanent workers.
12. In Korea, entitlement is regulated by collective agreements.
13. For example, in the United Kingdom, workers leaving a company cannot claim the employers' contributions back, before the vesting period (minimum contribution time) is completed. However, if contributions were paid for the full vesting period, workers usually have the option of either moving their pension rights into a new fund or leaving them with the former employer, to be claimed at retirement. In this last

- case, it is sometimes an issue whether pension rights will be updated, for example by the consumer price index. In the United States, workers are always entitled to claim back all of their contributions to a pension plan, but they lose the employers' contributions if they are not vested.
14. For example, in Norway, in the public sector pension contributions are transferred from one public pension fund to the other, but individuals moving from the public to the private sector, or *vice versa*, may lose their pension contributions. However, in the Norwegian private sector, since January 2001, workers employed for over one year, can claim the employer's pension contributions back if they change employers.
 15. The data are drawn from the 1997 wave of the European Community Household Panel.
 16. The job tenure values shown in Table 3.11 correspond to the amount of time individuals had been in their current job, at the date of the survey interview. Accordingly, these represent *ongoing* job tenures and should not be interpreted as describing the distribution of the *completed* durations of these jobs. The distribution of ongoing tenures of temporary jobs at a point in time can either over- or under-estimate the distribution of completed tenures for all temporary jobs over a period of time, since it is subject to off-setting biases: spell truncation (*i.e.* the observed duration provides a lower-bound for the completed duration, because the job has not yet ended) and length-biased sampling (*i.e.* jobs of short duration are less likely to be observed on any given date than are longer jobs, so that the average duration of observed jobs is longer than the average duration of all jobs).
 17. In some OECD countries, there are legal limits to the total number of renewals of a temporary contract or to its total duration (see Table 3.A.3 in Annex 3.A).
 18. Workers on fixed-term contracts are asked about the total length of their *current* contract (time to date plus remaining time). If their contract has already been renewed one or more times, the cumulative duration of all of these contracts will exceed the value recorded.
 19. Autor (2000) shows that under certain assumptions the most able workers will self-select themselves into the training programme and firms that employ agency workers will be willing to pay for the extra for the information on workers' abilities that training generates. There is some limited evidence that temporary work agencies in the United States do, in fact, provide free general training to their employees.
 20. The findings presented here are consistent with most previous studies of the determinants of training probabilities (*e.g.* training rates being higher for more educated workers and workers employed by large firms). However, few previous studies have included a control for temporary jobs (OECD, 1999).
 21. For the purposes of analysing the mobility opportunities available to temporary workers, the very small number of workers moving between temporary jobs and either self-employment or non-participation were dropped from the sample. Accordingly, the transition probabilities in Table 3.15 are conditional upon remaining in dependent employment or actively searching for a job over the three years analysed.
 22. These estimates of changes in probability are obtained setting other individual and job characteristics equal to their sample mean values.

Annex 3.A

Defining and measuring temporary employment

There is no standard definition of temporary employment that can be used for making international comparisons of the number of temporary jobs and their implications for earnings, employment security and other conditions of employment. By necessity, the strategy adopted by researchers has been to select – from amongst the sub-categories of employment available in national statistics – those that appeared best suited to approximate an internationally consistent definition (Casey, 1994; OECD, 1996). This strategy has worked reasonably well for many European countries, because Eurostat had already achieved a considerable harmonisation of the statistics on temporary employment reported in the European Union Labour Force Survey. However, it has worked less well for the OECD area as a whole, since it results in a considerable number of countries being either: *i*) excluded from the analysis for having no comparable data; or *ii*) included in the analysis, despite important non-comparabilities in how temporary employment is measured.

This chapter improves somewhat upon previous studies by assembling data for additional OECD countries and harmonising better the statistics on temporary employment that are used for several countries. The definitions and data sources that are used in this chapter's analysis are first presented in this annex. Brief discussions then follow of how these statistics differ from other measures of temporary employment, which are sometimes used by national statistical authorities or researchers, and of some of the limitations of these statistics for the purpose of making international comparisons.

Definitions used in this chapter

For both practical and conceptual reasons, this chapter follows Eurostat in defining “temporary” jobs as dependent employment of limited duration. For convenience, all other jobs are referred to as “permanent” jobs. This classification is intended to differentiate between jobs that offer workers the prospect of a long-lasting employment relationship and those that do not. Accordingly, the temporary or permanent quality of a job is understood as being a characteristic of the explicit or implicit employment contract, rather than being defined in terms of the actual duration of the job, which is also influenced by other factors, including workers' voluntary choices to quit.

In order to operationalise this definition, it is necessary to enumerate – from amongst the employment sub-categories that are identifiable in national statistical sources – those job types judged to meet the conceptual criterion for being temporary.¹ In most cases, these choices have been made by the national statistical offices (NSOs), who are most familiar with national data sources and employment practices. However, this approach means that it is difficult to verify how closely the resulting statistics approximate the uniform application of a common underlying definition of temporary work.

The list of job types classified as temporary employment typically includes many or all of the following:

- *Fixed-term contracts*, that have a specified duration or a predetermined ending date.
- *Temporary agency workers*, who are placed by a temporary work agency (TWA) to perform work at the premises of a third-party customer enterprise.
- *Contracts for a specific task*, a contract of work that lasts only as long as is necessary to complete a specified task.
- *Replacement contracts*, for example, to replace workers on leave for family-related reasons.
- *Seasonal work*, taking place only at certain periods of the year (*e.g.* harvesting).
- *On-call work*, which is performed only on an as-needed basis.
- *Daily workers*, who are hired on a daily basis.
- *Trainees*, meaning apprentices and other workers with a training contract that qualifies them for a salary but does not guarantee them a permanent position at the end of the training period.

- *Persons in job creation schemes*, individuals hired under public programmes to stimulate the employment of disadvantaged categories of workers (e.g. youth, the long-term unemployed, and the disabled), when these jobs are of limited duration.

The list of the sub-categories of temporary jobs for any particular country will depend on the contracting forms that are in use in that country and identifiable in national statistics, as well as NSO's judgements of which of the job types have a temporary character. Accordingly, these lists vary from country to country and only approximate the uniform application of a common definition to diverse national institutional contexts. Table 3.A.1 summarises the job types used to classify jobs as either temporary or permanent in each country, as well as the primary data source used.²

Comparison with alternative definitions

In addition to the approach adopted in this chapter, prior research and the national statistical practices of OECD countries suggest two alternative approaches to defining temporary jobs. The three approaches are:

1. A *direct* approach based on grouping together certain *types of work arrangements* that are judged to have a “temporary” character for reasons independent of workers’ choices whether to remain in a job (i.e. this chapter’s preferred approach).
2. A *direct* approach based on the *actual or expected duration* of the work arrangement being below some maximum ceiling (e.g. jobs lasting less than one year).
3. *Residual* approaches, defining as “temporary” all employment which is *non-regular, atypical or does not confer entitlement to key fringe benefits*, such as paid vacation and sick leave.

The second approach, which defines temporary jobs in terms of actual job durations – or workers’ subjective assessments of how long their jobs will last – is particularly attractive for countries, such as the United States, where employment contracts rarely specify whether a job is of limited duration or open-ended. However, this approach creates serious measurement problems, because the ultimate duration of the jobs observed in labour force surveys is not yet known and workers’ assessments of the durability of their jobs are rarely recorded and potentially highly subjective. Selecting all jobs of short duration as the object of study may also confound the rather different issues of whether a job offers the *possibility* of a long-term employment relationship and whether workers quit ongoing jobs.

The residual approach to defining temporary employment (i.e. the third approach) is most often encountered in countries where the legal structure and industrial relations practice clearly demarcate a class of “regular” jobs. By subtraction, all other jobs are “non-regular” or “atypical”. Since the jobs in this residual class tend to be less stable than regular jobs and are clearly differentiated in the national statistics, employment in non-regular jobs is sometimes interpreted as being approximately comparable to temporary employment, as measured in other countries. Examples of the third approach include classifying as temporary workers all workers in non-regular employment in Korea or all “casual” workers in Australia. Similarly, some researchers have treated all Japanese workers not having lifetime jobs as being in precarious or temporary jobs.³

The residual approach has several drawbacks for the purposes of this chapter:⁴

- If the intent is to study jobs that do not imply a commitment on the part of the employer to providing continuing employment, then the category of non-regular jobs typically is of limited use, because it is too heterogeneous and includes many quasi-permanent jobs.⁵ Recently, statistical authorities in Australia and Korea have conducted new labour force surveys that allow temporary workers, in the sense used in this chapter, to be identified. Temporary workers in this narrower sense are a far smaller share of total employment than are all “casual” or non-regular workers (52% non-regular workers *versus* 17% temporary workers in Korea in 2001 and 27% casual workers *versus* 6% temporary workers in Australia in 1997).⁶ Accordingly, it would not be valid to conclude that precarious employment is particularly widespread in these two countries solely on the basis that the share of non-regular jobs in total employment is much higher there than is the share of temporary jobs in most other OECD countries.
- A second difficulty with adopting residual definitions of temporary workers is that doing so prejudices the issue of whether employment conditions for temporary jobs are inferior to those for permanent jobs. Non-regular jobs are defined, to a considerable extent, by the fact that they offer less advantageous employment conditions.

To the maximum extent possible, this chapter has applied the first of these three approaches to defining temporary employment. However, this approach could not be applied in a fully consistent manner in all of the countries and some non-comparabilities are present. It should also be understood that the economic significance of this classification, even when implemented in a comparable manner, will vary depending on the national institutional environment. The following two sub-sections develop these themes.

Table 3.A.1. **Definitions of temporary employment used in Chapter 3**

	Temporary employment	Data source
Australia	Workers with a fixed-term contract; employed by temporary agencies; seasonal workers.	Forms of Employment Survey, 1998 (data relate to 1997).
Austria	Employees with a fixed-term contract; interim work through a temporary work agency; apprentices and trainees; probationary period; contract for a specific task; daily workers.	Austrian Labour Force Survey
Belgium	In the majority of the European Union countries most jobs are based on written work contracts.	Eurostat, European Union Labour Force Survey
Denmark	A job may be regarded as temporary if it is understood by both employer and the employee that the termination of the job is determined by objective conditions such as reaching a certain date, completion of an assignment or return of another employee who has been temporarily replaced. In the case of a work contract of limited duration, the condition for its termination is generally mentioned in the contract. To be included in these groups are also: <i>a)</i> persons with a seasonal job, <i>b)</i> persons engaged by an employment agency or business and hired out to a third party for the carrying out of a “work mission” (unless there is a work contract of unlimited duration with the employment agency or business), <i>c)</i> persons with specific training contracts.	
France		
Germany		
Greece		
Ireland		
Italy		
Luxembourg		
Netherlands		
Portugal		
Spain		
United Kingdom		
Canada	A temporary job has a pre-determined end date or will end as soon as project is completed (including seasonal jobs).	Canadian Labour Force Survey
Czech Republic	Workers with a fixed-term contract; employed through a temporary work agency; apprentices and trainees; on probationary period; occasional, casual or seasonal workers; individuals carrying out community work as unemployed; workers with a contract for a specific task.	Czech Labour Force Survey
Finland	Workers whose main job is with a fixed-term contract; trainees; workers on probationary period; other jobs that are considered as temporary by respondents.	Finnish Labour Force Survey
Hungary	Workers whose main job is with a fixed-term contract; apprentices and trainees; workers on probationary period; individuals doing occasional, casual or seasonal work; individuals carrying out community work as unemployed; workers with a contract for a specific task; individuals employed on jobs lasting less than 12 months; daily workers and others.	Hungarian Labour Force Survey
Iceland	Workers whose main job is with a fixed-term contract; doing interim work through a temporary work agency; apprentices and trainees; workers on probationary period; occasional, casual or seasonal work.	Iceland Labour Force Survey
Japan	Workers whose main job is with a fixed-term contract lasting not more than one year; doing occasional, casual or seasonal work; working on a job lasting less than 12 months.	Japanese Labour Force Survey
Korea	Workers whose main job is with a fixed-term contract; temporary agency workers; on-call workers; seasonal workers; workers who do not expect their job to last for involuntary, non-economic reasons.	Summer 2001 Supplement to the Korean Labour Force Survey

Table 3.A.1. **Definitions of temporary employment used in Chapter 3** (cont.)

	Temporary employment	Data source
Mexico	Workers whose main job is with a fixed-term contract; occasional, casual or seasonal work; workers with a contract for a specific task; employed in a job lasting less than 12 months.	Mexican Labour Force Survey
Norway	Workers whose main job is with a fixed-term contract; interim work through a temporary work agency; apprentices and trainees; workers on probationary period; occasional, casual or seasonal work; workers with a contract for a specific task; individuals with a job lasting less than 12 months; daily workers.	Norwegian Labour Force Survey
Poland	Workers whose main job lasts less than 12 months.	Polish Labour Force Survey
Sweden	Workers whose main job is with a fixed-term contract; apprentices and trainees; workers on probationary period; occasional, casual or seasonal work; individuals carrying out community work as unemployed; individuals with a contract for a specific task; daily workers.	Swedish Labour Force Survey
Switzerland	Workers whose main job is with a fixed-term contract; interim work through a temporary work agency; apprentices and trainees; occasional, casual or seasonal work; individuals carrying out community work as unemployed; individuals with a contract for a specific task; individuals with a job lasting less than 12 months; daily workers. These data do not include foreign workers without a permanent residence permit.	Swiss Labour Force Survey
Turkey	Workers whose main job is occasional, casual or seasonal work; daily workers or other persons who depend only on an employer and do not work regularly and for unlimited duration; seasonal or temporary workers or on-call workers (ex. construction workers, etc.).	Turkish Labour Force Survey
United States	Dependent workers, temporary help and contract company workers who do not expect their job to last.	Contingent and Alternative Work Arrangements Supplements to the Current Population Survey, 1995 and 2001

Differences in the implementation of the chapter's definition

The chapter's definition of temporary employment could not be implemented in a fully consistent manner in all countries for both conceptual and statistical reasons. Instances that may imply important non-comparabilities include:

- In some countries, temporary agency workers can have *permanent* contracts with the agency (e.g. Austria, Finland, Germany, the Netherlands and Sweden) and arguably should not be included among temporary workers. Similarly, the correct classification on workers on training or probationary contracts is often problematic, since there may be an expectation that employers will provide permanent positions to trainees and probationary workers who perform well. In these cases, the chapter defers to the judgement of NSOs, which may not be mutually consistent.
- It is arguable that certain forms of self-employment are functionally equivalent to forms of temporary dependent employment that are included in the definition used in this chapter. For example, it may matter little whether workers hired to complete a short-run project are directly employed by the firm (e.g. on a fixed-term contract), are agency workers, or are hired as independent contractors.⁷ Excluding the latter of these three groups – as being self-employed – may distort international comparisons, if

there are international differences in mix of contracting forms used for such work. Nonetheless, self-employed workers have been excluded from this chapter's analysis of temporary work.

- In several cases, the criteria used to identify temporary workers included the condition that the job lasts no longer than one year (*i.e.* temporary workers were defined using a mix of approaches 1 and 2 above). Japan and Poland include only individuals with work arrangements lasting less than twelve months among temporary workers. Other countries include workers whose job lasts less than a year as an additional category of temporary workers (Hungary, Mexico, Norway and Switzerland), or apply the one-year ceiling to a subset of the workers classified as temporary (*e.g.* some temporary workers in Korea).
- For the United States, the definition of temporary workers corresponds quite closely to the definition used for other countries, except that the classification of a job as temporary relies much more extensively on workers' subjective judgements concerning the potential duration of their jobs.⁸
- In Switzerland, foreign workers with short-term residence permits are not covered in the labour force survey and, hence, are excluded from the data reported in this chapter. This probably results in an underestimation of the extent of temporary employment, particularly seasonal work.

Differences in the economic significance of temporary employment

Even in those instances when the chapter's definition of temporary employment was implemented with considerable precision, differences in the national institutional environments will cause the economic significance of temporary jobs to vary:

- Temporary employment takes a number of different contractual forms (*e.g.* fixed-term contracts and TWA work) that may have quite different implications for pay, fringe benefits and other conditions of employment. The mix of these forms could differ significantly for two countries with the same level of overall temporary employment, potentially causing the situation of temporary workers to differ. Unfortunately, detailed data on the contractual forms of temporary employment could only be gathered for a subset of the countries analysed in this chapter. Table 3.A.2 summarises the data that were assembled on the components of temporary employment and are analysed in Section 1.
- The scope and economic significance of temporary jobs are influenced by the national regulatory environment, particularly employment protection legislation (EPL). Table 3.A.3 summarises the most recent regulations concerning temporary employment, including rules related to the maximum duration of temporary contracts and the maximum number of renewals allowed. Although there has been a pronounced trend towards relaxing the regulation of temporary employment in OECD countries (OECD, 1999), a number of countries still enforce limits on the purposes for which temporary contracts can be used or how long temporary jobs may last. International differences in the strictness of EPL rules for permanent jobs will also affect the labour market position of temporary workers (*e.g.* the ease with which they can move into permanent positions).
- Many OECD governments have established employment programmes that are intended to stimulate the hiring of disadvantaged categories of workers, for example by offering employers wage subsidies or social security discounts to hire such workers, or through direct job creation (*e.g.* community work). Since these provisions are typically time-limited for any given worker, they may encourage an expansion of temporary employment or change the profile of the workers found in temporary jobs, their employment conditions and mobility patterns. Table 3.A.4 summarises some of these programmes and shows that they differ significantly between OECD countries in terms of the individuals targeted for assistance, the instruments used to encourage increased employment, the rules regarding the duration of these jobs and whether there are any inducements to move programme participants into permanent jobs. (Public programmes for youths are discussed in detail in Chapter 1.)

Table 3.A.2. Components of temporary employment analysed in Table 3.1

	Seasonal workers	Temporary help agency workers	On-call workers	Fixed-term contracts	Other temporary workers
Australia	yes	yes	no	yes	no
Canada	yes	yes	yes (but wider)	yes	no
France	yes	yes	no	yes	apprentices; workers on probation; workers on stage.
Korea	no (included in other)	yes	yes	yes (but wider ^a)	workers who expect their job to last less than a year.
Mexico	yes (but wider)	no	no	yes	short duration contracts.
Netherlands	no	yes	yes	yes (but less than one year)	other fixed-term contract.
United Kingdom	yes	yes	no	yes	casual work; not permanent in some other way.
United States	no (included in other)	yes	yes	no	other dependent workers who do not expect their job to last.

a) Includes some workers on other short-term contracts that could not be identified separately.

Source: Data from national Labour Force Surveys for France, Mexico and United Kingdom; Pot *et al.* (2000) for Netherlands; the 2001 Supplement to the Population Survey for Korea; the 1995 Survey of Work Arrangements (SWA) for Canada; 1997 Survey of Forms of Employment (FOE) for Australia; and the 1995 and 2001 Supplements on Contingent and Alternative Work Arrangements to the Current Population Survey for United States.

Table 3.A.3. Regulation of temporary work arrangements in OECD countries

	Other temporary contracts					Temporary work agencies					Recent law changes
	Limited sectors of employment	Limited reasons for hiring	Maximum duration	Maximum renewals	Total duration	Limited sectors of employment	Limited reasons for hiring	Maximum duration	Maximum renewals	Total duration	
Australia	no	no	no limit	no limit	no limit	no	no	no	no	no	
Austria	no	no		yes in court	yes in court	no	no	no	yes in court	yes in court	
Belgium	no	yes		3-4 times	2 years	yes	yes	6 months		6 to 24 months	1998
Canada	no	no	no limit	no limit	no limit	no	no	no limit	no limit	no limit	
Czech Republic ^a	no	no	no limit	no limit	no limit	no	no	no limit	no limit	no limit	
Denmark	no	no	no limit	yes (in court)	yes (in court)		no	no	yes (in court)	yes (in court)	
Finland	no	yes	no limit	no limit	no limit	no	yes	no limit	no limit	no limit	2001
France	no	yes	18 months	yes once	mostly 18 months	no	yes	18 months	yes once	18 months	1990
Hungary	no	no	no limit	no limit	5 years	no	no	no limit	no limit	no limit	
Italy	no	no		varies	varies	no	no			no limit	1997
Korea	no	no	one year	no limit	no limit	yes	no	< 1 year	1	2 years	1998
Japan	no	no	1 year	no limit	no limit	yes	no	1 year	no limit	no limit	1999
Mexico	no	no	no limit	no limit	no limit	no	no	no limit	no limit	no limit	1970
Netherlands	no	no	no limit	2 times	5 years	no	no	no limit	2	5 years	
New Zealand	no	no	no limit	no limit	no limit	no	no	no limit	no limit	no limit	
Norway	no	yes	no limit	no limit	no limit	no limit	yes	no limit	no limit	no limit	2000
Poland	no	no	no limit	3 times	no limit	no	no	no	3 times	no limit	1996, 2001
Portugal	no	yes	varies with reasons	2 times (with some exceptions)	3 years (with some exceptions)	no	yes	varies with reasons	no limit	varies with reasons	1999
Spain	no	yes	varies		2-3 years						
Sweden	no	yes	varies with reasons	no limit	6 months to 3 years	no	no	no limit	no limit	6 months to 3 years	1997
Switzerland	no	no	no	in court	no	no	no	no	no	no	
Turkey	no	no	no limit	no limit	no limit	no	no	no limit	no limit	no limit	
United Kingdom	no	no	no limit	no limit	no limit	no	no	no limit	no limit	no limit	to be changed in 2002
United States	no	no	no limit	no limit	no limit	no	no	no limit	no limit	no limit	

a) Temporary work agencies are not formally recognised as such, but are considered as direct employers that dispatch temporarily some of their workers to another enterprise.

Source: OECD secretariat elaboration of data collected directly from OECD Member governments.

Table 3.A.4. **Examples of policies to stimulate the hiring of selected groups, with a potential impact on temporary employment**

	General features of the programme			Incentives to hiring into permanent employment	Success of the programme
	Category of workers targeted	Incentive type	Duration		
Australia	Unemployed and indigenous people	Wage subsidy		Wage subsidies for hiring indigenous people	
Belgium	Long-term unemployed, hard-to-employ, young new entrants, older people	Wage subsidy and contributions discount	Varies	For some programmes, additional wage subsidies and fiscal contributions discount	
Czech Republic	Youths; the handicapped	Wage subsidies and contributions reductions			
Denmark	The handicapped and ethnic minorities	50% wage subsidy	6 months		
Finland	Unemployed people (to replace permanent workers on leave)				
France	Long-term unemployed and low-qualified youth	Exemption from social security contributions; sometimes wage subsidy	Varies	The various programmes cover both permanent and temporary employment	For LTU, 60% of participants still employed after a year, 60% of them in permanent jobs. For youths, same percentages are 70% and 50%, in 2000
Italy	Youths (on training contracts)	Discount on contributions	2-4 years	1 additional year of reduced contributions	
Korea	Unemployed youths	Wage subsidy	3 months	3 more months wage subsidy granted	83% contracts made permanent
	Long-term unemployed, old people	Wage subsidy	6 months		
Japan	Mothers out of the labour force	Wage subsidy	6 months		
	Part-time workers	1993 part-time work law		Encouragement, made in the law	
	Dispatched workers	1999 worker dispatching law		Encouragement, made in the law	
Mexico	All population under ALMP	Tax reductions			
Norway	Unemployed youths, long-term unemployed	50% wage	6 months	No specific rule	Programme participants have 12% higher employment chances (net effect). 74% of those employed are in permanent jobs
	Immigrants, older workers	75% wage (40% wage)	First 6 months (next 6 months)	No specific rule	
	Vocationally disabled	75% wage	24 months	No specific rule	

Table 3.A.4. Examples of policies to stimulate the hiring of selected groups, with a potential impact on temporary employment (cont.)

	General features of the programme			Incentives to hiring into permanent employment	Success of the programme
	Category of workers targeted	Incentive type	Duration		
Poland	Long-term unemployed	Wage subsidy; contribution discount; transportation and equipment costs reimbursed			
	Recent graduates (since January 2001)	Old-age pension and accident insurance contribution subsidized	12 months		
Portugal	Young new entrants and long-term unemployed	Lump-sum amounts		No social security contributions for 36 months, if received no other subsidy earlier	
	Prisoners with free movements	50% social contributions	Duration of fixed-term contract	No social security contributions for 36 months, including previous discount period	
	Handicapped temporary workers Special training contracts			Lump-sum amounts	
Spain	Long-term unemployed, youths, older people, the hard-to-place	Discount on contributions	Varies	25% off social security contributions for 2 years if contracts are made permanent	
	Replacement contracts	Discount on contributions			
Switzerland	Hard-to-employ persons including older workers, mentally ill and long-term unemployed	Wage subsidy	6 months	Discount on employees' contributions	
	Unemployed persons accepting a job that pays less than the benefit	Wage subsidy	2 years maximum		
United States	Job seekers, including disadvantaged youths and others hard-to-employ	Tax credits, up to \$2 400 per hire		No specific rule	

Source: Secretariat elaboration of data collected directly from OECD Member governments.

Notes to Annex 3.A

1. This approach builds naturally upon the categories of employment described in the International Classification of Status in Employment as adopted in 1993 (ICSE-93, see International Labour Organisation, 1993). The ICSE-93 does not define temporary employment, but does discuss the statistical treatment of 20 “particular groups” of workers, amongst which many of the forms of temporary employment listed here appear.
2. The nomenclature used in Table 3.A.1 (and in this chapter more generally) sometimes differs from that used in any specific OECD country. For example, “casual or seasonal work” is listed as one of the types of temporary jobs in many of the countries, but this usage of casual work is an approximate synonym for “daily workers” and is not to be confused with the much broader category of “casual workers”, as used by Australian statistical authorities (see sub-section on alternative definitions). Similarly, “temporary workers” is sometimes used as a synonym for temporary agency workers, rather than as covering all forms of temporary employment, as in this chapter.
3. For further information on non-standard workers in Japan see Araki (1999) and Morishima (2001), and in Korea see Ahn (2002) and OECD (2000). It should be emphasised, however, that non-regular employment generally is not an undifferentiated residual category in national labour force statistics (e.g. information is collected for a variety of different forms of non-regular employment in both Korea and Japan). For further information on the category of casual workers in Australia, see Murtough and Waite (2000), OECD (2001) and Campbell and Burgess (2001).
4. In a formal sense, the two direct approaches could be reformulated as residual approaches (*i.e.* they implicitly define permanent workers, so that the definition of temporary workers could be expressed residually, as being all workers who are not permanent by this definition). However, the interest here lies in residual approaches that have actually been used and result in a substantively different classification of jobs.
5. Furthermore, many temporary workers, as defined in this chapter, may be classified as regular workers (e.g. approximately two out of three temporary workers in Australia, under the definition used in this chapter, are classified as regular workers in Australian national statistics).
6. The Australian and Korean data presented in this chapter are based on new surveys and should be viewed as somewhat experimental. Furthermore, the contract types included in the definition of temporary jobs (Table 3.A.1) were chosen by the OECD Secretariat, rather than by the NSOs.
7. Examples of forms of self-employment that appear to differ little from forms of temporary employment included in this chapter's analysis include self-employed workers with a contract of “co-ordinated and continuous collaboration” in Italy (Sestito, 2002) and many of those with a “contract for work and services” in Austria.
8. The US Bureau of Labor Statistics has proposed three definitions of “contingent” workers, which are intended to identify jobs that do not offer the possibility of long-term employment (US Bureau of Labor Statistics, 2001; Hipple, 2001; Di Natale, 2001). This chapter uses the broadest of these definitions, except that all self-employed workers are excluded.

Annex 3.B

Job satisfaction and working conditions

This annex presents additional tables comparing job satisfaction and working conditions for temporary and permanent workers.

Table 3.B.1. Job satisfaction levels of temporary and permanent workers^a

		Average satisfaction ^b				Percentage very satisfied ^c				Percentage not at all satisfied ^d			
		Permanent workers	All temporary workers	Workers on fixed-term contracts	Workers from temporary agencies	Permanent workers	All temporary workers	Workers on fixed-term contracts	Workers from temporary agencies	Permanent workers	All temporary workers	Workers on fixed-term contracts	Workers from temporary agencies
Austria	1995	3.3	2.9	3.0	..	44.5	21.5	22.3	..	1.3	4.3	4.4	..
	2000	3.3	3.1	3.2	..	40.5	35.5	43.0	..	0.9	3.7	2.1	..
Belgium	1995	3.4	3.3	3.4	..	43.0	40.0	45.8	..	0.9	2.0	..	..
	2000	3.2	3.2	3.2	3.1	31.6	33.5	32.9	35.1	3.3	5.2	5.4	4.6
Denmark	1995	3.4	3.4	3.4	3.4	48.2	52.5	51.3	55.1	1.4	3.6	3.1	4.8
	2000	3.5	3.4	3.5	..	53.6	52.1	56.6	..	0.8	2.6	2.0	..
Finland	1995	3.2	3.3	3.3	..	29.5	36.0	36.6	..	1.6	1.4	1.5	..
	2000	3.2	3.3	3.3	..	24.1	35.0	35.7	..	1.2	0.7	0.7	..
France	1995	3.0	3.0	3.0	2.7	20.6	20.5	20.9	18.7	4.7	5.4	3.3	14.5
	2000	2.9	3.1	3.1	3.1	19.8	28.6	28.8	28.3	5.2	2.6	2.5	2.9
Germany	1995	3.2	2.7	2.7	..	33.3	19.5	21.2	..	2.9	13.4	13.5	..
	2000	3.1	2.9	3.0	..	25.5	18.1	17.6	..	1.8	4.4	3.8	..
Greece	1995	2.8	2.7	2.6	2.7	13.1	14.5	17.7	9.2	5.2	8.2	10.0	5.1
	2000	2.8	2.6	2.7	..	16.3	12.5	14.9	..	4.6	7.2	8.6	..
Ireland	1995	3.5	3.4	3.4	3.4	56.4	52.9	55.1	47.7	0.6	0.9	1.3	..
	2000	3.4	3.4	3.4	3.3	49.5	47.3	50.5	43.6	1.0	2.2	0.9	3.8
Italy	1995	3.0	2.8	2.9	..	19.9	15.8	17.7	..	3.9	5.7	5.3	..
	2000	2.9	2.7	2.8	2.6	17.7	15.8	18.7	12.6	4.3	11.2	8.8	13.9
Luxembourg	1995	3.3	3.1	..	..	35.3	35.2	..	..	1.5	6.5	..	..
	2000	3.1	..	..	..	26.8	..	..	..	1.8	..	..	..
Netherlands	1995	3.3	3.4	3.4	..	43.4	49.1	50.4	..	1.3	2.3	2.8	..
	2000	3.3	3.2	3.2	3.3	48.9	36.6	37.5	32.2	2.0	2.1	2.5	..
Portugal	1995	3.1	2.8	3.0	2.6	23.1	12.1	18.1	3.6	3.0	5.6	2.1	10.5
	2000	2.9	2.9	2.9	..	12.1	16.6	16.9	..	2.5	2.7	2.8	..
Spain	1995	3.1	2.8	2.7	2.9	27.0	15.9	13.4	22.4	2.9	5.7	7.1	1.9
	2000	2.9	2.8	2.8	..	15.7	14.7	15.2	..	3.6	7.2	6.2	..
Sweden	1995	3.3	3.1	..	3.1	37.0	33.6	..	31.9	1.9	7.1	..	8.3
	2000	3.1	2.9	2.9	..	27.6	28.1	27.7	..	3.4	10.4	11.0	..
United Kingdom	1995	3.2	3.1	3.2	2.8	38.0	25.3	31.9	11.7	4.9	3.7	1.3	8.7
	2000	3.3	3.1	3.1	..	39.2	29.0	28.2	..	2.7	2.4	0.7	..
European Union	1995	3.1	2.9	2.9	2.8	31.6	22.6	23.8	18.9	3.4	6.7	6.4	7.7
	2000	3.1	3.0	3.0	2.9	27.6	23.5	23.7	22.5	3.0	4.8	3.9	9.3

.. Data not available or less than 30 observations.

a) The data refer to question 36 for the year 1995 and question 38 for the year 2000 of the European Survey on Working Conditions: "On the whole are you very satisfied, fairly satisfied, not very satisfied or not at all satisfied with your main job?".

b) Weighted average of job satisfaction scores (*i.e.* 1 for "not at all satisfied", 2 for "not very satisfied", 3 for "fairly satisfied" and 4 for "very satisfied").

c) Percentage of workers reporting the highest level of job satisfaction.

d) Percentage of workers reporting the lowest level of job satisfaction.

Source: Secretariat estimates based on microdata from the Second and Third European Survey on Working Conditions (1995-96 and 2000), collected by the European Foundation in Dublin.

Table 3.B.2. Incidence of temporary employment by number of jobs and unsocial hours, 2000

Share of indicated group holding a temporary job (percentage)

	Existence of a second job		Shift work			Saturday work			Sunday work		
	No	Yes	Usually	Sometimes	Never	Usually	Sometimes	Never	Usually	Sometimes	Never
Austria	8.1	3.5	5.9	9.7	8.3	10.2	6.6	7.5	8.7	8.3	7.8
Belgium	9.0	7.8	7.4	..	9.1	10.0	7.7	9.5	10.5	7.8	9.3
Czech Republic	8.2	6.5	..	..	..	..	..	..	..	..	..
Denmark	9.7	13.0	12.6	11.4	9.9	10.7	8.7	10.3	10.3	8.0	10.5
Finland	17.5	22.7	17.9	..	17.6	16.8	18.0	17.8	17.1	18.4	17.6
France	14.4	17.1	15.8	..	14.4	14.2	12.5	15.6	16.3	11.6	15.0
Germany	12.7	10.2	8.6	12.5	12.0	10.1	9.6	12.6	10.7	11.3	11.7
Greece	12.9	20.9	10.6	14.5	13.4	20.4	14.3	9.4	25.1	15.1	11.6
Hungary	6.9	7.4	6.6	6.2	7.0	8.3	7.0	6.6	8.2	6.9	6.8
Iceland	4.6	9.2	6.8	1.0	5.2	6.7	5.3	4.8	7.8	7.1	3.9
Ireland ^a	4.3	5.0	8.2	11.8	9.4	9.5	7.5	10.5	10.7	9.3	9.2
Italy	10.1	16.6	8.3	11.4	10.5	10.6	8.5	10.5	10.7	10.1	10.1
Luxembourg ^b	3.4	1.0	1.7	..	3.1	3.4	2.1	3.0	2.0	1.7	3.1
Netherlands	13.3	23.0	17.4	13.3	14.1	17.8	10.3	13.9	14.9	12.4	14.5
Norway	9.5	12.4	12.8	26.9	10.5	12.3	8.2	9.0	13.6	8.8	9.0
Poland	6.0	3.3	..	..	..	..	..	..	..	..	..
Portugal	20.6	18.5	20.6	..	20.4	25.4	..	19.2	28.0	..	19.6
Slovak Republic	4.1	1.2	..	..	..	..	..	..	..	..	..
Spain	32.2	30.0	25.8	22.5	33.6	35.6	29.3	32.1	33.5	25.4	33.2
Sweden	14.3	17.3	15.9	30.9	13.6	18.3	17.3	12.5	17.8	17.3	12.9
Switzerland	11.2	15.9	4.2	8.2	11.9	11.1	9.0	14.5	10.3	9.0	12.5
United Kingdom	6.5	11.7	14.5	5.5	6.9	5.7	4.7	8.9	7.0	4.5	7.6
OECD-Europe average^c	10.9	12.5	11.1	13.3	12.2	13.5	10.4	12.0	13.8	10.7	11.9

.. Data not available

a) 1997 instead of 2000 for unsocial hours variables (shift work, Saturday and Sunday work).

b) 1998 instead of 2000 for unsocial hours variables (shift work, Saturday and Sunday work).

c) Unweighted average of countries shown.

Source: Secretariat estimates based on data supplied by Eurostat from the European Union Labour Force Survey.

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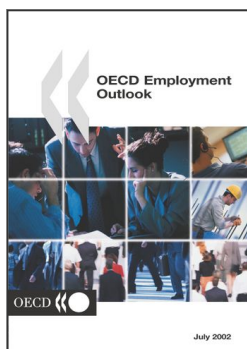
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