

## Adapting to the changing face of work

### POLICIES TO MAKE THE MOST OF PART-TIME AND TEMPORARY WORK

- ▶ **“Traditional” permanent, full-time work** is increasingly giving way to part-time and temporary work as well as self-employment.
- ▶ **Non-traditional work**—i.e. part-time and temporary work and self-employment—can create job opportunities for some people who might otherwise be out of work. It also reflects the needs of some workers.
- ▶ **However, there are concerns** that part-time and temporary work are contributing to inequality and poverty.
- ▶ **Policy needs to focus** on ensuring that temporary and part-time jobs are stepping stones to better jobs, not dead ends.
- ▶ **Policy also needs to support** the incomes of those non-traditional workers who are at higher risk of poverty.

#### What's the issue?

OECD countries are seeing a trend away from traditional employment towards part-time and temporary work and self-employment. Between the 1990s and the financial crisis, about half of the jobs created in OECD countries were non-traditional, a proportion that rises to 60% if the crisis period is included. Today, around 1 in 3 jobs do not fit the traditional model, but the proportion varies between countries—from below 1 in 5 in some eastern European countries to almost 3 out of 5 in the Netherlands.

A number of factors help explain this trend. One significant change is a decline in the strength of laws protecting temporary workers, especially in countries where employment protection of permanent workers remains very strict. Another factor is the changing nature of the workforce, especially the growth in the number of women who work. About 40% of working women are part-timers compared with just around 28% of working men. A final factor is the changing nature of work—manufacturing has given way to services and knowledge work, and there's also growing use of computers and information technologies. These trends both increase demand for temporary and part-time workers and make it easier to employ them.



See  
[www.oecd.org/newsroom/photosandvideos/](http://www.oecd.org/newsroom/photosandvideos/)

People are taking part-time jobs even when they would prefer to work full-time.

#### Why is this important?

The range of workers who do not fit into traditional models of permanent, full-time employment is extremely broad, encompassing entrepreneurs, highly skilled contractors, low-skilled part-timers and others. Clearly, non-traditional work suits the needs of some businesses and individuals.

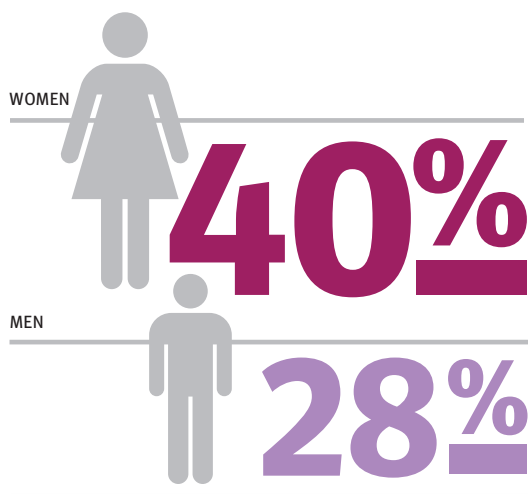
However, there is concern that the growth of some forms of non-traditional work is contributing to inequality and poverty, particularly among low-skilled workers, women and young people. One aspect of concern is the loss of permanent jobs in the middle of the skills and salary scale. By contrast, there are rising numbers of non-traditional workers among both low-skill, low-income workers and high-skill, high-income workers. At the low-skill, low-income end of the scale, temporary workers typically earn less per hour than traditional employees. This may make sense when, as is the case of German apprentices, they are involved in training and will see their earnings rise subsequently. However, other temporary workers may be trapped in a cycle of low-pay temporary work and unemployment.

There are also reasons to be concerned about the long-term employment prospects of some non-traditional workers. While staying on in such jobs may be the right choice for some, others who would like to transition to permanent and full-time work may be hindered by tax and benefit rules. In addition, some non-traditional workers enjoy much less job security, receive less training, have higher risks of poverty and are less likely to have access to unemployment benefits or re-employment assistance if they become unemployed.

#### What should policymakers do?

Policy can help support non-traditional workers, particularly women and young and low-educated people, to ensure they

» **Mixed impact**  
Proportion of working women and men in part-time work



Non-traditional work is especially prevalent among some social groups, particularly women, young people and the low-skilled. In response, policy may need to focus on these groups' needs.

Source: OECD (2015), *In It Together: Why Less Inequality Benefits All*

maximise the benefits of having a job and realise their career potential:

**Women:** The high number of women in, particularly, the part-time workforce justifies a strong policy response. A high priority is helping women to better balance the family responsibilities that can compel them to leave full-time work. Responses include introducing family-friendly policies—such as parental leave, out-of-school-hours care and flexible working arrangements—and paternity leave, so that couples can better respond to childcare needs.

**Young people:** Young people are a notable presence in the temporary workforce. As the OECD Action Plan For Youth notes, such jobs can be a stepping stone into permanent jobs, but they can also be dead ends. On-the-job training can help mitigate this risk, helping young people to raise their skill levels and gain work experience. Second-chance programmes for school dropouts can also help ensure young people develop skills that allow them to avoid dead-end work. A focus on skills development and training is key for low-educated workers.

**Narrowing the gap with permanent workers:** Labour markets are increasingly split between “insiders,” who are on open-ended contracts and enjoy extensive employment protection and high levels of job stability, and “outsiders,” who enjoy relatively little protection as they go from one temporary contract to another. The extra costs of employing “insiders” can make firms unwilling to convert temporary

workers into permanent staffers. In response, there is a case for reducing the gap in the stringency of how both forms of employment are regulated. But reform is challenging and must be grounded in dialogue between social partners and government. It must also avoid a “race to the bottom” in labour protection.

**Preventing in-work poverty:** The link between some forms of non-traditional work and poverty makes a strong case for financial support of the “working poor” without diminishing incentives to work. “Active” social spending, such as in-work benefits, can provide additional support to low-income families while encouraging people to seek work. Appropriately set minimum wages can also help ensure that non-traditional workers receive a living wage. The higher risk of unemployment faced by temporary workers also makes a case for ensuring that they are covered by unemployment benefits but without reducing incentives to work.

Find out more at [www.oecd.org/employment/labour](http://www.oecd.org/employment/labour)



## Sources

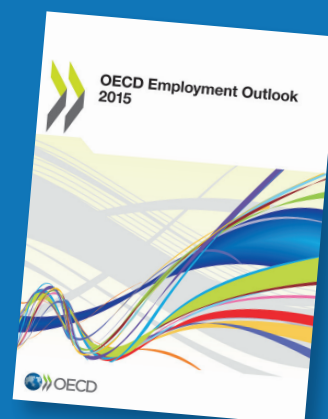
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