



Economic Implications of Non-standard Employment

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Overview

- Data
- Definition of Non-standard Employment
- Profile of Standard and Non-standard Workers
- Nature of Standard and Non-standard Employment
- Economic Outcomes
 - Individual Level:
 - Unemployment, Personal Income
 - Household Level:
 - Household Income, Risk of Poverty, Financial Strain

International Social Survey Programme (ISSP) Work Orientations Module (2001)

- Representative sample of the adult population (i.e. 18 years and over)
- Respondents in employment



Definition of Non-standard Employment

Any job that is not both
permanent and full-time:

Self-employment
Permanent Part-time
Contract
Temporary/Seasonal



Profile of Standard and Non-standard Workers

Table 1
Socio-demographic Characteristics
of Standard and Non-standard Job Holders

Socio- Demographic Characteristics	Standard	Non-standard			Total	
	Perm full- time	Perm part- time	Contract	Temp	Self- Emp	
Gender						
Male	64.5	15.4	34.0	49.2	85.5	59.1
Female	35.5	84.6	66.0	50.8	14.5	40.9
Age						
18-24 years	15.3	11.1	27.5	61.8	4.6	18.3
25-34 years	33.1	15.9	29.4	5.5	14.8	25.1
35-44 years	23.1	30.2	19.6	14.5	27.8	23.6
45-54 years	20.0	20.6	21.6	12.7	21.3	19.8
55 years or more	8.4	22.2	2.0	5.5	31.5	13.2
Mean age	37.2	42.0	33.7	29.3	46.2	38.3



Profile of Standard and Non-standard Workers

Table 1 (continued)
Socio-demographic Characteristics
of Standard and Non-standard Job Holders

Socio- Demographic Characteristics	Standard	Non-standard			Total	
	Perm full- time	Perm part- time	Contract	Temp	Self- Emp	
Education						
No Quals./ Primary	11.9	27.7	6.0	13.8	25.7	15.8
Lower Secondary	20.8	20.0	10.0	12.1	37.6	22.0
Upper Secondary	35.5	38.5	38.0	44.8	19.3	34.0
Third level (non-degree)	13.8	7.7	16.0	8.6	8.3	11.8
Third level (degree)	18.0	6.2	30.0	20.7	9.2	16.4
Mean (years of educ)	13.4	12.3	14.8	14.1	11.8	13.2



Profile of Standard and Non-standard Workers

Table 2
Life Course Characteristics
of Standard and Non-standard Job Holders (%)

Marital Status	Standard	Non-standard			Total	
	Perm full-time	Perm part-time	Contract	Temp	Self-Emp	
Single	41.7	21.5	54.9	69.5	27.3	40.8
Married/Living with Partner	53.4	61.5	43.1	25.4	70.9	53.8
Widowed, Divorced, Separated	4.9	16.9	2.0	5.1	1.8	5.4
Children						
Yes	46.0	59.4	31.4	25.8	49.1	45.0
No	54.0	40.6	68.6	74.1	50.9	55.0



Profile of Standard and Non-standard Workers

Table 3
Household Composition
of Standard and Non-standard Job Holders

Household Composition	Standard	Non-standard			Total	
	Perm full-time	Perm part-time	Contract	Temp	Self-Emp	
Single, (lives alone)	9.4	4.7	7.8	3.4	9.3	8.2
Single, (lives with parents, relatives)	33.1	20.3	45.1	67.2	16.7	33.1
Single, with children	4.4	14.1	3.9	3.4	1.9	4.7
Couple, no children	10.6	14.1	15.7	3.4	24.1	13.1
Couple, with children	42.5	46.9	27.5	22.4	48.1	40.9



Profile of Standard and Non-standard Workers

- Standard

- Male
- Even representation at stages of life-cycle in terms of age and education
- Transition to independent household
- Transitions to marriage, parenthood

- Permanent Part-time

- Female
- Older
- Lower level of education
- Transition to independent household
- Transitions to marriage, parenthood



Profile of Standard and Non-standard Workers

■ Contract

- Female
- Higher level of education
- Two groups:
 - Young, single and living with parents/relatives
 - Older, married, children

■ Temporary/Seasonal

- Younger
- Higher level of education
- No gender differences
- Least likely to have made transitions to independent households and parenthood



Profile of Standard and Non-standard Workers

- Self-employed
 - Male
 - Older
 - Lower level of education
 - Transition to independent household
 - Transitions to marriage and parenthood

Nature of Standard and Non-standard Employment

Table 4
Broad Economic Sector by
Type of Work Arrangement (%)

Industrial Group (NACE)	Standard	Non-Standard			Self-Emp	Total
	Perm full-time	Perm part-time	Contract	Temp		
A-B Agriculture	1.9	6.3	-	7.1	44.2	10.1
C-F Industry	29.5	9.5	12.0	17.9	16.3	22.5
G-O Services	68.8	84.2	88.0	74.9	39.5	67.4
Services						
<i>J-K Distributive</i>	<i>24.5</i>	<i>19.0</i>	<i>22.0</i>	<i>21.4</i>	<i>20.2</i>	<i>22.6</i>
<i>G-I Producer</i>	<i>10.3</i>	<i>17.5</i>	<i>18.0</i>	<i>8.9</i>	<i>7.7</i>	<i>11.1</i>
<i>L-N Social</i>	<i>23.8</i>	<i>30.2</i>	<i>38.0</i>	<i>23.2</i>	<i>2.9</i>	<i>22.0</i>
<i>H,O Personal</i>	<i>10.0</i>	<i>17.5</i>	<i>10.0</i>	<i>21.4</i>	<i>8.7</i>	<i>11.7</i>

Nature of Standard and Non-standard Employment

Table 5
Occupation by
Type of Work Arrangement (%)

Occupation (ISCO 88)	Standard	Non-standard			Self- Emp	Total
	Perm full- time	Perm part- time	Contract	Temp		
Professional	33.3	10.9	36.0	12.3	27.2	28.1
Clerks	16.0	17.2	26.0	12.3	-	13.9
Service workers, shop & market sales workers	14.2	37.5	20.0	40.4	1.9	17.6
Skilled agricultural, fishery workers	1.9	-	-	5.3	44.7	9.2
Craft & related trades	13.6	-	-	-	15.5	10.0
Plant & machine operators, assemblers	11.7	9.4	8.0	14.0	9.7	11.0
Labourer	9.3	25.0	10.0	15.8	1.0	10.2



Nature of Standard and Non-standard Employment

Table 6
Mean Income by
Type of Work Arrangement

Standard	Non-standard			Total	
Perm full-time	Perm part-time	Contract	Temp	Self- Emp	
€27,389	€12,583	€18,059	€10,964	€24,526	€22,843

Nature of Standard and Non-standard Employment

Table 7
Fringe Benefits by
Type of Work Arrangement (%)

Fringe Benefits	Standard	Non-standard			Total
	Perm full-time	Perm part-time	Contract	Temp	
Pension Schemes					
Yes	43.3	16.9	17.6	1.7	32.4
No	56.7	83.1	82.4	98.3	67.6
Sick Pay Benefits					
Yes	56.0	32.3	36.0	23.7	47.1
No	44.0	67.7	64.0	76.3	52.9
Health Benefits					
Yes	27.6	10.8	15.7	3.4	21.4
No	72.4	89.2	84.3	96.6	78.6



Nature of Standard and Non-standard Employment

Table 8
Training by
Type Work Arrangement (%)

Training from Employer	Standard	Non-standard			Total
	Perm full-time	Perm part-time	Contract	Temp	
None at all	10.8	28.1	10.0	3.4	12.1
Not very much	31.5	26.6	48.0	60.3	35.9
Quite a lot	29.0	23.4	18.0	20.7	26.2
A lot	11.4	10.9	10.0	6.9	10.7
A Great Deal	17.3	10.9	14.0	8.6	15.1



Nature of Standard and Non-standard Employment

- **Industry**
 - Non-standard workers (except self-employed) more likely to be in the service sector, especially social and personal services
- **Occupation**
 - Non-standard workers (except self-employed) most likely to be concentrated in services and sales related, and unskilled jobs
- **Income**
 - Non-standard workers reported a lower income level than standard workers
- **Fringe benefits**
 - Non-standard workers less likely to have pension, health insurance and sick pay coverage
- **Training**
 - Non-standard workers had less access to training, especially permanent part-time workers



Economic Outcomes

- Individual Level
 - Unemployment, Personal Income
- Household Level
 - Household Income, Risk of Poverty, Financial Strain



Economic Outcomes – Individual Level

Table 9
Unemployment Experience (1996-2001) by
Type of Work Arrangement (%)

No. of Times Unemployed (1996 – 2001)	Standard	Non-standard			Self- Emp	Total
	Perm full- time	Perm part- time	Contract	Temp		
None	91.3	90.8	74.5	88.1	96.2	90.3
One	6.9	4.6	13.7	8.5	1.0	6.3
Two or more	1.9	4.6	11.8	3.4	2.9	3.3



Economic Outcomes – Individual Level

Table 10
OLS Regression – Personal Income (Model 1)

Employment Type (Ref=Standard)	Male	Female
	b	b
Permanent Part-time	-16098.0**	-11634.0***
Contract	-7051.0*	-7611.3***
Temporary/Seasonal	-16442.0***	-14650.0***
Self-employment	-4313.4**	-731.8

*** p< .001, ** p< .01, * p< .05.



Economic Outcomes – Individual Level

Table 11
OLS Regression – Personal Income (Model 2)

Employment Type (Ref=Standard)	Male	Female
	b	b
Permanent Part-time	-12238.0*	-8129.5***
Contract	-9652.5**	-7719.1***
Temporary/Seasonal	-16466.0***	-14073.0***
Self-employment	-2048.8	-1896.5

*** p< .001, ** p< .01, * p< .05.

Control variables: Human capital: education (years), tenure (years)



Economic Outcomes – Individual Level

Table 12
OLS Regression – Personal Income (Model 3)

Employment Type (Ref=Standard)	Male	Female
	b	b
Permanent Part-time	-7836.1	-6132.9**
Contract	-9818.0**	-6873.1***
Temporary/Seasonal	-13902.0***	-10251.0***
Self-employment	-268.4	-3346.3

*** p< .001, ** p< .01, * p< .05.

Control variables: Human capital (education, tenure), age, marital status, children, organisational size, public/private sector, hours worked per week, trade union membership, service sector employment and urban/rural location



Economic Outcomes – Individual Level

Personal Income

- Income difference partly attributable to human capital factors
 - Mainly for permanent part-time workers, and also self-employed respondents
- Demographic, organisational, industry and regional factors also accounted for some of the income differential
- Non-standard workers still had a lower income than standard workers net of human capital and other control factors



Economic Outcomes – Household Level

- Household Income
- Risk of Poverty
- Financial Strain



Economic Outcomes – Household Level

Table 13
Income Details by
Type of Work Arrangement and Gender

Income Details	Standard	Non-standard			Total	
	Perm full-time	Perm part-time	Contract	Temp		Self-Emp
Total						
Household €	42,657	28,434	37,319	35,152	33,284	38,366
Personal Income as % of Household Income	64.7	43.3	48.6	30.7	71.8	59.8

Economic Outcomes – Household Level

**Table 13 (continued)
Income Details by
Type of Work Arrangement and Gender**

Income Details	Standard	Non-standard			Total	
	Perm full-time	Perm part-time	Contract	Temp Self-Emp		
Male						
Household €	43,259	23,162	39,131	37,145	31,858	39,162
Personal Income as a % of Household Income	68.3	60.6	55.8	31.3	74.9	66.2
Female						
Household €	41,491	29,392	36,301	33,170	43,946	37,160
Personal Income as a % of Household Income	57.5	40.8	44.2	30.1	55.4	49.7



Economic Outcomes – Household Level

Table 14
Income of Non-standard Workers
as a Percentage of Income of Standard Workers
– Personal and Household Level (%)

	Personal	Household
Permanent Part-time	44.6	66.7
Contract	65.6	87.5
Temporary/Seasonal	39.1	82.4
Self-employed	86.6	78.0
Total	83.1	89.9



Economic Outcomes – Household Level

Household Income

- Standard workers had the highest household income while permanent part-time workers had the lowest
- Income differences were narrowed at the household level for workers in permanent part-time, contract and temporary/seasonal employment
- Income differences increased for the self-employed
- To some extent therefore non-standard workers had access to other resources at the household which improved their income position relative to standard workers
- But despite this, significant income differences still existed

Economic Outcomes – Household Level

Table 15
Percentage Below “Poverty Line” by
Type of Work Arrangement and Gender

Poverty Lines	Standard	Non-standard				Total	
	Perm full-time	<i>All Types</i>	Perm part-time	Contract Temp	Self-Emp		
<i>50% line</i>							
Male	6.2	18.7	22.2	0.0	11.5	25.0	11.5
Female	9.8	22.6	26.5	10.7	32.0	15.4	16.6
Total	7.4	20.5	25.9	6.7	21.6	24.0	13.6
<i>60% line</i>							
Male	14.9	29.6	37.5	11.8	23.1	34.5	21.0
Female	14.6	39.1	46.9	17.9	56.0	23.1	27.5
Total	14.5	33.7	44.8	15.6	38.0	33.3	23.3

Risk of Poverty

- In general women had a higher risk than men
- Overall non-standard workers had a higher risk than standard workers
- Among non-standard workers, permanent part-time workers had the greatest risk
- Contract workers fared best of all non-standard workers and had similar risk to standard workers

Economic Outcomes – Household Level

Table 16
Financial Strain by
Type of Work Arrangement (%)

“Making Ends Meet”	Standard		Non-standard			Total
	Perm full-time	Perm part-time	Contract	Temp	Self-Emp	
Difficulty	31.5	48.4	47.0	44.8	40.4	37.4
<i>With some difficulty</i>	25.9	35.9	38.8	37.9	34.9	30.8
<i>With difficulty</i>	3.1	4.7	4.1	6.9	0.9	3.3
<i>With great difficulty</i>	2.5	7.8	4.1	-	4.6	3.3
No difficulty	68.5	51.6	53.1	55.1	59.6	62.6
<i>Very easily</i>	6.5	-	4.1	6.9	8.3	6.0
<i>Easily</i>	15.6	14.1	6.1	17.2	7.3	13.3
<i>Fairly easily</i>	46.4	37.5	42.9	31.0	44.0	43.3



Summary

■ Standard

- Most favourable economic position
- Generally had higher quality jobs
- Highest level of personal and household income
- Lowest risk of poverty, financial strain

■ Permanent Part-time

- Most economically disadvantaged
- Generally had poorer quality jobs
- Income differences narrowed at the household level but still had the lowest household income overall
- Highest risk of poverty and financial strain



Summary

■ Contract

- Highest incidence of unemployment
- Income inequality narrowed at household level
- Best position of all non-standard workers in terms of poverty risk
- Relatively high level of financial strain

■ Temporary/Seasonal

- Generally had poorer quality jobs
- Income inequality narrowed at household level
- Had relatively high risk of poverty, in particular among women



Summary

- Self-employed
 - Mixed economic fortunes
 - High personal income but income inequality increased at household level
 - Had a relatively high risk of poverty



Conclusion

- Non-standard workers in general had poorer economic outcomes in comparison with standard workers
 - Lower income
 - Independent of human capital and other controls
 - Higher risk of unemployment for contract and temporary/seasonal workers
 - Overall, income differences narrowed at the household level but were still significant
 - Greater risk of poverty
 - Greater financial strain



Conclusion

- Non-standard employment significantly related to economic inequality at the individual and household level
- Static picture at one point in time, which under-emphasises impact of non-standard employment
- Importance of cumulative and long-term aspects
- Individual and household differences taken as a whole and over the life course likely to result in very different economic reality for standard and non-standard workers