

ATYPICAL EMPLOYMENT

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Abstract

Western Europe is facing an increasing number of persons, who have different forms of atypical employment since the eighties. In international papers there is a consensus, that this process is the result of pressure on flexibility of the labour markets on part of the trading companies. Another (non-standard-) type of employment contract - full-time employment for a fixed period – equally brings positive and negative aspects with it. On the one hand this type of flexibility of labour contracts can help to raise the employment rate and to integrate into the labour market various disadvantaged social groups (women after maternity leave or fresh graduates without work experience). On the other hand research from countries of Western Europe shows that atypical employment is often connected with lower income, restricted access to educational programs or worse working conditions, even descent into a lower social class. Very difficult are various forms of precarious employment, the common characteristic of which is uncertainty. The member states of the EU in some cases should speed up the solution of the problem of segmentation within the labour markets and of full and part-time jobs. It would also be important to ensure an adequate balance between flexibility and security of employees at work.

Key words

atypical employment, segmentation of the labour market, precarious employments

JEL Classification: M55, J41, M51

Introduction

There is no current definition of atypical, synonymous to nonstandard, work. The European Commission - trying to regulate the labour market and to introduce a new legislation in context with atypical employment - simply ranked to that category temporary work (1999/70/EC) and part-time work (1997/81/EC). Publications of international organizations have attempted to define the boundary between standard and non-standard work by determining the characteristics to meet the standard work contract. Atypical contracts include contracts for fixed-term and part-time work and also types of contracts that do not provide standard operating rights for the country. In a publication of the International Work Organization (IWO) Greenwood and Hoffmann (2002) added to the previous criteria the place where the work is done and the working conditions for the individual worker. Among the atypical work and negative earmarking they included work from a home office, telework and work with a temporary work agency.

Specifically it is about work for a fixed term, part-time jobs, telework and work from a home office. Agency work is regulated by special law. There is a basic consensus on certain types of employment contracts that international organizations, the European Union and Slovak legislation consider atypical.

Dependent work with a permanent contract and full-time is for the most economically active people the ideal form of work, from which other forms recede. Arum and Mueller (2004), Strohmeier and Tonoyan (2007) and also Delmar et al. (2008) include to nonstandard forms of work also the work of self-employed persons.

The labour market is experiencing a strong segmentation into standard - normal and atypical-non-standard forms of work. Generalized it can be stated that „nonstandard work in on the increase“ (Atkinson 2015, p. 135). This is also related to the quality of working hours. Atypical work enjoys prosperity by the liberalization of working hours and labour market. In addition to fixed-term contracts and part-time work, there are other atypical forms of work, such as undeclared work, brigade, mini and midi jobs, online jobs (the so-called. digital proletariat), zero hours contracts, other new forms of work going through software applications.

The common characteristic of these atypical forms is uncertainty, the so-called precariat. It is uncertainty about the work regarding income, housing but also uncertainty about one's own identity

Goal and Methodology

Our investigation is focused on atypical working relationships. For the definition of these nonstandard

contracts we have adjusted data from the European Working Conditions Survey (EWCS). The figures show that „the extend of nonstandard work varies between countries“ (Atkinson 2015, p. 136). As these nonstandard forms of employment grew more in Germany than in most of the western world, our investigation is specifically related to atypical employment in Germany. We have analysed the development of atypical forms of employment in Germany from 1995 to 2012. In doing so, we used statistical methods. More than a third of dependent employment belongs to these atypical forms, and this will continue to accelerate the process of increasing the share of the tertiary sector in the sectoral structural changes. We tracked the structural features of atypical working relationships and the specific profiles of atypical employment. It is necessary to distinguish self-imposed forms of atypical employment from involuntarily admitted types of labour relations. It is necessary to distinguish self-imposed forms of atypical employment from involuntarily admitted types of labour relations.

In scientific discussions, the terms of atypical employment and precarious employment are often used as synonyms, but these concepts are not the same. The object of the examination was the difference between the precariat, which includes low-income groups and sectors and atypical jobs. By means of synthesis, we have generalized the results and drawn our conclusions from them.

Findings

1. Definition of atypical – nonstandard employment

Our definition of atypical - non-standard contracts adapts data from the European Working Conditions Survey (EWCS).

Atypical work in Slovakia consider, unless otherwise indicated, the following types of employment:

- temporary (fixed-term) full-time work
- temporary (fixed-term) part-time work
- part-time jobs for an indefinite period
- working from home and teleworking
- part-time work performed by self-employed
- full-time work performed by self –employed.

In addition to the concept of nonstandard or atypical work in the scientific literature is gradually developing the concept of "very atypical work" (Riso 2010, Broughton, Biletta & Kullander, 2010). It marks a form of atypical work, which contract terms are

either minimal in terms of the contract, or working hours. The consensus in the scientific literature atypical work defines as follows: the work is part-time less than 10 hours, the work contract is for six (or fewer) months or the contract of employment is not at all written.

2. Liberalization of labour relations and its impact on employees' social security

Globalization, free movement of capital, goods, services and people, in connection with flexibility of revenues and working hours, deregulation of the labour market, more and more still impose high demands on the legal regulation of labour relations. The sharpening of competition, the need of maintaining competitiveness and the economic crisis of the world economy led to a difficult and uncomfortable situation not only for employees but also for the employers themselves. The number of people who are dependent on transfers from public funds is increasing (Seifert, Struck 2009, p. 61), as well as the number of workers whose work does not cover their living costs. The key issue is to allow sufficient flexibility of labour markets while ensuring the necessary protection of employees in labour relations.

The European social model is based on active solidarity, guaranteed human rights and liberties, education, the reform of pension schemes and on resolving the demographic challenge.

3. Atypical employment in the Federal Republic of Germany

Atypical employment recorded an increase also in Germany. These nonstandard forms of employment grew more in Germany than in most of the Western world. More than a third of dependent employment is accounted for by these atypical forms, and these will continue to accelerate the process of increasing the share of the tertiary sector in the sectoral structural change. Especially after the introduction of the HartzIV laws since 2003 the minimum working relationships, small scale jobs (mini jobs) (Geringfügigkeit - §§ 8 and 8a SGB IV), midi employment (midi jobs) as well as work through employment agencies (Arbeitnehmerüberlassung) is increasing.

The Hartz IV laws are the biggest reform of the labour market and social reforms. These laws have introduced new atypical employment contracts, the reorganization of institutions and new forms of business:

- one person share companies (Ich-AGs),
- jobs for one-Euro - jobs with reimbursement of expenses
- installation of job centres as common spots for all unemployed
- establishment of educational institutions called certification agencies
- reform of instruments of active labour market policies (transfer measures and transfer of money in the case of short-time work (Hartz I - IV, 2002-2006).

Between the starting level and the dynamics of development of the various forms of atypical employment are large differences. In the following table are not taken into account students in apprenticeship, trainees, labour contracts (Werkverträge) or one-Euro jobs (jobs with reimbursement of expenses; see: Leistungen zur Arbeit in Eingliederung nach SGB II).

Table 1 Development of atypical forms of employment in Germany

Year	Employment - dependent activity in 1 000 (B)	Part-time employment as a % of B	Employment at a minimum range as a % of B	Fixed-term employment as a % of B	Atypical employment as a % of B
1995	32 230	16,3	x	7,8	23,7
2000	32 638	19,8	x	8,8	29,0
2005	32 065	24,5	20,2	10,1	34,5
2010	34 459	26,7	20,4	9,6	37,6
2012	35 552	27,0	20,9	8,8	38,6

Source: by Keller, Seifert 2013, <http://wirtschaftslexikon.gabler.de/media/393/-2046777204.jpeg>

3.1 Part-time employment

Part-time employment, i.e., less than 35 hours per week, represents more than a quarter (27%) of all some 35.5 million employed persons. The increase in this most common form of employment to almost 10 million is related to the increasing employment of women, a lack of childcare facilities and the expansion of the service sector. More than 80% of part-time workers are women (feminization of the labour market).

3.2 Employment at a minimum range – mini jobs

Employment at minimum range increased after the changes in the labour market within the Hartz IV laws. It has been transformed to mini jobs and represents more than 20 %, i.e. more than 7 million employees. It is the second most common form of atypical employment. Within this form of employment, we must distinguish between employees employed only through this form of employment and employees for whom this form of employment means a subsidiary occupation. The second group accounts for about 35% of such employment. The income limit

is a maximum of 450 € per month, restrictions on working time do not exist, the employee does not remit contributions, the employer's contributions are to social insurance 12%, health insurance 11% and payroll tax 2 %.

3.3. Midi jobs

These working conditions introduced by Hartz laws move in a "movable area" between 450.01 and 850 €. These atypical employment exploded, reaching almost 4%, or 1.4 million salaried employees. Employees pay a graded contribution to social insurance, the full rate is at 800 euro, and the employer pays all applicable charges.

3.4 Employment through employment agencies

Work through employment agencies increases since the deregulation of the Hartz IV laws and represents almost 3% - 900,000 employees. Work through employment agencies can offer unemployed for some time the possibility of employment with a view to a longer-term integration into the labour

market. Work through employment agencies in addition to employment contracts for a fixed period is subject to a maximum of cyclical fluctuations as the financial crisis of 2008/2009.

3.5 Fixed-term employment

Temporary work increased gradually to about 9% (over 3 million). Currently, almost the half of new employment contracts are concluded for a specified period.

3.6 Self-employment without employees

The share of self-employed persons in all employed increased to 11% (approx. 4.3 million). This development was driven by various policy measures on the labour market. It is based on the increase in self-employed solo, what means without employees. They make up more than half of the self-employed (about 60%). Formally they do not belong to atypical employees but should be assigned to them because of the low income and uncertain economic prospects (Gabler Wirtschaftslexikon, 2016).

4. Structural features of atypical employment in Germany

4.1 Socio-demographic structure

In all forms of atypical employment, except for work through employment agencies, are over-represented women, so these issues of atypical employment have a exclusively gender dimension. 55% of all women work atypically, between men this is 16%. More often are represented women who are single mothers. The majority of atypically employed persons have completed education, more than half work below their education. In addition, the persons in employment on fixed-term often have higher education – technical colleges, eventually. a university degree - than persons with normal employment contracts. Younger people (15-24) are excessively often working atypically. Foreigners (mainly from non-EU countries) are working more atypically than Germans. Atypical employment is widespread in the area of services, working through agencies at the processing area, the focus is on tourism, trade, health, services within land and housing, construction as well as on education and training. Partly it is a sector with low wage levels. The share of atypical employment decreases with an increasing size of enterprises.

4.2 Profiles of atypical employment

In addition to these common features, there are even specific profiles of atypical employment. A good half of persons with midi jobs are students and pensioners, with mini jobs it is almost 30%. Only a few young people are working part-time, a relatively large number of young people work through employment agencies. Employment contracts in form of midi jobs are widespread in the manufacturing sector. Tourism employs many workers throughout mini and midi jobs. Working through employment agencies are used primarily in medium-sized and large enterprises. Small businesses employ relatively more workers with fixed-term contracts than larger enterprises (Gabler Wirtschaftslexikon, 2016).

5. Atypical employment and risk of „precariat“

Already in the eighties French sociologists started to speak about "precariat" - the unpredictable situation of uncertainty, in which a number of workers were concerned. Italian trade unions created the term "precariat", composed of the word "precarious" and "proletariat". British sociologist Guy Standing defines precariat as a social class, which recorded growth in developed countries. This group includes cleaners, shop assistants, waiters, fast food employees, persons working in social services, but also people in manufacturing and construction workers. . They often work part-time, with fixed-term contracts, with contracts for zero hours, through an employment agency, moonlighting or paid per piece. The salaries are low, the number of hours uncertain, the career opportunities are minimal.

In the life of precarious workers are precarious employment periods alternated with periods of unemployment. A large part of time does not only take paid work, but also the so-called work for work. Working for the work involves finding a job. Uncertainty exists not only about work, but also about income, housing and personal identity. What kind of person is someone, who cleans a few hours a week through an agency, is working in a bar, occasionally carries out gardening in black and a few months is dependent on governmental aid?

Precariat draws from a declining working class of immigrants and the young educated people from universities and colleges who cannot find employment commensurate with their education and suffer from unfulfilled expectations of quality employment and careers. In scientific discussions, the terms of atypical employment and precarious employment are often used as synonyms, but these concepts are not the same. Precariat includes low-income groups and sectors. It is necessary to distinguish self-imposed forms of atypical employment from involuntarily admitted types of

employment. This means working contracts that cause even after the employment phases of precariat.

5.1 Identification and criteria for the measurement of precariat

Precariat can be identified on the basis of four criteria:

1. subsistence providing income - *existence minimum*: to prevent „working poor“- poverty despite work. According to internationally accepted conventions an employee should be receiving at least two thirds of the median wage.
2. stability of employment: atypical employment should ensure continuous employment as not to be considered as precarious. This stability should provide the option of switching to normal working conditions.
3. ability to get employed: a prerequisite for access to a regular working contract generally is complete apprenticeship that most atypically employed reached. Assumption of own responsibility is required to access common and business education as well as measures to maintain health. Only in this way it is possible to break the vicious circle between atypical employment, unemployment, living without work wage and precarious employment.
4. full integration into the social insurance system: integration into the social insurance system should be the fullest.

5.2 Risks of precariat

a) Short-term risks

These risks are increased in all atypical occupations and especially in mini jobs and employment through employment agencies. In the low-income sector and these are in Germany more than 20% of all employment there are mostly atypical employment. The half of them get only a low wage, with normal employees it is only 11 per cent. The excessive expansion of low income also in international comparison since 2000 is related to the expansion of atypical employment More than 70% of persons with mini jobs earned after the introduction of the statutory minimum wage less than 8.50 per hour, nearly 40% of persons with midi jobs worked full time.

b) Medium-term risks

Another disadvantage to all forms of atypical employment (with the exception of part-time work for a longer or indefinite period), is the instability of employment. This instability suffer mainly persons employed through employment

agencies, who are employed for a short time or with frequent interruptions. Half of the jobs through employment agencies lasts less than 3 months. Re-employment is also almost for a fixed period, so that in particular younger workers are disproportionately affected by this. Important in the evaluation are the possibilities to change into a normal contract, which rise with higher qualification.

c) Long-term risks

An integration into the social security system (especially in the statutory pension insurance) is greatly limited due to low contributions and frequent breaks (inter alia, unemployment). In a medium and long term this will become a risk of falling into poverty as a matter of the work and social policy agenda. . The politically planned reduction in retirement strengthens the problem of precariat. . Particularly at risk are women who work in a low-income sector and with atypical employment contracts and are disadvantaged in further business education.

Discussion

1. Regulation of the labour market in Germany)

The regulation of the labour market depends on how a society perceives social justice, what standards it is developing in this area, and it is also closely linked to the social, political and cultural history of each country (Piketty T. 2013, p. 335).

1.1 Regulation of the German Labour market

Currently, due to the greater flexibility of the labour market in Germany unemployment is declining and employment even increasing what is related to the wide ranging reforms of the labour market including a reinforced activation of the unemployed. This development is evident since 2005. Part of this phenomenon is the loss of meaning of standard/normal employment contracts. Mückenberger (1985) defines normal working relationships as stable over time and providing livelihoods. Framework conditions for dependent full-time working relationships governed by labour law and social-security. (Seifert, Struck, 2009) The advantages of greater flexibility for business and employment opportunities of certain groups of workers are contrary to social risks and risks of precarious living standards for persons employed in this way. Welfare systems are set to continuously and normally payed full-time jobs.

The German labour market has a low unemployment rate. The unemployment rate in Germany is for a great part related to measures in the period 2002 to 2006 and the four Hartz I - IV laws, which mean one of the biggest social reforms. . The aim of these laws was the reduction in transfers from public sources strengthening the personal responsibility of the citizen. . In January 2015, Germany introduced a nationwide minimum wage € 8.50 gross and the compulsory insurance for persons employed in private households. From 01.01.2017 the statutory minimum hourly wage is € 8.84.

1.2 Measures of deregulation of the German labour market

Deregulation measures of the German labour market have the effect of changing wage structure, income range has been extended, especially in low-income groups. The consequence of these measures are an increasing number of employed with atypical working contracts and the segmentation of the labour market. The predicted function of the low-income sector as a springboard to better paid jobs has not

worked. In atypical employment relationships this bridge to normal employment relationships with higher incomes, more stable employment and a better business education as well works only with concessions. Persons with mini jobs hardly get to a normal working contract. The long-term consequences of atypical work are currently not subject to adequate discussions.

1.3 Advantages and consequences of flexibility concerning labour market and working time

A more flexible labour market and working hours can be beneficial if this contribution will benefit employers and employees. The question arises, what is the price for flexibility for employees and whether it only increases the risks and burdens of employees. More flexibility should not increase the fear of losing the job. Economy and employers on account of their capital always have a stronger position in negotiations. Therefore for employees is needed a range of protective and supporting rules as shown in table 2.

Table 2: Protective and support measures in atypical employment relationships

Short-term changes	Treaty in writing, before witnesses, with signature
Part-time jobs	Determination of the maximum daily working time (weekly working time divided by five, each crossing is overtime)
Overtime with compensatory time off instead of payment	Compensation for 1 hour overtime by 1.5 hours free time
Childcare in overtime	Provision of childcare in overtime
All-inclusive contracts	Absolute prohibition of such agreements in atypical employment contracts
Persons working through employment agencies or self-employed	Social and health insurance by the company

Source: Own processing

The consequences of flexibility of labour market and working time require solutions within the EU. The problem of growing unequal distribution of wages and wealth in the phase of employment and after termination of the employment, thus reaching retirement age, should be resolved within the framework of the European Union. The current labour market with atypical relationships contributes to widening income and wealth inequalities. For this

market segment would be required changes like recognition of periods of child rearing and care of relatives for pension insurance, the loss of the workplace by automation could be compensated by an unconditional basic income. Important would also be to give a share of profits and dividends to all employees instead of paying boni only to managers. This measure would prevent a privatization of profits and the payment of debts from public funds, for

example bail out banks, which in fact contradicts the principle of equality enshrined in the constitution. Under this principle would help a law establishing the highest possible difference between the lowest and highest income. In this way the highest incomes could only be increased while increasing the lowest incomes. These changes would bring an increase in general well-being and, indirectly, more consumption and thus higher tax revenues to improve public finances and reduce the public debt.

Conclusion

In the developed countries of Western Europe it was relatively easy to find a job until the mid-seventies. This allowed stable economic growth, a compromise between capital and labour that links the growth of company profits, wages and labour productivity, which today is no longer the case. At that time the norm was a permanent job, full-time work, paid leave, insurance and guaranteed income in case of illness. As well as in Eastern European countries was put the emphasis on full employment and a developed welfare state. An important accompanying manifestation was the increasing share of services throughout the economy. For employers, this has brought increasing insecurity. It came to an expansion of fragile and flexible labour relations. The labour market is experiencing a strong segmentation into normal and atypical - non-standard forms of work. This leads to the deepening of the problematic phenomenon of increasing the profits of capital and

reducing the income from work. Atypical forms of work such as fixed-term contracts, part-time work on a small range, mini and midi jobs are experiencing growth and at the same time establishes within the EU other new forms of atypical work, for example zero hours contracts through software applications, online-employment. The common characteristic of these atypical forms of employment is uncertainty about the work, about income, housing security and identity, the so called precariat. In Germany, more than a third of dependent employment can be counted for by these atypical forms, and this will continue to accelerate within the process of an increasing the share of the tertiary sector in the sectoral structural change. Especially after the introduction of the Hartz laws since 2003, there are increasing minimum working relationships, small scale/mini jobs (Geringfügigkeit - §§ 8 and 8a SGB IV), midi employment (midi jobs) as well as agency work (Arbeitnehmerüberlassung). Contrary to greater flexibility for business and the employment opportunities of certain groups of workers are social risks and risks of a precarious living of persons employed in this way. Our welfare systems are set to continuously payed full-time jobs. The problem is that the financial basis of these social systems increasingly erodes and individual claims will be insufficient. The Member States should step up measures to tackle the problem of these segmented labour markets, of quality and junk-time employment, whilst ensuring the appropriate balance between flexibility and security of workers in the labour market.

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