Is precarious employment shaping European labour markets ?

Assessing and accounting for precarious employment in five European countries

by

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1. Introduction[1]

Differences between the anglo-saxon model of the welfare state and labour market flexibility resulting in lower unemployment figures and the phenomenon of the "working poor", and the (continental) European models of labour market regulation and social welfare regimes has shaped the debate about labour market and social policy reforms in a number of European countries. In this context, the incidence and the development of precarious employment has been addressed. Indeed, precarious employment has retained a great deal of attention in a couple of continental European countries.

However, one of the difficulties with assessing precarious employment in a comparative perspective is connected to the notion of "precarious employment" itself and the different meaning it may take in the national labour market context. The perception of "precarious employment" is imbedded in the ideological and political discourse of a country, its actual national regulatory and institutional context and its production model. The debate on "precarious employment" is closely linked to the debate on the distribution of risks and of societal and economical achievements.

The aim of this paper is to understand and explain the different perceptions of precariousness in the national context of Spain, Italy, Germany, France and the UK and to draw more general explanations and conclusions on the event and the dynamics of precarious employment. In particular, the paper addresses the following questions:

- To what extent is the socio-economic and regulatory context reflected in the perception of precarious employment?
- What is the actual incidence of precarious employment and distribution of precarious employment in the five countries under review?
- Is precarious employment on the increase?
- What is the rationale for expanding precarious employment in the national context? To what extent do national regulations and the social policy framework ease the spread and the social acceptance of precarious employment? To what extent are flexibility strategies engender precarious employment?
- What are the national particularities of precarious employment? Is there a trade-off between inactivity, precarious employment and stable employment? Can a deepening or softening of segmentation lines at the labour market be observed in the context of precarious employment?
- What basic assumptions can be formulated with regard to the impact of precarious employment on the individuals and on the economic system of the different countries?

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This paper gives an overview of the different perceptions of precarious employment in France, Germany, Italy, Spain and the UK. The paper tries then to compare the incidence and the structure of precarious employment and takes a dynamic perspective. Finally, the paper analyses the determinants of precarious employment. Linked to this questions, the role of precarious employment in the different labour market and institutional context as well as its impact at micro and macro level will be investigated.

2. Perception and understanding of precarious employment at the national level

The notion of "precarious employment" is only commonly used in France, Spain and Italy, while in the UK it is not used at all. In Germany, the term is mostly used – in a rather restrictive way - by social scientists but has not entered the political and public debate[2].

Whilst the concern with precariousness can be dated back to the fifties in some countries (in particular France), when it was found out that the new protection systems put in place after the Second World War were leaving aside whole parts of the population, it became a widely used concept in the 1990s. However, major differences appear with regard to the attention paid to precarious employment: while in some of the countries studied (particularly France and Spain) it is feared that precariousness is becoming a structural feature of the contemporary world of work, while other countries, like the UK, are not addressing the question of precarious employment as such.

It would seem that in all countries, the debate about precarious employment is to a greater or lesser extent marked by its origins: poverty studies in France, studies on hidden employment in Italy and Spain as well as studies on labour market regulation in Italy and Germany. However, this influence seems to have operated in very distinct directions, according to the dominant research traditions and/or influences in particular.

In contrast to the continental European countries under review, in the UK the individual choice approach is dominant. However, notions of "risk" have emerged as an important new focus and the measurement of "insecurity", especially in relation to jobs has attracted much attention (Hogarth et al., 2002). British scientists are developing closer observation of the socio-economic system as it related to 'disadvantage' and 'trajectories'. The British debate is concentrating on the notion of "social exclusion" rather than on "precarious employment". Also the question whether an underclass exists may be seen as a typical feature of the British debate.

In France the focus is on the "societal aspect" questioning whether the whole society might become precarious. The wide public concerns about "new poverty" in France, and its expansion to heretofore protected social groups in France was probably a determining factor for the influence of sociological studies and essays on the erosion of the traditional waged employment relationship and for the audience gained by theses of the "precarisation" of society. But this was also probably due to the revisiting of a longstanding sociological tradition in France, looking at status as a key to social cohesion. Waged employment being at the core of "statut" and its erosion is seen as a danger potentially affecting the whole of society (see an overview of the debate in Barbier et al. 2002). The French debate on precariousness needs to be viewed in the tradition of the important role of the State and the

[2] Barbier, J.C., (2002b): 'Precariousness' of employment: Linguistic and conceptual differences, Political discourse and academic debate in five countries, Germany, Spain, France, Italy and the UK, Presentation for the ESOPE meeting, München, March, 5th

debate on the decline in solidarity. Thus, in the French scientific debate on precarious employment, the focus is on legal and social rights.

In contrast to France and the UK the German, Italian and also Spanish debates are concentrating on industrial relation issues. In Germany, the question is whether an erosion of collectively regulated employment relationships (*Erosion des Normalarbeitsverhältnisses*) can be observed, while in Italy the problem of collectively regulating the labour market is more politicised, a greater emphasis lies on the role of the collective actors at the macro-level.

In Spain, the focus of the debate is on the increase and the high incidence of temporary employment (*trabajo temporal*), which has become according to some authors a structural feature of the Spanish labour market. A large research body is analysing this dimension of precarious employment departing from a segmentation theory approach.

In Spain segmentation theories have focused on the dualisation of the labour market in a primary and secondary labour market, while in Germany the segmentation theories are showing segmentation lines basically between the internal, an external labour market and occupational sub-markets. In France, labour market economists have highlighted either a "myriad" of statuses, or at least the emergence of differentiated uses of flexibility and atypical employment contracts according to workforce groups. The segmentation and the contract theory were widely developed in Italy, but they were not strictly related to the debate on precarious employment (Frey et al. 2002).

Another strand of the debate in all countries refers to the increasing flexibility at the labour market. Flexibility and economic constraints are dominating the debate in particular in the UK, but also in Italy and in Spain. The differences in this debate which can be observed across the countries reflect in particular the diverging role of the State and the expectations from the Welfare State in the national context. In Italy the academic debate has been very much in touch with policy making and fuelled its analyses into the successive labour market reforms. The concern with the employment relationship was subordinated to the discussion about competitiveness, and from the 90s onwards, financial recovery and stability. Interestingly, among German labour researchers a new line of arguments have emerged recently, highlighting the positive effects of new employment forms (transitional labour markets). In contrast to the other countries studied, the argument to increase labour market flexibility is supply-side driven rather than demand-side driven. Not the competitive stance of the German economy and the need of companies for more flexibility are at the basis of this debate, but the high unemployment figures, the distribution of risks between groups of workers and the type of social concensus. It should be noted that also in Italy transitional labour markets have gained some interest in the political and academic debate in the recent past. In France, two strands of research that have dedicated particular attention to the issue of flexibility deserve mentioning: the regulation school, and other economists taking similar approaches; and general, or critical, political sociology. However, they seem to have been concerned mainly with flexibility strategies at the level of firms.

The different production models, the high labour costs – high productivity strategies versus low labour cost – low productivity strategies, lead to a different focus of the debate, flexibility and low labour costs being in the centre of interest in particular in the UK and in Spain. German economists have been discussing the permanency and evolution of an economic model chiefly based on high value added and high productivity sectors (see for an overview of this debate in Düll et al. 2002), in contrast for example to Italy, where deregulation was

seen as an imperative for the competitiveness of the whole Italian economy. Although, the debate on enhancing labour market flexibility has gained importance, a large part of the academic community values positively the German model of labour market regulation as suited to the competitiveness model.

3. Incidence and trends of precarious employment

As there is no common understanding of precarious employment among the five countries under review, it makes it difficult to find a common set of indicators to measure it. The comparative analysis of the literature, the data and the national context factors shows that precarious employment needs to be understood as a multi-facet notion and a multi-dimensional phenomenon.

The four dimensions of precarious employment
A list of criteria for grasping the various dimensions of precarious employment was established by Rodgers for the ILO. He identifies 4 dimensions: the level of certainty over the continuity of employment; individual and collective control over work - working conditions, income, working hours; level of protection - social protection, protection against unemployment, or against discrimination; insufficient income or economic vulnerability.

In line with this approach we will structure these dimensions in

- a temporal dimension, measured mainly through temporary employment and its sub-categories, tenures, part-time employment, quasi self-employment
- an economic dimension, using indicators like the share of low wage employment and access to training
- an organisational dimension, looking at working conditions and control over working time
- a social protection dimension, addressing social protection coverage, the hidden economy and industrial relations.

Comparability of data
Besides the difficulty with assessing the extent of precarious employment due to the different forms of employment relationships which can be considered as precarious in the national context and the different aggregation levels of the terms used (eg. of atypical employment and of temporary employment), there is a further problem arising: the available comparative data contains a great deal of limitation.

For example one of the indicators used for measuring the “temporal dimension” of precarious employment is the “temporary contract”. However, this indicator appears to be too highly aggregated for the purpose of a comparative analysis of the temporal dimension of precarious employment. To depict whether precarious employment exists, it is important to analyse which types of temporary contracts can be regarded as reflecting precarious employment. The commonly source used is the European Labour Force Survey Data.[3] But also, the Third Survey on Working Conditions carried out by the European Foundation for the Improvement of Working and Living Conditions is informing on fixed-term contracts.

[3] *To our knowledge so far*, with regard to labour market “status”, the *published* Eurostat Labour force statistics strictly depend on item n° 45 (“permanency of the job”) in the “Labour status” section, [an item which separates

Table 1
Different data sources at European level compared

	2000 Temporary workers *Employm in Europe 2002,*	***2000 Fixed-term contracts*** *Third Survey on Working Conditions*	***2000 Temporary Agency contracts*** *Third Survey on Working Conditions*	***2000 Apprenticeship and other Training Schemes*** *Third Survey on Working Conditions*
France	15.3	9.3	3.2	1.4
Germany	12.7	8.5	0.6	2.1
Italy	10.1	5.4	5.0	4.2
Spain	32.0	27.1	2.3	1.4
UK	7.0	9.2	2.2	0.4

Source: Employment in Europe 2002, European Foundation for the Improvement of Living and Working Conditions

The problem with using LFS data on temporary employment consist in the fact that there are national variations as regards the groups of workers covered (eg. some public administration fixed-term contracts are excluded in the French data and the German LFS is excluding trainees detaining an apprenticeship contract within dual vocational training system).

A further indicator to measure employment stability is tenures. This indicator provides more integrated information than adding up non-permanent contracts for example, in that tenures also reflect the situation of the labour market. For example, as the European Commission points out, the increase in short term tenures between 1995 and 2000 in the EU does not only reflect an increase in labour market "flexibility" but also a wave of massive job creation. In that sense rises in short term tenures are to be interpreted with caution, and cannot be identified with a decrease of employment stability in a straightforward way. A basic problem is the gap which exists between the picture provided by actual tenures (which, as Auer and Cazes have shown, reveal the "resilience of the long-term employment relationship" in industrialized countries) and the feeling of insecurity which has become more widespread. Admittedly, the reasons for this feeling of insecurity to expand are very varied. The fact that tenures do not reflect contractual status, and therefore do not reflect the situation in which workers might hold a succession of unstable jobs with the same employer, might be one of them. Decreased social protection even for workers on long-term tenures might be another.

It is striking that average tenures are lower in the UK than in the continental European countries (Table 2). The general picture of more jobs proving to have a short duration in the UK than in the other countries and less employment relationships lasting for longer than 10 years is confirmed by an analysis of the distribution of employment by class of tenures. In comparative terms, this more differentiated analysis also clearly demonstrates the labour market segmentation between stable and short-term employment in Spain. In particular, do very short-term contracts (with tenures under 6 months) play an important role in Spain, in contrast to the other countries (Table 3).

"permanent jobs or work contract of unlimited duration" from all other forms added together ("temporary jobs/work contracts of limited duration".

Table 2
Distribution of employment by class of tenure (%)

	Under 1 year			*10 years and over*		
	1991	*1995*	*1998*	*1991*	*1995*	*1998*
France	15.7	15.0	14.3	41.4	42.0	45.0
Germany	12.8 (1990)	16.1	14.3	41.2 (1990)	35.4	38.3
Italy	-	8.5	9.9	-	45.6	49.2
Spain	23.9	35.5	28.4	39.7	34.2	39.8
UK	18.6	19.6	19.9	28.9	26.7	32.3

Source: Auer, Cazes, The resilience of the long-term employment relationship: evidence from the industrialized countries International Labour Review 2000 No. 4, p. 382

Table 3
Distribution of employment by employment tenure, 1995, percentages

	Under 6 months	*6 months and under 1 year*	*1 and under 2 years*	*2 and under 5 years*	*Under 5 years*
France	10.1	4.9	8.0	17.7	40.6
Germany	7.9	8.2	9.4	22.0	47.5
Italy	4.5	4.0	7.0	18.1	33.6
Spain	27.3	8.2	4.9	11.1	51.4
UK	10.5	9.1	10.7	19.5	49.8

Source: OECD 1997, Employment Outlook, p. 138

Problems exist also with regard to the use of voluntary and involuntary part-time employment. In particular, the informative power for comparative purposes of the indicator “involuntary employment” may be doubted as it depends heavily on national institutional features, mainly childcare arrangements. Also “part-time” is not precise enough to distinguish particular forms of employment as for example “marginal employment” in Germany (*geringfügige Beschäftigung*).

Furthermore, there is no common data source on the share of “false self-employed”. At the national level the volume of false self-employed and, among them, the share of those being in precarious employment is difficult to measure. However, this category might be quite important in some countries. Thus, false self-employment and freelance work reaches a high volume in particular in Italy. In 2000, nearly 2 million persons were registered as “freelance coordinated workers” (*lavoratori coordinati continuativi*). Together with occasional work, being classified as self-employment, and profit sharing associations, the freelance coordinated work is regarded as part of “false” self-employment (“quasi-subordinated” work). The “freelance coordinated workers” appear to be a highly heterogeneous group of workers with regard to gender, geographic areas and occupation. This category of workers encompasses managers and professionals as well as workers with more controlled tasks (Frey et al. 2002).

It goes without saying, that we have to face severe problems of availability and reliability of the data about the informal sector.

The incidence of precarious employment – main findings
Despite the difficulties with the comparability of the data which are resulting from the design survey questionnaires but also from the different role of specific employment forms in the national context, the basic findings of the comparative research on the incidence and

structure of the different dimensions of precarious employment or functional equivalents of precarious employment can be summarised as follows:

- Precarious employment is characterised by short tenures in Spain and to a lesser degree in the UK. In comparison to the other countries it is striking that in Spain a high share of contracts even lasts less than six months. In contrast to the UK, where employment protection is low, in Spain in the context of a higher level of employment protection for unlimited labour contracts and at the same time legal provisions allowing for a large use of fixed-term contracts, short tenures are realised through fixed-term contracts and temporary agency work. In Italy, temporary employment and short tenures as measured by the Eurostat data are at a low level despite the high degree of labour market regulation. However, the temporal dimension might be underestimated in the case of Italy as the high volume of quasi self-employed are likely to be not adequately reflected in the data. Nevertheless, it appears that there is no Southern European model with regard to temporal dimension of precarious employment.
- Interestingly, in France and Germany temporary employment is widespread either in the public sector or as a form of subsidised labour and thus State induced (it should be added, that temporary employment in the public sector can be found in all five countries under review).
- Involuntary part-time has proved to range at a high level in the latin countries France, Italy and Spain. Voluntary part-time employment is typically high in West-Germany and in the UK. In the case of these two countries, it has been argued that due to the lack of childcare facilities women are somewhat obliged to take on part-time jobs on a voluntary basis. In the case of Italy and Spain, where also a dramatic lack of childcare facilities can be observed, the low levels of voluntary part-time employment reflect that less women try to combine work and family lives.
- Quasi self-employment and freelance work play a major role in Italy, but also in Spain.
- Also hidden employment is important in these two Southern countries.
- The working poor phenomenon is reported to be high in Spain and in the UK (in the British context the high level of wage inequality needs to be stressed), but retains also much attention in France and in Italy although the problem is less pronounced. In the case of Italy it has been underlined that the incidence of low-paid employees appears generally much higher at the end of the 1990s than at the mid 1990s. In Spain low wages are strongly correlated with temporary work, while in other countries the link between low wages and contract forms seems to be less clear cut.
- Bad working conditions seem to be a main feature of precarious employment. Here again, the Spanish case has very bad records as measured by the high number of accidents at work.

The table below gives an overview of incidence of the different indicators in the five countries

Table 4

Incidence and relevance of different forms and dimensions of precarious employment in the national context

	France	*Italy*	*Germany*	*Spain*	*UK*
Short tenures	High	Medium	Medium	High	High
Fixed-term contracts	Medium (Focus in the debate on temporary subsidised labour)	Low (Focus in the debate on temporary subsidised labour) (in particular combined training and work contracts)	Medium (Focus in the debate on temporary subsidised labour)	High	Low (increasing, sharp increase of temporary agency workers)
Temporary agency work	Medium	Medium	Low		
Part-time	Medium	Low	Medium (But high incidence and relevance of marginal "employed")	Low (High incidence in connection with temporary employment)	High (but not perceived as precarious employment)
Involuntary part-time	High	High	Low (but high in East Germany)	High	Medium
Quasi self-employment, freelance	No precise data for France	High	Low	High	Medium, (but high in the cultural industry)
Bad working conditions for "atypical workers"	Correlation between bad working conditions and atypical empl	High in the hidden economy and in general for the low educated and skilled workers operating in the Southern regions	No data (In general low-skilled)	High	High (work intensification, subcontractor)
Working poor	Medium (But high relevance in the debate)	Medium (low-paid work is mostly linked to "atypical work" but may also occur in standard employment)	Low	High	High
Hidden economy	Medium (*)	High	Medium (*)	High	Medium (*)
Little / no collective rights and representation	High	High	High	High	High

(*) According a comparative study on share of hidden economy in GDP, F. Schneider, Schattenwirtschaft – Tatbestand, Ursachen, Auswirkungen, Vortrag auf der Tagung "Die Arbeitswelt im Wandel" in Mönchengladbach, April 2000

Specific groups of workers affected by precarious employment
As regards the structure of low quality jobs in the European Union, it can be stated in general terms that the gender gap is quite important, although not all indicators assessing different dimensions of precarious employment show a less favourable situation for women.

Furthermore, there is a higher and - with the exception of Germany even a markedly higher - probability for young people to be in jobs with low pay and insecure jobs with bad career prospects.

Table 5
Incidence of young people being in temporary employment, (quasi) self-employed and in part-time employment in the five countries

	France	Italy	Germany	Spain	UK
Temporary employment	High All skill levels	High	Low (excluding, apprentices) Low-skilled	High	Low Mainly 16-19 years old
quasi self-employment, self-employment	Low	Medium	Low	No data	Low
Part-time	Medium	High	Medium (mostly marginal employment in relation with education)	No data	Very High (mostly in relation with education)

Finally, it is important to note, that in the UK and in Spain short tenures and temporary work, and in the case of the UK also part-time work is also affecting elderly workers.

A low skills level also leads to an above average probability to be in precarious employment. These findings are also confirmed by the Employment in Europe 2001 report presented by the European Commission. Furthermore, our research work has demonstrated that immigrants are particularly likely to be in precarious employment. However, these groups of workers differ with regard to the probability to stay in precarious employment, to exit the labour market or to improve their job situation as a whole as we will show in the next chapter.

Sectors and types of companies
The focus of temporary and short-tenure employment is concentrated in the service sector in all the five countries. According to Labour Force data, temporary employment is concentrated in personal services in all five countries, and in particular in Italy and in the UK (table 6). Furthermore, in all five countries, temporary employment was found to be less widespread in the manufacturing sector than on the average of the economy. However, in the Italian case it has been argued, that including quasi self-employed (freelance coordinated workers, *parasubordinati*), the incidence of temporary employment tends to be higher in the manufacturing industries and much lower in agricultural sector (Frey et al. 2002). This might be partly due to the fact, that the manufacturing sector is traditionally more regulated by the collective actors than other sectors. Furthermore, except in Italy, the job tenures tend to be

longer in the manufacturing sector than on average of the economy.[4] Furthermore, there are differences in regard to special manufacturing sub-sectors (e.g. car industries in some countries).

Especially, personal services are characterised by temporary employment and short-tenure work (Table 6, a sectoral analysis by temporary employment confirms these findings). In most countries further typical service sector sub-branches with a high share of precarious workers are: hotels and restaurants, retail trade as well as private households. Temporary employment is also on the increase in the public sector in all five countries.

Table 6
Sectoral differences in average job tenure, 1999
Ratio of incidence of average job tenure for each sector to average tenure for all sectors

	Manufacturing	*Electricity gas and water supply*	*Construction*	*Producer services*	*Distribut. services*	*Personal services*	*Social services*	*Incidence in % all sectors*
France	1.09	1.44	0.90	0.87	0.92	0.63	1.12	11.2
Germany	1.11	1.38	0.83	0.88	0.94	0.69	1.08	10.3
Italy	0.93	1.28	0.85	0.93	1.01	0.76	1.16	12.1
Spain	1.08	1.48	0.62	0.91	0.97	0.70	1.23	10.1
UK	1.11	1.46	1.15	0.85	0.87	0.68	1.12	8.3

Source: OECD 2001, p. 119. Data on the basis of the European Labour Force survey

According to an evaluation of the European labour force survey carried out by the OECD, a concentration of temporary employment could be observed in the construction industry in the four continental European countries (this is also reflected in lower than average tenures in this sector, Table 6). In particular, a comparatively high incidence of temporary employment was characterising the Spanish and (though to a lesser extent) the Italian construction industry. In the German case, the concentration of temporary work in the construction tends to be higher than reflected in the data as illegal temporary work is quite common. Furthermore, a particularity of the German construction industry consists in the use of quasi self-employed.

As the analysis of skill structure suggests, temporary employment is concentrated in the low-skilled sectors, but in most countries an increasing share of highly skilled temporary workers could be identified. The cultural industries in particular in France, but also in Germany and the UK are reported to have high shares of peripheral forms of employment (including self-employment). Temporary employment is also on the increase in the public sector in the UK (in particular education and health sector), Spain, France and Germany. Furthermore, in some countries a concentration of atypical work in retail trade (Italy, Germany with regard to “marginal” employment, UK with regard to part-time with variable hours and temporary employment) is being observed (Freyet al. 2002, Düll et al. 2002, Hogarth et al.2002).

Moreover, the analysis of our five countries shows that the link between enterprise size and precarious employment is far from obvious. The differences in the structure of economic

[4] However, in the Italian case it has been argued, that including quasi self-employed (freelance coordinated workers, *parasubordinati*), the incidence of temporary employment tends to be higher in the manufacturing industries and much lower in agricultural sector (Frey et al. 2002).

sectors by company size may explain part of the differences in the use of atypical employment across countries as well as sector specific business strategies. To give an example, the retail sector is characterised by a concentration in large companies in the British case, while in Italy comparatively more small enterprises are acting at the market.

Is precarious employment on the increase?
In most countries precarious employment has increased over the last two decades. However, with the exception of Spain, where it has been reported that precarious employment has become a structural feature of the Spanish labour market, this growth, mostly departing from a low level, has not abolished permanent full-time jobs as the global employment norm. In Spain, a stabilisation and even low decrease of precarious employment over the recent past can be recorded. However, precarious employment still remains at a high level in this country.

In Spain the growth of precarious employment over the last two decades was driven in particular by the rise in temporary work, however not in the recent past (see above). In Italy, the rise in the number of quasi self-employed (*parasubordinati)* needs to be stressed, in France a rise in atypical employment (*formes particulaires d'emploi*) has been recorded and in Germany marginal part-time employment (*gerinfügige Beschäftigung*) grew until the end of the 1990s. It should be added that in some countries, like Spain and France also a rise in involuntary part-time employment was recorded.[5]

5. The correlates of precarious employment at the macro level: the national regulatory framework, policy and economic context

5.1 Interaction between the political system and precarious employment

Social protection system
The different systems of the social protection systems lead to diverging approaches for combining income security and employment insecurity.

In the Germany case it has been stated that marginal employed, and in the Italian case with regard to "irregular" workers detaining contracts with less or no social protection, might be in some cases covered by the social protection system, namely the dual jobholders, housewives, retired workers and students (Düll et al. 2002, Frey et al. 2002).

In the Italian case it has been argued that the social protection system determined the diffusion of various kinds of atypical employment. Not only the size of hidden employment depends on this structure but also the spread of combined training and work contracts and of several other forms of atypical employment partly induced by social security contributions being lower than those charged on standard employment. Furthermore, research in this field underlines that the very low social charges applied to freelance coordinated work has had a strong impact on the rapid spread of this employment form (Frey et al. 2002).

The design of the social protection system is setting incentives or disincentives for taking up employment under unfavourable conditions. Thus, in the UK, where individuals loose their jobs, there are strong financial incentives for them to re-enter the labour market because payments from Jobseekers' Allowance and/or Income support (means tested social security) are low relative to wage levels (Hogarth et al. 2002). In the same way in Spain, low coverage and low unemployment benefits entails intensified pressure for accepting precarious and

[5] It should be noted, however, that there is a discrepancy between growth rates and levels.

temporary employment (Frade et al. 2002). Also in Italy the level of social benefits is comparatively low.

In the German public debate, the link between the comparatively generous social protection system and unemployment has retained much attention in the recent past. It is asked whether the unemployment benefits and the social assistance regime are discouraging people from working ("social assistance trap"). The presently debated reform of the social protection system allowing a combination of work and benefiting from a lower social assistance rate would imply that atypical forms and precarious forms of employment could be much higher (an overview of this debate is given in Düll et al. 2002). In comparative terms, not only Germany but also France has set up a relatively generous social protection system.

Labour market policy

In the case of France, Italy and Germany an important share of fixed-term employment contracts are policy driven in the context of wage subsidies. The labour market effects of the wage subsidies are rather questionable, often these labour market policy measures fail to integrate people into the "regular" labour market.

Labour market regulation

The level of regulation seems also to play an important role. Thus, Spain has a particularly high share of atypical, especially temporary employment while the contrary is true for the UK. The reason for this difference seems to lie in the level of employment protection. Companies in Spain are obviously trying to escape employment protection linked to permanent contracts. In order to deregulate the Spanish labour market, a number of legal provisions have been made to allow for a wide use of temporary contracts. There have been around 10 to 12 kinds of legal contracts at any moment in the last fifteen years, and 14 in some periods.[6] However, in the UK workers feel their job more insecure (OECD 1997). This may be an indication that in the UK precarious employment does less stick to the non-standard employment forms but that more "regular jobs" are at risk.

Another strand of arguments explaining the spread of precarious employment refers to the decline in union power in a number of countries. Actually, the spread of precarious employment takes more place in sectors where union density has never been high (e.g. catering) as well as among groups of workers who have never been sufficiently targeted by the unions (women, low-skilled, younger worker, etc.). In particular, in the Spanish case it has been argued that the lack of union power explains largely the spread of precarious employment (Frade et al. 2002). It has to be noted that the industrial relations systems as well as the level of union power vary significantly across European countries (Düll 1995).

In Italy the recourse to atypical employment was seen as a way of reducing the influence of powerful trade unions. This interpretation appears to be consistent with the fact that a relevant part of federal unions contrasts the further spread of limited duration employment, tends to limit the share of it by means of collective bargaining and attempts to create some forms of union organisation in the field of atypical employment (Frey et al. 2002 referring to Altieri e Oteri, 1999; Carrieri e Leonardi, 2000; Cisl, 1999; Orecchio, 2000; Vettor, 1999, concerning, in particular, the free-lance coordinated work). Furthermore, in Italy and in Germany flexibility tends to be collectively negotiated.

[6] The contractual modalities are considered in the literature as "de jure" precarious employment, that is precarious employment created through legilslation (Frade et al. 2002).

Moreover, in the German context, besides the analysis of the decline of union power, unions still hold a great deal of power which has led some authors to explain the relative low level of precarious employment by the relatively high level of union power (Vogler-Ludwig 2002). Deriving from an insider-outsider model one can argue that in Germany the outsiders are more typically unemployed rather than in precarious employment.

Training system

There appears to be a link between the vocational training system of a country and the extent of the labour market entry problem for the young people. Thus, the German "dual" system of vocational training seems to be comparatively successful in bringing young people into permanent employment (Düll et al. 2002). The tradability of qualifications at the external labour market may also lower the risk of being trapped in precarious employment when (re-)entering the labour market. In France, several qualification programmes have been initiated by the State in order to enhance the skills level mainly of young workers like training schemes in the public sectors (Barbier et al. 2002a). We can also observe a rise of "*contrats de qualification*" which follows the model of "dual" vocational training in Germany (but still at a low level).

In the UK, the evidence points to certain sections of the population failing to acquire the most basic skills required to function in the labour market. This has been seen by some as a system failure which recognises that the deficiencies of the compulsory education system are such that post-16 vocational education and training is unable to compensate for them. Related to this is the 'low skill equilibrium' analysis that speculatively suggests that the supply and demand for skills has reached equilibrium at a sub-optimal level in relation to productivity.

In the case of Italy, it has been argued that, on the basis of available information, limited duration employment and other contracts with low firings costs has been utilised by employers as a mean of workforce selection given the unsatisfactory quality of skills provided by basic and vocational education.

5.2. Flexibility, productivity and the role of precarious employment

Economic context factors – a macro perspective

The expansion of precarious employment appears to be only a valuable strategy in the context of a low productivity production model allowing for an extensive use of numerical flexibility. Thus, Spain and the UK show the highest figures of short tenures. In countries with high-wage high-productivity strategies there is a stronger interest in stable employment relationships, as instability is linked to costs like the loss of firm-specific skills. In particular in Germany it has been argued that a high skills level and stable employment relationships constitute the basis for its high wage – high productivity strategy (see for instance Hofmann, Walwei 1999). It appears that the same can be stated for the case of France. In contrast in the UK and in Spain precarious employment needs to be placed in the context of the poor productivity performance in the economy of both of these two countries but in particular in Spain. In the case of Italy, such kind of general statements encounter the problem of the very high dichotomy between Northern and Southern Italy.[7] Nevertheless, it seems that the general link between the "productive" model of a country or a region (and linked to it to the

[7] In contrast to the regional differences between East and West Germany, Northern and Southern Italy show significantly differences in both the productivity level of the regional economies as well as in the relative incidence of precarious employment.

flexibility strategies adopted by companies) and the incidence of precarious employment could also be valid in the case of Italy.

Flexibility strategies of the firms

Pioneering research on the model of the "flexible firm" was carried out at the beginning of the 80s in the UK (Atkinson, 1984). In a much debated article, Atkinson defined different types of flexibility (functional, numerical, financial) and analysed their occurrence in the "flexible firm". The flexible firm typically organises functional flexibility for its core workers and numerical flexibility for workers in the "periphery", in order to respond to fluctuations in market fluctuations and heightened competition.

There has been much discussion in the UK relating to whether the use of temporary employment contracts by employers is a strategic response to meeting uneven flows of work, or a more *ad hoc* response to the unpredictability of peaks in demand or staff shortages. In the late 1980s and early 1990s the 'core-periphery model' was presented which suggested that firms had a core of permanent staff, central to the functioning of the business, and a peripheral group of workers who were hired for a limited period to meet peaks in demand (see, for example, Atkinson and Meager, 1986). The evidence, at the time, for the strategic deployment of temporary employees was not totally convincing (Pollert, 1994).
More recent evidence has revealed that some workplaces have developed strategic human resource policies in the manner described above (Purcell *et al.*, 1999). In sectors with highly competitive product markets and where labour costs were a substantial component of their prices, the employer had attempted to transfer the risks attached to the product market to the individual. In areas where trade unions were still able to exert some influence to protect permanent contracts of employment, employers had sought greater flexibility within the permanent contract of employment (e.g. more flexible working hours). In general, employers preferred directly employed temporary staff, and used agencies or sub-contracting arrangements only when faced with labour shortages which could not be met in any other way.

In Particular in Spain, it has been shown that companies are following a strategy of external or numerical flexibility. In respect to subcontracting it has been argued that the higher the company's dependency on other companies, the greater the tendency to shift adaption costs to employees by means of precarious employment (Cano 1998) .

Also in Italy, researches have found that the need for higher labour flexibility represents the most important explanation of the rise in atypical[8] and precarious employment in Italy. Limited duration work, in particular, constitutes an arrangement primarily increasing numerical flexibility. Labour cost reduction has been another reason for adopting atypical employment by the firms. This was particularly important in the case of combined training and work and apprenticeship contracts, which allow relevant reductions in wage and non-wage costs aimed at expanding employment opportunities for youth (Ministero del Lavoro e della Previdenza Sociale, 2000). Alternative ways of adjustment comprehend working time flexibility, part-time work, solidarity contracts, other labour policies measures like Wages Guarantee Fund, early retirement and other measures to assist workers mobility. Moreover, the search for flexibility by the firms induced more radical changes in the employment structure towards an increase of the share of self- and quasi-self employment. Even outsourcing and decentralisation in favour of smaller and more flexible firms allowed the

[8] Precarious employment cannot be equated with atypical employment, however, most studies are investigating atypical employment in most of the five countries as well as at European level.

firms to avoid binding rules imposed by labour market regulation (see for example, De Luca and Bruni, 1993).

In France, it is argued, that in order to adapt to the permanent readjustments required by a highly competitive market, business strategies have tried to make their workforce more flexible, whether by outsourcing their production or internally, by hiring more and more workers on a temporary basis. (Barbier and Nadel, 2000). However, it has been stressed that there is little evidence from research that the rise in precarious employment is an outcome of globalisation and the requirements of the stock markets (Barbier et al. 2002). Furthermore, studies stress that the use of temporary agency work ("*intérim*") or fixed-term contracts is not a mechanically implemented consequence of all encompassing "low cost" strategies. A very comprehensive survey of the recourse to precarious employment in France as linked to business strategies was carried out between October 1999 and January 2001, leading to a 4-items typology of companies (Fourmont, Gallioz, Pichon, 2001):

- A first type of companies, of small or intermediate size and competing on a local market uses temporary work in a "traditional" way: temporary agency work and fixed-term contracts are used specifically and complementarily. Temporary agency work allows facing unforeseen events and it is used for low-skilled positions while fixed-term contracts are used for skilled positions and allow to adapt to the demand.
- A second type of companies resists "temporary agency work" and tries to use fixed-term contracts exclusively when necessary.
- A third type of companies, often part of larger groups and submitted to shareholders' pressure, only uses temporary agency work as a way to adapt to variations in demand. Explicitly this strategy is intended to limit future personnel expenditure in the case of an economic downturn.
- The fourth type of companies reduces both their use of temporary agency work and fixed-term contracts by turning to "network flexibility*" (flexibilité en réseau*) made possible by being members of a group.

Similarly, in the German debate it has been argued that the basic interest of the firm in atypical employment consists in reducing labour costs and enhancing flexibility (Kress 1998, Kratzer, Döhl 2000). The trend towards externalisation of risks has been studied particularly by the Institute for Social Research in Munich, which looked into new forms of "rationalisation" transcending the boundaries of the firm (outsourcing, reorganisation of the supplier chain, firm networks etc.). This type of rationalisation has been shown to lead to substantial employment effects which are unevenly distributed across the value chain. Whilst in the dominant firm, core workers may for a while hold to their positions, employees in the dominated firms are subjected to increased unemployment risk and to an array of various "atypical" and precarious employment relationships. Furthermore the inner structure of firms is also affected, as market mechanisms are introduced within the organisations, dismantling traditional wage relationships and causing a "disenclosure" of work (*Entgrenzung der Arbeit*, Kratzer et al. 1998).

Three types of strategies leading to an increased use of atypical employment (which may lead to precarious employment) can be identified in Germany:

- Traditional strategies of cost reduction and flexibility, combining both numerical and functional flexibility in the human resource management. This strategy is reflected for instance in the traditional dichotomy between skilled core-workers and unskilled peripheral workers.
- Cost reduction and flexibility strategies in the context of the reorganisation of firms. Primarily, cost-reduction and flexibility is achieved by externalisation. The flexibility

requirements are shifted from the main company to the contractor companies on the bottom of the supplier chain. These subcontractors or in some cases business units organised as profit centres are then implementing the above-mentioned classical strategy of combining numerical and functional flexibility. A new type of peripheral workers can be identified, consisting of self-employed like consultants or IT specialists (outsourcing) and freelancer. In contrast to the traditional strategy, there are no major differences between the skills level of core and peripheral workers.

- Atypical employment in the context of overcoming a crisis. Ongoing from the late 1980s, companies coping with an economic crisis leading to personnel cuts and mass dismissals are increasingly making use of atypical forms of employment. Ongoing from the late 1980s, "alternative" social plans have been elaborated mostly on the pressure of the trade unions, subsidised "qualifications and employment agencies" (*Qualifizierungsgesellschaften* and *Beschäftigungsgesellschaften*). The subsidised temporary employment relationships are precarious in many respects: they are of limited duration and the reintegration in the "regular" labour market or in the former company is rather uncertain. As already mentioned, subsides temporary employment played a major role in the context of the transformation process in East Germany. There might also be a general interest of a company in making use of atypical forms of employment during an economic crisis. Although, peripheral workers are particularly affected by cuts in the number of personnel, the company may have a special interest in atypical employment because of the crisis it faces, as flexibility requirements are increasing in such a situation.

At the cross-national level, recent research by the Dublin Foundation has fuelled some new elements in the debate (Goudswaard, Nanteuil, 2000). Taking the different combinations of flexibility variables into account (productive, numerical, temporal and functional flexibilisation strategies), the case studies reveal that flexibility strategies are implemented on a complementary rather than on exclusive basis. They often take place silmultaneously, driven by different motives. Flexibility strategies may be designed differently according to the groups of workers they apply.

6. Impact of precarious employment

In order to fully grasp the degree of insecurity and the distribution of labour market risks as well as to assess the implications of precarious employment for the individual and for the society as a whole it is crucial to analyse, whether the employment under consideration might enable the worker to be employed rather then unemployed to improve its situation in the long-term, especially in regard to employment and income stability. Furthermore, the question has to be raised whether precarious employment acts as a substitute for stable employment.

Relationship between unemployment, precarious employment and stable employment

From a macro perspective the hypothesis could be formulated that there might be a trade-off between unemployment and precarious employment. Although, there are good arguments supporting that there is a link between labour market deregulation and the growth of "bad job" (see again example of the UK, but also the growth of temporary employment in Spain linked to labour market flexibilisation, high level of unemployment but low level of precarious employment in Germany), the literature shows that the interlinkage is not clear cut. [9] In the

[9] For instance, the European Commission demonstrates in its latest Employment in Europe 2002 report that differences exist in the role of temporary contracts between countries. According to their findings in Spain (until the mid 1990s) and France, the share of temporary employment increases over the business cycle with GDP. By contrast, the share of temporary contracts seems anticyclical in Germany, in the UK and in Spain after 1995).

case of Spain it has been argued, that the expansion of precarious employment until the mid 1990s has substituted stable jobs rather than lowered unemployment. In the case of Italy, it has been suggested that both effects of precarious employment, a substitution and an employment creation has taken place.

Precarious employment and the role of transitional labour markets

One of the key question is whether precarious employment can be regarded as a transitional phase to enter the "regular" labour market and thus is more characterising the entry process into the labour market or whether it is marking a more durable situation indicating that specific groups of persons have problems to enter the labour market. Rotation between unemployment and employment is than characterising precarious employment, employment instability reflecting a general labour market risk for specific groups of persons.

With reference to the theory a distinction can thus be made between a deep segmentation of the labour market with no bridges between the labour market segments ("partition model") and the "queuing model". Precarious employment proves to be a labour market entry problem in the first place in the countries under review. However, the mixes between the different types of labour segmentation differ across countries.

The mobility of workers between unemployment, unstable and stable employment contracts was analysed in the Employment in Europe 2001 and the Employment in Europe 2002 reports of the European Commission on the grounds of the European household panel ECHP. At EU level almost one third of all those employed in temporary contracts in 1995 were in a permanent job after a year, whereas more than 20% left the labour force or became unemployed. Almost half of those in temporary contracts a year ago were still in temporary contracts one year later (see table 7). All in all it has been argued by the Commission, that employment proved to be quite stable, with 90% of those detaining a permanent contract still did so a year later.

Table 7
Transitions out of permanent and temporary jobs 1995/96 and 1995/98 (transition rates in %), EU

	Job status 1995			
Job status 1996	*Permanent*	*Temporary*	*Unemployment*	*Inactivity*
Permanent	91.9	29.7	9.7	2.6
Temporary	2.5	46.6	11.9	1.5
Unemployment	2.1	14.4	58.3	3.0
Inactivity	3.4	9.2	20.1	92.8
Job status 1998	*Permanent*	*Temporary*	*Unemployment*	*Inactivity*
Permanent	85.3	45.5	19.1	5.2
Temporary	2.9	29.6	15.0	2.9
Unemployment	3.8	14.2	40.43	3.3
Inactivity	8.0	10.8	25.5	88.6

Source: ECHP, European Commission, Employment in Europe 2002.

Table 8
Transition out of dead-end jobs into jobs of different quality, 1997/98

Transition into inactivity	Transition into unemployment	Transition into dead-end jobs	Transition into low-paid jobs	Transition into high quality jobs
7.2	13.7	38.0	12.0	29.2

Source: ECHP, European Commission, Employment in Europe 2002

However, transitions out of temporary work varied considerably across countries. Between 1995 and 1996, about 20% of the Spanish and of the French temporary workers were

unemployed one year later (these figures were the highest across Europe), as against more or less 10% in the other three countries, with the UK showing the lowest rate. In contrast to Spain, the transition between temporary employment and permanent work was particularly high in Germany and in the UK (with transition rates of about 40% in Germany and slightly less in the UK, as compared to less than 20% in Spain, the other two countries ranging in the middle). The transition rate between temporary employment and inactivity was highest in the UK (nearly 20%), and lowest in Spain and France (with rates amounting to less than 10%).

According to the Employment in Europe 2002, also transition rates from unemployment into employment differ significantly across countries. Persistence in unemployment between two years was particularly marked in France. Transitions back into employment were highest in Spain and the UK, while lowest in Italy. In the UK and in Germany transitions from unemployment into employment are dominated by transitions into permanent jobs as opposed to Spain and France where a large majority of the previously unemployed moves into temporary jobs. However, in the case of the UK it has also been argued, that re-entry to the labour market after a period of unemployment is most likely to take place through low paid temporary work (Purcell et al. 1999). Nevertheless, the UK seems to be less deeply segmented than the other labour markets as regards the transition from unstable to stable jobs. In France and Spain a combination of low transitions from temporary to permanent jobs and relatively high outflow rates in particular into unemployment leads to unfavourable transition patterns over long periods (European Commission, Employment in Europe 2002). The case of Germany and Italy, however, show that a higher year-to year transition from temporary to permanent jobs, do not necessarily guarantee a favourable evolution over longer periods, because of high outflows from temporary employment into unemployment. It should be added that in France, Germany and Spain high outflows from low quality jobs into unemployment despite relatively high year-to-year quality upward dynamics are stated in the Employment in Europe 2002 report. In the case of Germany, the rotation between not being in the labour force and atypical work has indeed been demonstrated in the literature in respect to marginal employed women (Düll et al, 2002). It should be noted, however, that temporary employment as a specific form of unstable employment doesn't play the same role at the labour market in the different countries, thus other forms of unstable employment needed to be looked at into more detail (Düll 2002).

Of all the five countries under review, the Spanish labour market seems to follow the strongest the "partition model" rather than the "queuing model". The transition rates are the poorest in the EU, Precarious employment has thus become a structural feature of the Spanish labour market, although the flows are important. However, it has to be noted, that transition rates may have significantly changed in the late nineties due to the growth of stable employment (Frade et al. 2002).

In contrast to the Spanish example, the case of the UK seems less clear cut. The British flexible labour market might be less deeply segmented than the Spanish one. Although in the case of the UK it has been reported that the risk of unemployment is greater where the individual is in temporary work and where the job is unskilled. Furthermore, one of the findings is that income mobility has decreased over time. Whilst there is considerable year-to year income mobility, it is mostly short range and there is a high level of persistence of people and households found in low incomes. However, it should be noted that in the UK 20% of those in a dead-end-job moved into inactivity a year later (Employment in Europe 2002).

In France, age plays a crucial role in defining the outsiders (i.e. those who hold a temporary job). This would mean that the “labour queue model” prevails. But for some categories, defined by more permanent characteristics (unskilled women for example), their situation refers more to the “partition model”: they seem to be trapped in secondary jobs. Barbier et al. (2002a) conclude that there would seem that there are various types of outsiders: short-term, long term and even permanent ones.[10] Notwithstanding the influence of economic cycles, the French labour market seems to have moved away from the “labour queue” model and got nearer to the “partition” model during the last twenty years. They presume in the case of France that the pool of “permanent” outsiders, i.e. those who will remain in the “secondary” sector throughout their active life cycle, has increased, especially among the less skilled workers. This may partly explain why precarious employment has retained so much attention in France in relation to its incidence.

In Italy, the picture is more diffuse as regional differences are important. Local areas, in particular in Southern regions characterised by a less integrated and weaker productive structure show a higher incidence of the work which would appear most exposed to the dimensions of precarious employment, such as hidden employment and temporarily created employment to meet unemployment problems. At the same time these regions show a lower incidence of what could be called “dynamic types” of atypical work, like ”freelance coordinated work” and temporary agency work. In these regions the question of transition is more clear-cut than in Nothern regions. Thus local areas characterised by an articulated and dynamic productive structure, with a large presence of small and micro enterprises alongside medium sized enterprises show a higher presence of “regular” atypical work. Furthermore the “freelance coordinated worker”, which account for a large part of the “regular” atypical work represent a highly heterogeneous group. Nevertheless, some researchers underline the presence of a “precariousness trap” in Italy. In this light the companies’ behaviour with regard to training or retraining strategies on the job appears to be a crucial aspect in many types of atypical contracts. Especially young are often to be found in the same precarious employment situation after five years. It has been advocated in the case of Italy, that a way to overcome the “precariousness trap” in the context of atypical contracts in the strongest local productive systems would consist in implementing learning strategies.

In comparative terms, the incidence of precarious employment in Germany appears to be low. Although a more important share of persons in unstable employment experience upwards mobility with regard to their employment situation than in other continental European countries, some groups of workers are likely to be trapped in precarious employment: foreigners, low-skilled, in some cases women-returner and especially in the case of cumulative labour market risks (f.ex. unskilled, female and foreigner). The German labour market is shaped by its dual structure, with insiders retaining a great deal of power and benefiting from a high degree of employment stability and “outsiders” who must bear the bulk of numerical flexibility and who are not collectively represented. Most of them are unemployed, some of them working under “insecure” conditions. However, it is important to stress that in contrast to many European countries, for the vast majority of young people (in case they are not belonging to the low-skilled) atypical employment is more likely to represent a transitional phase between education and training and permanent employment.

[10] Barbier, J.C. Barbier, J.C., dir., Brygoo, A., Viguier, F., (2002a): A tentative Approach to precarious employment in France : Defining and assessing precarious employment in Europe : a review of main studies and surveys. ESOPE Project, FP 5, Centre d’études de l’emploi, Noisy-le-Grand.

Impact on productivity
There might be a danger that precarious employment has a bad impact on the accumulation of human capital. Thus, in particular in the Italian case, the "queuing" of young people has to be viewed rather critically. In the continental European countries, a labour market segmentation is being identified with regard to training (lack of in-house training for precarious workers). A further problem in regard to precarious employment can arise from the fact that workers are often carrying out tasks not corresponding to their skills. This leads to a devaluation of human capital. In a more general view, there may be less incentives to invest in training as the duration of job decreases and as insecurity rises, (OECD 1997 referring to: Burchell (1996), The unequal Distribution of Job Insecurity", University of Cambridge, mimeo.).

7. Conclusion

The perception and the weight of the debate on precarious employment at national level do not necessarily reflect the incidence of precariousness. Thus, in comparative terms the incidence of precarious employment in France seems to stay at a middle field position while France is probably the country where precarious employment has retained the highest interest in the academic and in the public debate. In contrast, the data suggest that in the UK the incidence of precarious employment is higher than in France, but the question of precarious employments is not addressed as such. Contextual factors are once again decisive (tradition of a strong state vs. liberalism and individualistic approach). In Italy the debate is highly politicised and ranges in the tradition of macro-regulation by the collective actors. Also in Germany we have seen that the debate about precarious employment stems from the concern about collective labour market regulation and the power of the trade-unions to do so. However, in Germany a second approach towards precarious employment is evolving, as academics and politicians are advocating for enlarging transitional labour markets in order to reduce unemployment. Finally, in Spain precarious employment has entered the academic debate like in Germany only at the end of the 1980s. Despite the very high incidence of precarious employment, the debate on hidden employment and unemployment in Spain still outweights the debate on precarious employment.

Depending on the indicators chosen and the sources used, there are variation as regards the volume of precarious employment and the "ranking" between countries. Nevertheless, some characteristic features appear: precarious employment can be regarded as being at a comparatively low level in Germany, while in Spain precarious employment has attained a high level and can be regarded as a structuring feature of the labour market. France would take a middle-field position. In the case of the UK and of Italy a classification seems to be more difficult, however, the data shows argument for ranging these countries among those with a (upper) medium level of precarious employment.

A basic finding of the analysis also shows that the typical groups at risk of being in precarious employment are the young, the women, the low-skilled and immigrants. Even though, in some countries also elderly workers and high-skilled workers in some professions or sectors might be more likely in precarious employment. Thus, a common feature of those groups of workers consists in the fact that they have to face anyway higher labour market risks.

The comparative analysis suggests that the segmentation lines have deepened with no bridge to stable employment for the groups of workers who have anyway to face higher unemployment risks in a number of countries (low or "wrong" skills, immigrants, elderly

worker). Nevertheless, the analysis also shows that for some groups of workers precarious jobs may represent a transitional phase to stable employment (mainly young skilled workers, skilled women returner). Furthermore, there might be differences with regard to the sector in which precarious jobs is offered.[11]

The comparison of precarious employment has demonstrated that the criteria of the job, of the jobholders including trajectories, and contextual factors like the strategies of firms and the overall national regulatory and economic context - are determining all together the incidence, structure and trends of precarious employment. Furthermore, unstable forms of employment and "insecure" employment play specific roles in the different national context. These contextual factors are shaping the event and the forms of precarious employment.[12] A countries' or regions' production model and linked to it the major flexibility strategies pursued as well as the social security system are determining to a large extent the incidence of precarious employment, while the degree of labour market regulation has a greater impact on the specific shape of precarious employment takes in the national context (e.g. low tenures, atypical forms of employment). Finally, the impact of precarious employment on the individual on the one hand and on the economic performance on the other hand is highly influencing on the social acceptability of precarious employment.

[11] A sectoral case study analysis is part of the ESOPE project

[12] The ESOPE research project is also analysing the different types of flexibility-quality-security contracts Barbier et al. 2003 Normative and regulatory frameworks influencing the flexibility, security, quality and precariousness of jobs in France, Germany, Italy, Spain and the United Kingdom. ESOPE Project, FP 5, Centre d'études de l'emploi, Noisy-le-Grand.

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