

Are atypical employment relationships precarious? An empirical analysis of social risks

The significance of atypical forms of employment is increasing. More than a third of all employees either work in a fixed-term employment relationship, have a part-time contract, work in 'marginal' part-time work or are temporary workers. This expansion has ignited a debate about the qualitative aspects of atypical forms of employment. They are categorised as precarious and inferior in comparison to standard forms of employment. In synonymous equations the line between atypical and precarious sometimes becomes diffuse. This lack of clarity is linked to the fact that the concept of 'precariousness' is multi-faceted, and also variously interpreted and operationalised. Against this background the article examines empirically the extent to which the social risks of atypical employment differ from those of standard employment relationships.

The empirical analysis, based on data from the Socio-Economic Panel, compares temporary work, fixed-term and 'marginal' work as well as part-time work with permanent full-time employment. The characteristics of fixed-term and reduced working time are examined in a combined form. Social risks, or rather the risks of precarious work, are examined according to three criteria: wages, employment stability and employability. In assessing income, the low wage threshold is applied, which, according to international standards, is set at less than two thirds of the average wage. Employment stability is checked against the criterion of unemployment. Employability is a criterion that is difficult to operationalise and is represented as participation in company further-training measures.

The panel analyses in the time period 1989–2007 were carried out separately for men and women and confirmed the supposition that atypical employees were more at risk in precarious forms of employment than similar employees in regular forms of employment. However, these findings do not apply equally to all the criteria and forms of employment that were tested. Disadvantages in comparison to regular working relationships exist in the wage levels. Although the estimates display varying wage differences in comparison to standard working relationships, the differences for 'marginal' part-time work are particularly noticeable, whereas the wage gap is smaller for temporary workers. Examining the other forms of atypical employment, it is not possible to identify clearly which of the two criteria – reduced working time or the temporary nature – influence the differences in wages to a higher extent. The results do not reveal a uniform pattern that can be identified in the wage differences between men and women.

With reference to employment stability the results are more differentiated. Only people in fixed-term employment, either full or part-time, and temporary workers are affected by a relatively high level of stability risk. In this employment group the risks arising from precarious employment are seen to accumulate. Low employment stability goes hand in hand with increased risks to wage levels. Results for permanent part-time employees do not display a higher employment risk. For people engaged in atypical forms of employment, employment stability is thus affected more by the limited nature of employment than by the criterion of reduced working time.

In addition, the results show that as opposed to the characteristic of employment stability, access to further training is not independent of the duration of the term of employment. Part-time employees and those employed in 'marginal' part-time work have lower chances of participating in further training in their jobs than those engaged in regular forms of employment. For full-time employees with fixed-term contracts and temporary workers there do not appear to be such limitations on job training measures.

On the whole the results indicate heterogeneous risks associated with precarious employment in the atypical forms of employment that were examined. On the one hand not all of the characteristics that were examined in these forms of employment indicate greater risks of precariousness than in standard employment relationships. The social risks accumulate to a greater extent when the characteristics of atypical employment are superimposed, such as fixed-term and reduced working time. On the other hand, the same determinants can create differing degrees of risk. Accordingly the results are to be interpreted in a differentiated way. Even if the results indicate a higher social risk in the examined forms of atypical employment, the majority of these employment relationships cannot be described as precarious according to the characteristics examined here. Equally, the analysis does not imply that standard forms of employment are free of the risk of precariousness.