

Non-Regular Employment in the United Kingdom

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1. Introduction

- The UK case may be seen as a paradox:
 - lowest level of employment protection regulations
 - relatively little non-standard employment

- Why is this?
 - there are few costly regulations for employers to evade

- What are the challenges?
 - low-pay and low job quality; lack of progression for those in non-regular work

1. Introduction

- Long-term trends driving many changes
 - rising female participation
 - structural change (dominant service sector)
 - lack of affordable childcare constrains female employment; makes non-regular work attractive
 - longer supply chains; increased sub-contracting generate uncertainty and raise demand for non-regular work

- No evidence of a radical change as predicted in mid-1990s

2. Defining non-regular work in the UK

- **Regular:**

- full-time; open-ended contract; under-contract to a firm ('employee')

- **Non-regular:**

- part-time; temporary; self-employed

- Many categories over-lap

- (e.g. part-time temporary)

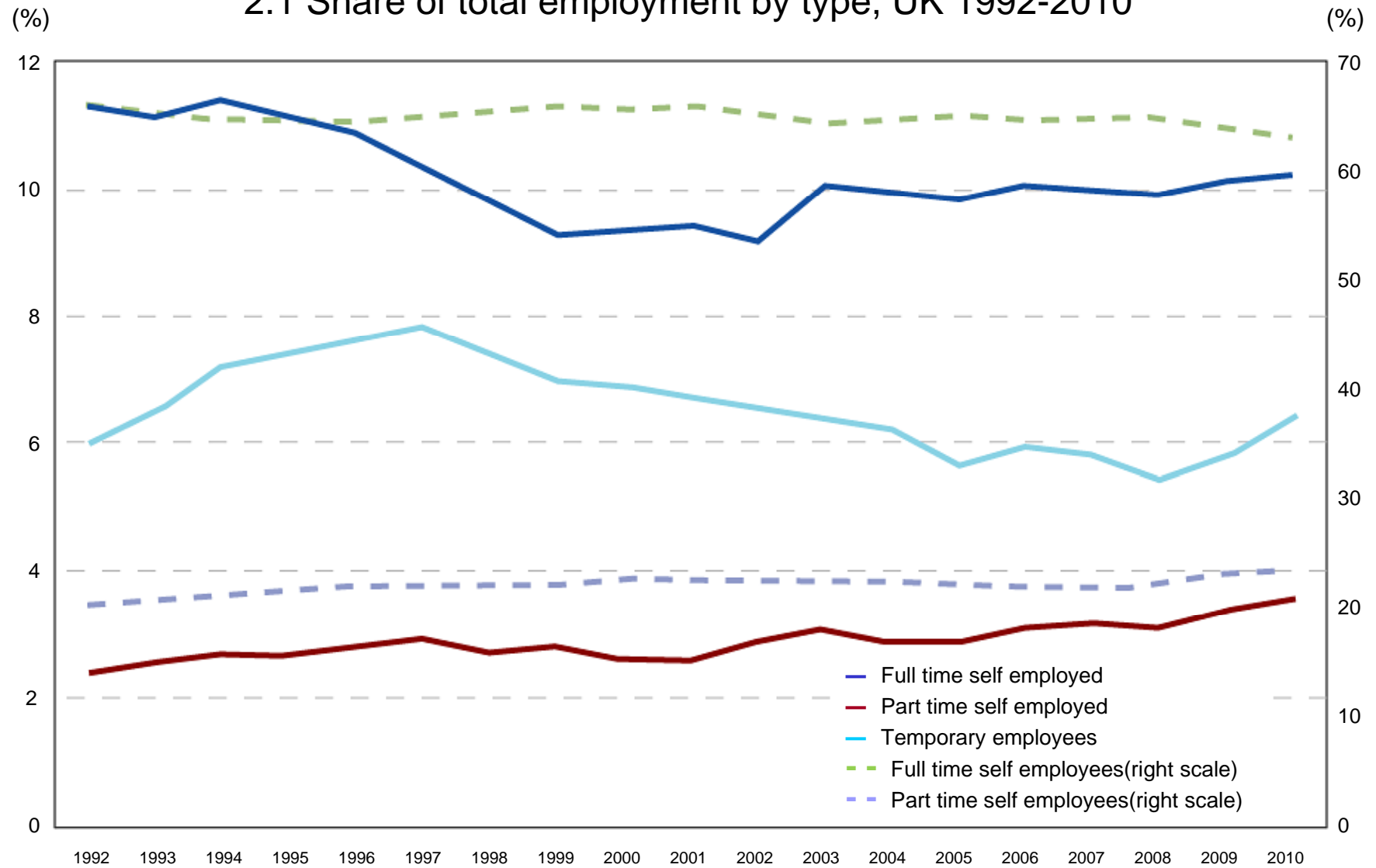
- Categories highly varied

- (e.g. range of temporary employment forms)

2.2 Patterns of non-regular work

- Following types are the focus
- **Part-time work**
 - steady rise in share; driven by female participation and service sector
- **Temporary work**
 - pro-cyclical with a lag; some change in composition
- **Self-employment**
 - remarkably stable; mildly counter-cyclical

2.1 Share of total employment by type, UK 1992-2010



2.2 Patterns of non-regular work

- A strong gender bias is evident in some forms of non-regular work
 - Full-time employees:
 - 72% of male jobs
 - 52% of female jobs
 - Part-time employees:
 - 10% of male jobs
 - 39% of female jobs
 - but women account for 78% of all part-time jobs
 - Self-employed:
 - 18% of male jobs
 - 9% of female jobs

(all data for 2010)

Figure 2.2 Temporary employment by type, all employees, UK 1992 to 2010

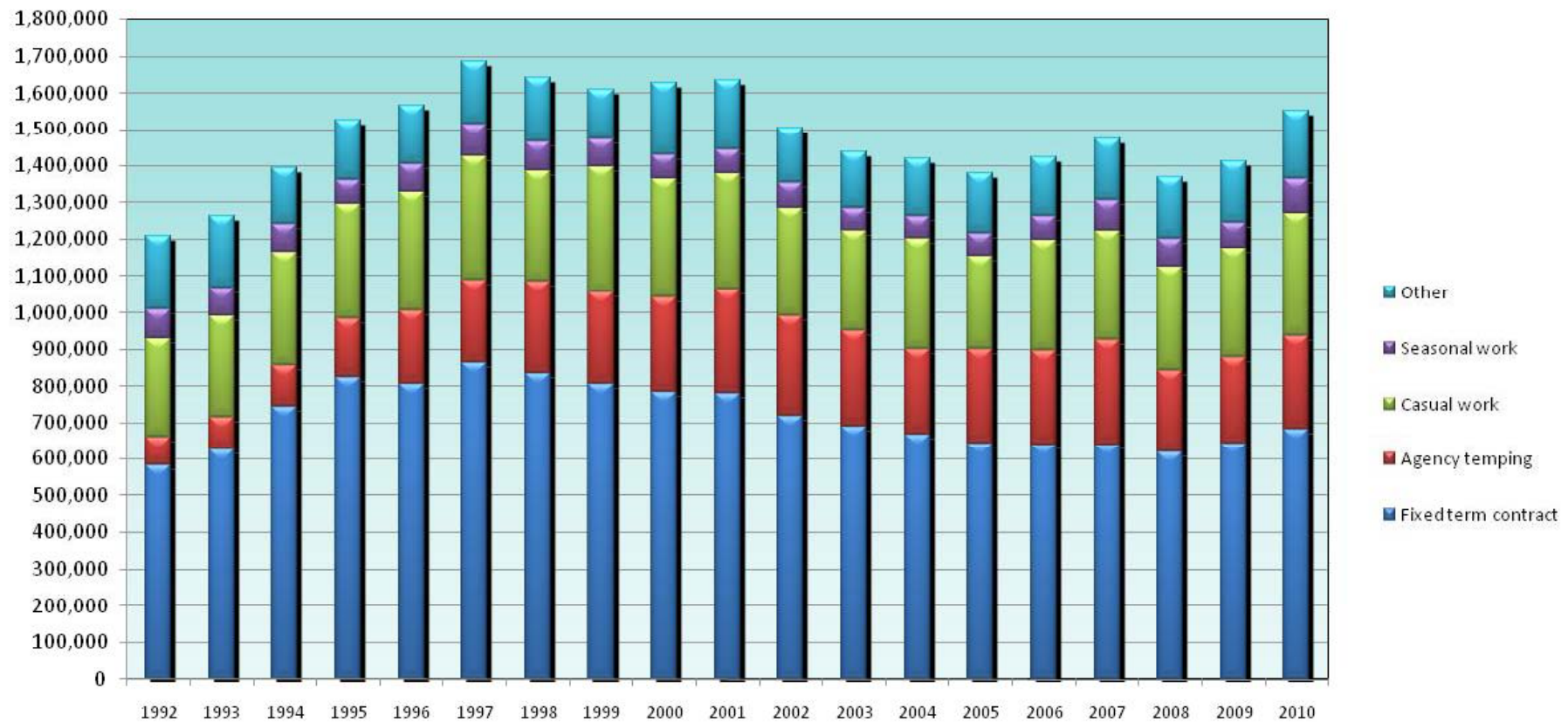
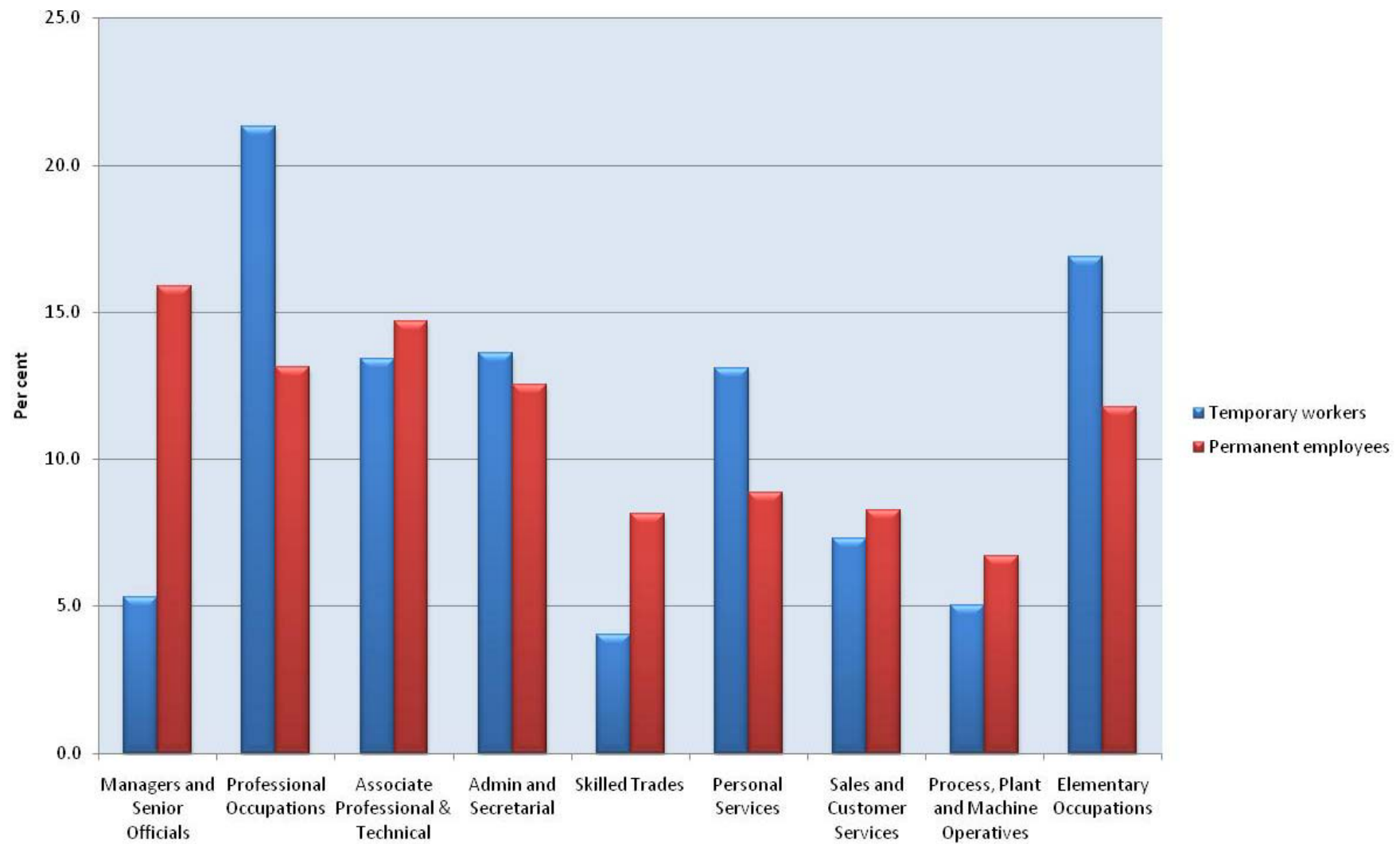


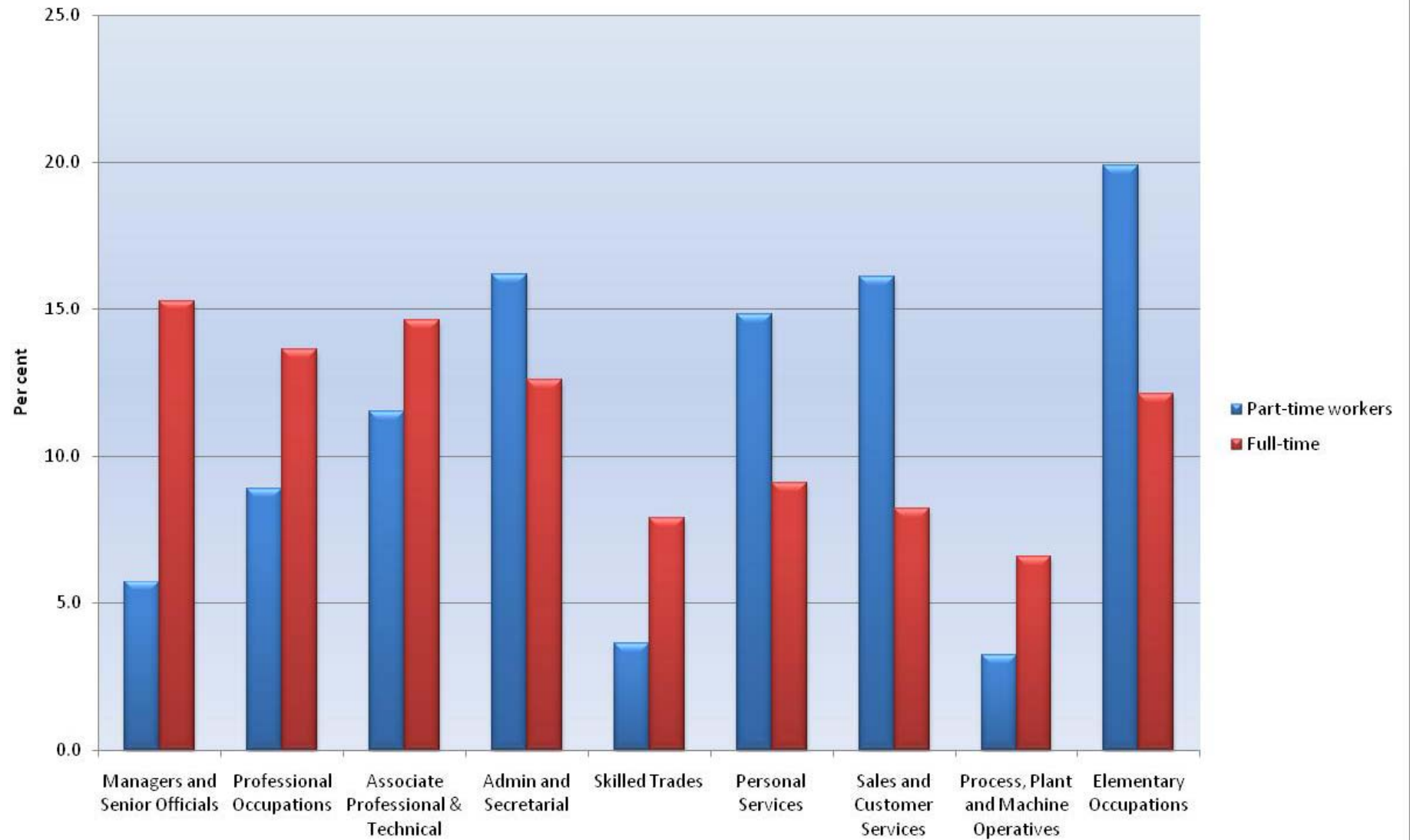
Figure 2.3 Temporary and permanent employee share by occupation, UK 2009



2.2 Patterns of non-regular work

- How many common is the use of non-regular work?
 - surveys show around 30% of workplaces use some temporary contracts
 - 83% of workplaces employ some part-time staff; in 30% of workplaces they are the majority of staff

Figure 2.4 Part-time and full-time employees by occupation, all, UK 2009



2.2 Patterns of non-regular work

- Self-employed workers
 - half found in construction and banking, finance and insurance
 - occupationally concentrated in skilled and professional jobs, but also drivers
- No secular trend in self-employment total

3. Transitions from non-regular employment

- To what extent is non-regular work a 'bridge' or a 'trap'?
 - to what extent does it reflect voluntary worker choice?
 - what is the empirical evidence on transitions?

3.1 Voluntary non-regular employment?

- Many non-regular are 'voluntary':
 - over 60% of part-time workers say they are not looking for a full-time job (15% cannot find one)
 - about 25% of temporary workers say they are not looking for a permanent job (35% cannot find one)
- ignores that choice may be constrained
 - do women have to 'choose' part-time or temporary work because of problems with childcare?
 - national policies for maternal employment required to ensure that these are voluntary choices

3.2 Evidence of transitions

- How many workers make it to regular jobs?
 - part-time jobs are stable, but more likely to lead to leaving labour force
 - temporary jobs often unstable; many return to unemployment/non-employment
 - moving from a temporary to a permanent job takes over 3 years; research suggests wages are permanently reduced

4. Non-regular workers and equality

- Non-regular jobs in the UK have tended to be ‘bad jobs’
 - i.e. missing several desirable characteristics
- EU directives have been designed to prevent discrimination (especially pay) against part-time and fixed-term temporary workers
 - agency workers’ protection more complex but should be introduced to UK by end of 2011
- Focus here mainly on pay

Table 4.1 Characteristics of regular and non-regular jobs						
	% of all employees in these jobs	% with low wages	% with no sick pay	% with no pension	% with no career ladder	Mean number of 'bad' characteristics
<i>Full-time permanent</i>	71.2	21.4	29.2	29.0	44.9	1.21
<i>Full-time temporary</i>	6.0	32.0	53.7	57.4	64.4	2.07
<i>Full-time fixed-term</i>	2.6	13.7	47.6	43.0	58.4	1.72
<i>Part-time permanent</i>	20.1	52.7	50.3	54.3	68.2	2.18
<i>Part-time temporary</i>	2.7	32.0	53.7	57.4	64.4	2.07
<i>Part-time fixed term</i>	1.0	29.7	57.0	51.1	46.2	1.87
<i>All workers</i>	100	28.9	36.1	36.7	51.1	1.48

Source: MCGovern *et al.* (2004).

5. Conclusions

- No strong secular trends toward non-regular work in UK
 - part-time trend reflects structural changes
 - self-employment shows no strong overall trend; reflects sectoral change
 - temporary work is cyclical but with some compositional change
- Employers have less need to use non-regular work?
- Regulation trying to address disadvantage
 - but pressures tend to be deeper: industrial structure and gender divides