

New forms of employment

Executive summary

Introduction

Societal and economic developments, such as the need for increased flexibility by both employers and workers, have resulted in the emergence of new forms of employment across Europe. These have transformed the traditional one-to-one relationship between employer and employee. They are also characterised by unconventional work patterns and places of work, or by the irregular provision of work.

However, little is known about these 'new forms of employment', their distinctive features and the implications they have for working conditions and the labour market. To fill this knowledge gap, Eurofound conducted a Europe-wide mapping exercise to identify the emerging trends. This resulted in the categorisation of nine broad types of new employment forms. On the basis of this, the available literature and data were analysed; 66 case studies were also conducted and analysed to illustrate how these new employment forms operate in Member States and their effects on working conditions and the labour market.

Policy context

Across Europe, policy discussions on new forms of employment are taking place. They revolve around the issue of how to make the labour market more flexible and inclusive; how to legalise undeclared employment practices; how to ensure sound social protection and working conditions; and how to avoid the replacement of standard employment by employment forms that are less favourable to workers.

Discussions mainly deal with labour markets and social policies. However, the debate is largely between the social partners, and governments, on the whole, do not seem to be taking an active role. Employers' representatives defend their need for flexibility, and employees'

representatives raise concerns about social protection, employment rights and working conditions. Flexicurity, once a prominent focus of debate among EU Member States, no longer seems to figure strongly in most countries.

Key findings

This project identified the following employment forms as new or of increasing importance since around the year 2000:

- employee sharing, where an individual worker is jointly hired by a group of employers to meet the HR needs of various companies, resulting in permanent full-time employment for the worker;
- job sharing, where an employer hires two or more workers to jointly fill a specific job, combining two or more part-time jobs into a full-time position;
- interim management, in which highly skilled experts are hired temporarily for a specific project or to solve a specific problem, thereby integrating external management capacities in the work organisation;
- casual work, where an employer is not obliged to regularly provide work to the employee, but has the flexibility of calling them in on demand;
- ICT-based mobile work, where workers can do their job from any place at any time, supported by modern technologies;
- voucher-based work, where the employment relationship is based on payment for services with a voucher purchased from an authorised organisation that covers both pay and social security contributions;

- portfolio work, where a self-employed individual works for a large number of clients, doing small-scale jobs for each of them;
- crowd employment, where an online platform matches employers and workers, often with larger tasks being split up and divided among a 'virtual cloud' of workers;
- collaborative employment, where freelancers, the self-employed or micro enterprises cooperate in some way to overcome limitations of size and professional isolation.

These wide-ranging new employment forms have an equally wide range of implications for working conditions and the labour market.

- Employee sharing, job sharing and interim management seem to offer beneficial working conditions, combining enhanced flexibility for workers with a good level of job security.
- ICT-based mobile work offers some flexibility, autonomy and empowerment, but also incurs the danger of work intensification, increased stress levels and working time, and blurring of the boundaries between work and private life. It may also outsource traditional employer responsibilities, such as health and safety protection, to workers.
- For freelancers and the self-employed, portfolio work, crowd employment and collaborative employment may enrich work content through diversification.
- Voucher-based work entails some job insecurity, social and professional isolation, and limited access to HR measures and career development, but offers workers the opportunity to work legally, better social protection and perhaps better pay.
- Casual work is characterised by low income, job insecurity, poor social protection and little or no access to HR benefits. The high level of flexibility might benefit some workers, but for most it is too much and they would prefer more continuity.

Those forms that seem most likely to be beneficial to the labour market are employee sharing, job sharing and interim management, while casual work is likely to be the most disadvantageous. All of the new employment forms have the potential to aid labour

market integration of specific groups of workers, but their job creation potential is rather limited.

Most of these employment forms contribute to labour market innovation and make it more attractive to both employers and a wider range of potential workers. However, there is a danger of labour market segmentation, particularly from casual work and voucher-based work, if the result is a widespread acceptance of fragmented jobs that are inherently linked to low income and limited social protection.

Policy pointers

- The heterogeneity of the new employment forms identified suggests that general discussions or policy recommendations for 'new forms of employment' are of little use. More specific and tailor-made approaches are needed, and these should be based on a joint understanding of what the individual employment forms are and national and cross-national exchange of information and experience.
- To increase the use of new employment forms that have been found to have positive effects on working conditions and the labour market – employee sharing, interim management and job sharing – steps need to be taken to raise awareness of them among both employers and workers. If public budgets allow, financial incentives could be considered.
- Safety nets are needed for some of the new employment forms, notably casual work, but partly also ICT-based mobile work and crowd employment. The findings of the current research show that balance is needed between the protection of workers and the need to make these new forms easy for employers to use. This could be achieved either by legislation or collective agreement.
- Regulation of new forms of employment should be clear and concise and not continuously changed; monitoring should be put in place to ensure compliance.
- Finally, it is recommended that discussion of new employment forms should be included in policy areas other than labour and social protection, such as regional development, sectoral development and business development.

Further information

The report *New forms of employment* is available at <http://eurofound.europa.eu/publications>

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