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*Nonstandard Work in Developed Economies: Causes and Consequences* edited by Susan HOUSEMAN and Machiko OSAWA, Kalamazoo, Michigan: W.E. Upjohn Institute for Employment Research, 2003, 513 pp., ISBN 0-88099-263-8.

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## Recensions

### Book Reviews

#### *Nonstandard Work in Developed Economies: Causes and Consequences*

edited by Susan HOUSEMAN and Machiko OSAWA, Kalamazoo, Michigan: W.E. Upjohn Institute for Employment Research, 2003, 513 pp., ISBN 0-88099-263-8.

For some, nonstandard work connotes substandard employment on multiple dimensions: low pay, the absence of health and pension benefits, and a lack of job security. For others, nonstandard work is seen as a way to increase flexibility for firms and individuals, a way for firms to keep down cost and a way for workers to balance the demands of work and family. Which view is correct? The collection of articles in Houseman and Osawa's *Nonstandard Work in Developed Countries* goes a long way in helping us to answer this question.

At the heart of this debate is a fundamental conundrum. How can firms maintain a flexible workforce while providing high quality reliable jobs to their employees? Each of the developed economies examined in this collection of articles represents a more or less satisfactory attempt to resolve this conundrum. In the last 30 years, most developed nations have seen work arrangements change in ways that afford firms more flexibility. In developed economies, this flexibility has been achieved by increasing the relative number of part time, fixed-term, and temporary jobs. Laws and regulations protecting the employment rights of workers have been relaxed to allow firms to terminate workers more easily. Rules requiring that standard and nonstandard workers receive equal compensation and treatment have also been

weakened. These changes were based in part on the belief that they would ameliorate high levels of unemployment, especially in Europe.

But many European countries decided these changes went too far, and the 1990s saw a period of re-regulation. The European Union has been a force for progressive change, recognizing and attempting to protect the rights of workers in nonstandard jobs. But the process of solving the basic conundrum is ongoing, and there is significant cross-country variation in the solutions being worked out by governments, firms, and workers.

While firms generally employ nonstandard workers to cut cost, the specific type of work arrangements that are utilized depends greatly on the local political, economic, and legal context. In Germany high unemployment and strict employment protections have led to an increase in part-time and fixed-term workers. In contrast, part-time employment in Denmark actually declined, the result of low unemployment and tax advantages for dual earner families. Of all the EU countries, Britain is the one country where the quality and use of nonstandard work most resembles the United States. Here, nonstandard work is concentrated in low skill jobs and is poorly compensated. This is partly the consequence of deregulation during the Thatcher years and weak re-regulation

under the current Labour government. While some parity between standard and nonstandard work is required, its effect is limited by occupation segregation between the two types of work. Nevertheless, there has been an effort to protect workers with fixed term contracts. After four consecutive fixed term appointments, workers are regarded as permanent employees. In the United States, temporary and fixed term workers have no such protection.

Of all the developed economies examined in this volume, Spain has the highest rate of temporary employment. One out of three workers in Spain is employed in a temporary job. This results to a large extent from a perverse relationship between job security and the use of nonstandard work, a relationship that has also been observed in Germany, France, and Japan. In these countries, strict regulations that protect workers from being fired or laid off have had the consequence of increasing the demand for temporary employment. In Italy, this has also spurred the growth of self-employment and the informal sector.

Nowhere is this relationship more evident than in Japan. In Japan, very strong employment protection laws and a traditional commitment to lifetime employment have combined with a peculiarity of the tax code to produce a large increase in part-time employment among Japanese women. As long as Japanese wives keep their earnings below a certain threshold, they receive a substantial tax advantage. Unlike the United States, Japanese women also tend to drop out the labour force when they have children. When they return to work, they are likely to do so as part time workers. Female part-time work is also encouraged by the Japanese retirement system, which entitles them generous benefits based on their husband's earnings. The result is that many Japanese women now work in part-time jobs for very low wages.

In most developed economies, women are overrepresented in temporary and fixed-term employment. France and the United States exemplify this pattern. Yet, because of industry wide collective bargaining agreements, French workers are more likely to have health and pension benefits. French temporary and fixed-term workers are concentrated in manufacturing; in the United States, they cluster in the administrative support and service. In both countries nonstandard workers serve as buffer for regular employees, facilitating the creation and maintenance of a split labour market.

These findings suggest that, in most places, the flexibility-security conundrum is being resolved in ways that benefit firms at the expense of workers. One possible exception is found in the Netherlands, where negotiations between organized labour and the business community have produced what is called "Flexicurity." The Flexicurity agreement has allowed employers to make greater use of temporary and fixed-term work in exchange for increased job security for workers employed in these arrangements. Under certain conditions, workers employed in a series of fixed term or temporary contracts will become permanent employees. Dutch workers can also request an increase or decrease in the number of hours they work. The result is that the distinction between part time and full time work has been somewhat obscured. Unlike the United States and France, part time workers are also more evenly dispersed across industries and occupation. In the Netherlands, and elsewhere in Europe, labour unions and worker councils have played a major role in securing employment rights and benefits for nonstandard workers.

*Nonstandard Work in Developed Economies* represents an important contribution to the growing literature on nonstandard work. There are two areas that should be given more attention. One is the relationship between

nonstandard work and immigrant labour. Immigrant labour has long played a role in the segmentation of European labour markets. This pattern is now being replicated in the United States. How do these workers fit into the calculus of nonstandard work? Second, what effect does nonstandard work have on the

general level of economic inequality in developed economies? Immigration and inequality are important elements in the flexibility-security conundrum and must be part of our discussion.

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***Employment Stability in an Age of Flexibility: Evidence from Industrialized Countries***

sous la direction de Peter AUER et Sandrine CAZES, Genève : Bureau international du travail, 2003, 272 p., ISBN 92-2-112716-8.

L'emploi instable dessine-t-il le modèle d'emploi de demain ? De nombreux travaux plaident en ce sens – notamment ceux de Beck sur la « société du risque » (*La société du risque : sur la voie d'une autre modernité* [trad. fr. 2001], Aubier, Alto), ceux de Giddens (*The Third Way*, Polity Press, 1998 [tr. fr. dans A. Giddens et T. Blair, *La troisième voie*, Le Seuil, 2001], *The Third Way and its Critics*, Polity Press, 2000), ceux de Gazier et Schmid sur les marchés transitionnels (*The Dynamics of Full Employment : Social Integration by Transitional Labour Markets*, Cheltenham, Edward Elgar, 2002) ou bien encore le rapport pour la Commission européenne sous la direction d'Alain Supiot (*Au-delà de l'emploi : transformations du travail et devenir du travail en Europe*, Flammarion, Paris, 1999) – confortant ainsi le jugement commun largement répandu sur le sujet. C'est à une réponse inverse qu'invite l'ouvrage coordonné par Peter Auer et Sandrine Cazes.

Fruit des travaux de l'équipe *politique du marché du travail* constituée au sein du département Emploi de l'OIT, ce livre fait le point sur la stabilité de l'emploi dans les principaux pays industrialisés. D'un point de vue méthodologique, il combine une étude approfondie de comparaison internationale et quatre monographies nationales portant

sur le Danemark (Per K. Madsen), les États-Unis (Paul Osterman), la France (Bénédicte Galtier et Jérôme Gautié) et le Japon (Olivier Passet).

L'étude de comparaison internationale, réalisée par Peter Auer et Sandrine Cazes, prolonge et actualise leurs travaux antérieurs et, plus largement, ceux réalisés par le BIT (*L'emploi dans le monde 1996/1997 : les politiques nationales à l'heure de la mondialisation*, 1996 ; P. Auer et S. Cazes, « L'emploi durable persiste dans les pays industrialisés », *Revue internationale du travail*, vol. 139, n° 4, 2000 ; P. Auer, S. Cazes et V. Spiezia, « Stable or Unstable Jobs : Interpreting the Evidence in Industrialized Countries », *Employment Paper Series*, n° 26, International Labour Office, Employment Strategy Department, Geneva, 2001). Le cœur de l'analyse est constitué par l'analyse de l'ancienneté dans l'emploi sur la période 1992-2000 dans seize pays industrialisés (les pays de l'Union européenne – hormis l'Autriche –, les États-Unis et le Japon). La conclusion est claire : on enregistre aucune tendance à la baisse de la stabilité de l'emploi durant la décennie 1990. En moyenne, pour ces pays, l'ancienneté dans l'emploi au sein de la même entreprise a même légèrement augmenté passant de 10,2 à 10,4 ans entre 1992 et 2000. Seule l'Irlande, avec une ancienneté qui est passée de 11,1 à