

### EMPLOYMENT AND SOCIAL AFFAIRS

## PRECARIOUS EMPLOYMENT IN EUROPE: COUNTRY CASES

### BACKGROUND

Precarious employment in Europe has become an issue of policy concern. However, each Member State differs from the other regarding the incidence of various types of employment relationships and also the range and intensity of inherent risks. This is due to factors such as labour market institutions, legal regulation, the role of collective bargaining and social partners, social insurance and welfare systems as well as the structure of the economy and traditions of working.

### FOCUS OF THE STUDY

This study [Precarious Employment in Europe: Country cases](#) contains the results of eight country reviews carried out in the framework of the European Parliament study on [Precarious Employment in Europe: Patterns, trends and policy strategies](#). The featured countries are Denmark, France, Germany, Lithuania, Netherlands, Poland, Spain, and the United Kingdom.



### KEY FINDINGS

#### 1. Denmark

Precarious employment does not, at first glance, seem to play an important part in the Danish labour market, since union density (67 %) and collective agreement coverage (84 %) are high. A highly flexible labour market on the one hand and a generous social security system, together with active labour market policies on the other hand has been the traditional Danish recipe of success (flexicurity). Firms do not need to employ atypical workers due to the fact that the labour force is highly flexible, with short terms of notice and high turnover rates. Nevertheless, a number of types of employment are at risk of precariousness: **part-time work with weekly hours below 8 hours, temporary employment, employment of migrant workers in less well-covered sectors and freelancers.**

#### 2. France

Since the beginning of the 2000s, the percentage of non-permanent contracts has been stable at between 11 % and 12 % after having more than doubled between the mid-1980s and the late 1990s. Permanent contracts thus remain the dominant employment form. However, 50 % of young people aged below 24 years had a non-permanent contract in 2014. Prevalent types of employment at risk of precariousness are **fixed-term contracts of very short duration, internships and self-employed people** (auto-entrepreneurs).

#### 3. Germany

Germany has experienced an expansion of non-standard work in addition to standard jobs since the Hartz reform package implemented in the early 2000s, also mirroring the continued expansion of service sector occupations as opposed to manufacturing. However, not all forms of non-standard work can be classified as precarious in terms of low earnings, instability, involuntary character, limited prospects or lack of union

representation and social protection. For example, fixed-term contracts are often used for vocational training or as an extended probationary period. Prevalent types of employment at risk of precariousness are **marginal part-time work, temporary agency work and freelance work**.

#### 4. Lithuania

Trade union representation of workers is relatively low and collective agreements are not common. There is also an absence of a well-developed culture of employee continuous education. In addition, although the Labour Code of Lithuania ensures relatively high employment protection, these provisions are rarely implemented in practice. Nevertheless, non-standard work forms are relatively uncommon in Lithuania (2.8 % of total employees in 2014). Prevalent types of employment at risk of precariousness are **undeclared work, posted workers and bogus self-employment**.

#### 5. The Netherlands

The proportion of “standard” contracts in the Netherlands is the lowest in the EU (34 %). The main policy discussion concerns the growing numbers of **(posted) migrant workers** who are working under the authority of foreign intermediary agencies or illegal Dutch agents, and the growing numbers of **self-employed persons** including bogus self-employment. The number of people in self-employment in the Netherlands has increased steadily, by 200,000 since the beginning of the European-wide crisis, up to 1.4 million in 2014. The third debate focuses on **extreme flexible employment**.

#### 6. Poland

Since the early 2000s the labour market has seen two complementary trends: a substantial decline in the share of open-ended employment and a gradual growth of temporary employment. There are three main types of temporary work in Poland: **standard fixed-term employment, civil-law contracts**, i.e. work arrangements that are not regulated in the Labour Code, and **temporary agency work**. Fixed-term employment contracts exhibit some symptoms of precariousness, but these are the least severe among non-standard forms of employment in Poland.

#### 7. Spain

During the 1980s and beginning of the 1990s, **temporary contracts** began to be progressively seen as an instrument of job creation. Due to high levels of structural unemployment in that period, labour legislation reforms facilitated the use of fixed-term and temporary contracts and the provision of **work through temporary agency work**. The dual character of the Spanish labour market and increasing labour market segmentation started to be seen as a problem by policymakers. The working poor are growing in number and the **informal economy** is said to represent around 20 % of GDP.

#### 8. UK

The debate about precariousness at work mainly revolves around **zero hours contracts** and concerns about abuse of these. There is also discussion of temporary agency work, in the context of the transposition of the EU Directive on temporary agency work into UK law. A third debate relates to young people working on **internship contracts**, some of whom are not paid, or are only paid expenses. There is concern among trade unions and policymakers that those on these contracts are open to exploitation and may find it difficult to enter the regular labour market, given the labour market difficulties of young people in the UK.

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