

Working conditions
**Casual work:
Characteristics and
implications**



Casual work: Characteristics and implications



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Executive summary

Introduction

Casual work is characterised by the absence of a stable and continuous employment relationship; according to the European Parliament it can be defined as ‘irregular or intermittent, with no expectation of continuous employment’, with the potential for irregular and unpredictable working hours or schedules.

Eurofound proposed in 2015 a definition of casual work that distinguishes two forms: ‘intermittent’ and ‘on-call’ work. Intermittent work is more prevalent in Czechia, France and Romania, while on-call work is more prevalent in the Netherlands and the UK. Both forms are present in Germany and Italy. In some countries (Italy, the Netherlands and Poland), casual work includes other types of contracts and self-employment relationships.

This report explores the following issues:

- forms of casual work and their regulation
- drivers for using these working arrangements
- the characteristics of workers and businesses engaged in casual work
- the incidence and implications of casual work for workers and employers

Policy context

Since the 1980s, EU Member States have aimed to make labour markets more flexible to support economic growth, respond to globalisation and combat unemployment. In parallel, the EU developed specific ‘flexicurity principles’ as an integrated policy approach, based on the idea that increased flexibility should support the security of workers. And discussions on ‘transparent and predictable working conditions’ and social protection for workers – regardless of their employment status – have underlined the need for better monitoring of all forms of contracting work and their impact on workers, businesses and society. While standard employment relationships remain the norm in most OECD countries, evidence points to a rise in non-standard forms of work. Casual working arrangements have developed in several Member States in response to demand for more flexible forms of working.

Key findings

The absence of an agreed definition of casual work produces data and methodological limitations, making – in particular – country comparisons difficult.

- Casual forms of work vary among countries, using different forms of employment relationship. This makes it harder to identify and monitor casual work arrangements. Also, the availability and quality of relevant quantitative data vary widely.

- Casual work regulations have developed over time, their objectives often changing. Countries have taken different approaches to regulation, broadly increasing flexibility of standard employment contracts, facilitating recognition of non-standard working arrangements, curbing unemployment and legalising informal work.
- In most countries, casual work is considered an exception to ‘normal’ employment, which is usually an open-ended contract. Some countries adopt specific casual work forms (‘occasional activities’ in Romania, ‘flexible contracts’ in the Netherlands and ‘intermittent/on-call work’ in Italy). Other countries define working arrangements ‘outside of the employment relationship’ (Italy, the Netherlands and Poland).
- The variety of forms of casual work indicates that it is not simply a form of employment, but rather a work organisation issue. In other words, it is not identified solely by the type of contract: some standard employment relationships are used as casual forms of organising work.
- Evidence indicates some ‘standardisation’ of casual work as well as a casualisation of standard forms of employment.
- Those who work in casual arrangements are mainly from groups more involved in non-standard forms of employment: young people, older workers, women, low-qualified workers and migrants.
- Casual work situations are highly polarised between those who chose it because it suits their personal circumstances (balancing work and family responsibilities or topping up another income source, like a pension), and those for whom it is – or is perceived as – the only work available. The impacts on working conditions are also polarised, with some cumulative negative effects in the most problematic situations.
- Company profiles differ across countries. For instance, in France and Germany, casual work arrangements feature more among small and medium-sized enterprises (SMEs); in the Netherlands and the UK, large companies are more likely to employ casual workers. Sectors with more volatile demand for labour have the highest concentration of casual workers.
- Aside from seasonal fluctuations in production, organisations employ casual workers for three main reasons: cost advantages, flexibility and technological change.
- Like workers in other non-standard forms of work, casual workers are more likely to experience inferior working conditions relative to those employed on standard contracts.

- Low income is a major risk linked to casual work, paired with reduced working hours, and unpredictability. Also, not all rights and protections are applicable to casual workers, increasing the risk of poverty in old age.
- Abuse of casual work arrangements pushes casual workers further towards precariousness and poverty.
- Making the voice of casual workers heard remains a challenge, as intermediary bodies – like trade unions – are not always able to address issues that they consider beyond their immediate concerns.
- Business models founded on casual work increase competition between casual workers and workers in standard employment, and transfer economic risks from businesses to individuals.
- Businesses like the way casual work smooths the hiring process and improves competitiveness but dislike the disruptive effects associated with the flexibilisation of employment, such as high staff turnover (with the associated challenge of repeatedly integrating new workers into the company), and potentially less commitment (with the resulting negative effects on product/service quality).

Policy pointers

Create conceptual and legal clarity: Clarity on casual work is needed to avoid the blurring of boundaries, and eventual abuse. Clarity should be sought at national

and European levels to enable better understanding and monitoring of the phenomenon.

Ensure adequate regulatory frameworks: Regulation is needed to balance workers' protection with businesses' need for flexibility. This is an important step to ensure stability and better knowledge of and respect for the rules.

Foster compliance with regulation: Monitoring how regulation is implemented is crucial to avoiding abuse. Advice could be developed to support companies on their path to compliance – especially SMEs. Expertise and adequate resources in the bodies tasked with monitoring compliance needs to be ensured.

Raise workers' awareness of rights: This can be done by providing workers with practical, easy-to-understand information and encouraging them to negotiate for their rights.

Support employee representation: Employee representatives at all levels should be aware of the vulnerable situation of casual workers and seek to include them in negotiations. One approach might be cooperation between those specialised organisations that represent casual workers and traditional representative organisations.

Monitor developments of casual arrangements: Information is needed on how forms of casual work are used in practice and how they impact on workers and companies. Priority should be given to better understanding the business models that rely on casual work arrangements.

Introduction

Since the 1980s, EU Member States have aimed to make labour markets more flexible in order to support economic growth in response to globalisation and as a means to combat unemployment. Many countries addressed this issue by amending their employment protection legislation (EPL).

The employment protection legislation (EPL) became less strict in countries where protection had been relatively strong to start with, while countries where the strictness of the EPL was below average in 1985 tended to stick with a similar policy in the late 2000s.

(OECD, 2015, p. 136)

At the same time, the EU developed specific 'flexicurity principles' to ensure an integrated policy approach (European Commission, 2007). This was based on the idea that increased flexibility should go hand in hand with supporting workers' security in the labour market.

It is important to note that standard employment relationships remain the norm in most member countries of the EU and the Organisation for Economic Co-operation and Development (OECD). However, the drive to increase the flexibility of labour markets has resulted in the growth of non-standard forms of work, which now account for one-third of total employment (OECD, 2015). Despite the lack of a universally accepted definition of non-standard work and therefore the absence of easily comparable figures, the OECD (2015) estimates that non-standard forms of work represent 'almost 60% of employment growth since the 1990s, including the crisis years'. This estimate comprises:

all employment relationships that do not conform to the 'norm' of full-time, regular, open-ended employment with a single employer (as opposed to multiple employers) over a long time span. Such a broad definition of non-standard employment includes three partly overlapping forms: self-employment (including own-account workers); temporary or fixed-term contracts; and part-time work.¹

(OECD, 2015, p. 138)

Again, as emphasised by a Eurofound study (2010a), 'non-standard forms of work' does not constitute a homogeneous category. For instance, beyond the distinction between permanent or full-time contracts and non-standard or atypical contractual arrangements, 'very atypical' forms of work were identified. This category encompasses very short fixed-term work of less than 6 months (which may also include 'very short' temporary agency work); very short part-time work of fewer than 10 hours a week; non-contract work; and zero-hours or on-call work.

Most non-standard contracts lack – at least in part – the entitlements and securities that standard employment relationships offer. The literature has described the consequences of this difference in terms of the 'economic security'² associated with standard forms of employment; from the perspective of non-standard forms, the literature speaks about 'protective gaps' (referring to employment rights, social protection, representation, and enforcement gaps).³ In recognition of these gaps associated with non-standard forms of employment, trade unions and some researchers refer to certain non-standard forms of employment as 'employer-driven flexibility'.

Non-standard forms of work, however, can also be seen as responding to workers' needs for flexibility, allowing them to adapt their work depending on their personal and family circumstances, as well as enabling companies to adjust the workforce according to the demands of business activity. From this perspective, these employment relations may be viewed as 'win-win' situations. The level of variety regarding very atypical employment is one of the main difficulties facing policymakers as the whole labour market is 'mixed, encompassing workers engaged in standard and non-standard forms of employment, who are doing the same work or responding to the same job profile, in one sector, one company or even at the same workplace' (Eurofound, 2010a).

Moreover, the picture has become even more diverse with the emergence of new forms of employment in response to 'the need for increased flexibility by both employers and workers, the broader use of advanced information and communication technologies (ICT) and the enhanced importance of specific business activities and occupations' (Eurofound, 2015b, p. 4).

Among these new forms of employment, casual work has been identified as a form of flexible employment as it allows employers to 'quickly [assign] workers to a task at short notice' (Eurofound, 2015b, p. 46). Despite its uncertain definition, casual work has, according to the International Labour Organization (ILO), been a 'prominent feature of labour markets in developing countries'; it has also recently become more important in industrialised countries (ILO, 2016). In particular, the ILO (2016) highlights 'the diversification of part-time work into "very short hours" or "on-call" work, including "zero-hours" contracts (with no guaranteed minimum hours)'.

Defining 'casual work'

Casual work lacks a universally agreed definition. However, one description is: 'work which is irregular or intermittent, with no expectation of continuous employment' (European Parliament, 2000). Clearly, an

1 While problematic, as this lumps together precarious and non-precarious forms of work, this convention is followed by much international and national academic research (for example, Kalleberg et al, 1997; Görg et al, 1998; Kalleberg, 2000; Houseman and Osawa, 2003; Wenger, 2003; Leschke, 2011), as well as by international organisations (for example, the ILO, the World Bank and Eurofound).

2 'Economic security' covers security on the labour market, and in employment, work, skill reproduction, income and representation (Standing, 2007).

3 Grimshaw et al (2016) identify 'protective gaps' in the following fields: employment, social protection and integration, representation and enforcement.

Table 1: Main types of casual work

Intermittent work	On-call work
<ul style="list-style-type: none"> ○ the employer approaches workers on a regular or irregular basis ○ to conduct a specific task, often related to an individual project or seasonally occurring jobs ○ a fixed-term contract which either involves fulfilling a task or completing a specific number of working days 	<ul style="list-style-type: none"> ○ a (continuous) employment relationship between an employer and an employee ○ the employer is not obliged to continuously provide work for the employee but has the flexibility to call the employee in as and when needed

Source: Eurofound, 2015b

absence of regularity and the ad hoc nature of work go hand in hand, as the employment of casual workers depends on fluctuations in the employer's workload. The employer is not obliged to regularly provide workers with work and instead has the flexibility of calling them in 'on demand' (Eurofound, 2018b).

Eurofound (2015b) identifies two main types of casual work: intermittent work and on-call work.

This description presents a straightforward picture, covering two distinct forms. However, examples from some Member States reveal a more complex reality. For instance, employment relationships that are considered to be more 'standard' may also be used in work arrangements presenting characteristics similar to those found in (the above-defined) casual work, such as instability of the employment relationship, unpredictability of working hours and income insecurity. It is therefore important to acknowledge the variety of employment relations and forms of work that could be considered 'casual' to address the main impacts on workers and businesses.

Methodology and structure of the report

This report aims to provide further information on the characteristics of casual work in Europe, focusing on developments in a number of Member States: Czechia, France, Germany, Italy, the Netherlands, Poland, Romania and the United Kingdom (UK). Following its 2015 analysis of casual work (Eurofound, 2015b), Eurofound launched a new study in 2017 with the aim of collecting both quantitative and qualitative data in order to provide a more in-depth comparative analysis of the incidence, characteristics and impact of casual work across Europe.

The analysis in this report is based on Eurofound's definition of casual work, as described in the previous section. Accordingly, more traditional atypical forms of work are omitted, including:

- standard fixed-term contracts (a common form of intermittent work)
- traditional on-call work related to specific occupations that require 24/7 coverage and 'stand-by duty', such as workers in hospitals, the police force or the fire service
- fragmented employment forms relating to self-employment (for example, portfolio or platform work), temporary agency work or voucher-based work

This comparative study essentially builds on the analysis of the current situation in selected countries in which, as of 2017, casual work had been identified as being of relevance.

It is evident that the demarcation between casual work and other forms of non-standard work is far from clear. Boundaries are blurred and categories are open to interpretation. The selection of national concepts discussed in this report must therefore be recognised as, first, Eurofound's approach to the topic (which might differ from that of other organisations or researchers) and, second, not comprehensive (in terms of covering all EU Member States in which casual work exists) due to resource limitations related to the underlying research project.

Consistent with Eurofound's definition, all the selected countries display the use of some form of intermittent or on-call employment contracts. However, it should also be mentioned that the national concepts analysed in this report are not necessarily referred to as 'casual work'. National cases are almost evenly split between those where intermittent work is dominant (Czechia, France and Romania) and those where on-call work appears more prevalent (the Netherlands and the UK), with the special cases of Germany and Italy where both forms of casual work are present. That said, some countries show practices and usages that do not fall within these employment contract types: other contracting practices are found in at least three of the countries studied (Poland, Italy and the Netherlands).

From the end of 2017 to the beginning of 2018, the project's core team and national experts completed a thorough data-scoping exercise. This initial research covered: (i) the existence and type of regulatory frameworks that operate in each selected country; (ii) all available datasets and other relevant sources of quantitative data relating to casual work in these countries; and (iii) all relevant qualitative information and data sources (e.g. policy documents, reports, publications, studies, papers).

Extensive desk research followed, and 71 interviews were conducted in the case study countries (the names and contact details of the interviewees were submitted to Eurofound together with the national data used for the quantitative analysis on 6 April 2018). National experts interviewed a wide range of relevant professionals, including:

- government representatives and policymakers (e.g. from the Ministry of Labour or Ministry of Employment)

- representatives of social partners (i.e. employer organisations, trade unions and employee bodies)
- representatives of labour inspectorates
- labour lawyers
- policy experts
- representatives of health and safety agencies
- representatives of statistical offices
- other relevant experts in the field of casual work, such as academics or researchers

As expected, the availability and quality of quantitative data relating to casual work varies widely across the countries studied. Generally, as most of the national experts highlighted, access to information and data proves to be particularly difficult. They stressed that microdata at the employer level were particularly challenging to find (most microdata sources used are employee surveys, such as labour force surveys). Indicators – or even proxies – to analyse working conditions are particularly scarce. Moreover, European data on working conditions, such as the European Working Conditions Survey (EWCS), can only be of limited help in this analysis, as casual forms of work are not a specific category. Some information, however, is reported through the analysis of data on regularity of working time

arrangements. As a result, any comparison of quantitative indicators on casual work across countries is severely limited.

Despite these limitations, the comparative research in this report is expected to contribute to current European and national discussions on precariousness, temporary work, casualisation of work arrangements, worker status and fair competition for businesses. In clarifying the casual nature of certain work arrangements, the research reveals some insights on practices and the consequences of these forms of work for both workers and businesses. It also presents the important debates around the topic, the measures taken to address its challenges and the paths followed by public authorities as well as social partners. Moreover, it highlights several key issues regarding the impact of casual work on workers' rights, on standard employment and on business models.

In the current report, Chapter 1 presents the diversity of existing casual work arrangements in the countries covered. Chapter 2 looks at the casualisation of work, examining regulation and practices. Chapter 3 presents findings on the impacts of casual work for workers and for companies. Key issues of policy debate and regulation are presented in Chapter 4, and some of the potential responses are described in Chapter 5 alongside some concluding remarks and policy pointers.

1 Casual work in selected EU Member States

The process of mapping and analysing casual work is hampered by the lack of a commonly agreed definition of the phenomenon. This report takes the Eurofound definition as its starting point:

Casual work is a type of work where the employment is not stable and continuous, and the employer is not obliged to regularly provide the worker with work, but has the flexibility of calling them in on demand.

(Eurofound, 2015b, p. 46)

And it goes on to examine countries in which casual work is considered an employment contract relationship.

Several areas show distinct differences between countries: the forms of work that exhibit characteristics of casual work arrangements, the relevant definitions and terminology, and the types of workers and businesses using casual work.

Variety of casual work employment contracts

In most of the Member States included in this study, casual work is neither referred to nor defined as such. However, in all of them, companies use a variety of forms of work to respond to intermittent and ad hoc labour needs.

Casual forms of work are regulated in a variety of fields, demonstrating that Member States have different goals for such regulation (Table 2). Employment issues have clearly been the main driver of policies devised by countries such as Czechia, France, Germany and Italy, where labour regulations provide for casual forms of work. However, some countries use other regulatory frameworks – such as those relating to social security (Germany and the Netherlands) and the minimum wage (the UK) – to define casual work relationships.

Italy, the Netherlands and Romania have introduced specific contractual categories for casual work: intermittent/on-call work in Italy, flexible contracts in the Netherlands and ‘occasional activities’ in Romania.

The other countries studied – Czechia, France, Germany and the UK – adapt some features of various employment relationships to increase flexibility. This results in casual work that either has a very specific duration, such as in France (specific fixed-term contracts) and in Czechia (non-regular, intermittent work), or is allocated in a specific way, such as work on demand in Germany and the UK.

Some Member State regulations specify the duration of casual work and/or the sectors in which it can be used (Table 3). When regulated, the duration is usually the

maximum number of days an individual can be hired through casual work by the same employer. Though the analysed national schemes are not perfectly comparable, the Czech scheme seems to be the most restrictive while those in France and the UK can be applied without any restriction on duration. It is also interesting to note that the German case law established a minimum duration for on-call work if this is not explicitly agreed between employer and employee.

Among the analysed national schemes, only France, Italy and Romania restrict the use of casual work arrangements to specific sectors. These include those where sectoral characteristics – for instance, seasonality or other factors that create an unpredictable workload – challenge standard employment competitiveness. Moreover, casual work may be permitted in some countries as a result of sectoral social partner collective negotiations.

Income and social protection are two key features of employment contract relationships, both of which are linked to working hours. These two elements are under pressure in casual work situations, mainly due to the irregularity and lower number of working hours. Some policymakers are therefore concerned that casual work could potentially result in precariousness. Among the analysed countries, the Czech, German and Romanian schemes provide for a minimum wage, while the UK’s scheme does not guarantee any minimum income (Table 4). The other national schemes (in France, Italy and the Netherlands) include elements of both. As regards social protection, most of the analysed national models cover casual workers fully if they realise a certain minimum income threshold – otherwise they are unprotected. In Romania, casual workers are only protected if they voluntarily opt in to the statutory system.

Incidence of casual work

It is difficult to quantify the incidence of casual work owing to the lack of an agreed definition, the variety of casual work schemes across countries and the lack of specific data (in many administrative data and surveys, casual work is subsumed in a broader ‘non-standard work’ category). Accordingly, the data below illustrate the scale, scope and development of casual work in the selected Member States, rather than providing a comprehensive overview (Table 5).

While there is considerable variety in the scale of casual work among the analysed countries (which seems to be at least partly attributable to the range in national definitions and data collection methods), available data point to a substantial increase of casual work during the last two decades, except in countries where some regulation had been adopted aiming at curbing the trend.

Table 2: Main forms of casual work in seven EU Member States

Country	Contract(s)	Main characteristics	Regulation(s)
Czechia	<i>Dohoda o provedení práce</i> (DPP) – agreement to complete a job <i>Dohoda o pracovní činnosti</i> (DPC) – agreement to perform work	Non-regular, intermittent work performed outside an employment relationship	Labour Code (Act No. 262/2006 Coll.)
France	<i>Contrat à durée déterminée d'usage</i> (CDDU) – custom fixed-term contract	Exception to the <i>contrat à durée déterminée</i> (CDD) – fixed-term contract; already an exception to the <i>contrat à durée indéterminée</i> – open-ended contract Applicable in a limited number of sectors in which custom and temporary employment is prevalent	Labour Code, article L.1242-2 3°
Germany	<i>Kurzfristige Beschäftigung</i> – short-term employment	Work is restricted to 3 months or 70 working days per year	<i>Sozialgesetzbuch</i> – social security legislation
	<i>Arbeit auf Abruf</i> – on-call work – and <i>Kapazitätsorientierte variable Arbeitszeit</i> (KAPOVAZ) – capacity-oriented variable working time	Employers and employees can agree a ‘work on demand’ contract Includes some minimum requirements on working hours and advance notice Collective agreements can deviate from the legal minimum standards to the disadvantage of the employee	<i>Gesetz über Teilzeitarbeit und befristete Arbeitsverträge; Teilzeit- und Befristungsgesetz</i> (TzBfG) – German employment law under the law on part-time work and fixed-term contracts
Italy	<i>Lavoro intermittente o a chiamata</i> – intermittent/on-call work	Dependent, open-ended or fixed-term contract, whereby the employee indicates their general availability to work. The employer, in turn, decides whether and when to make use of the employee in a non-regular and intermittent way	Law 30/2003 and Legislative Decree 276/2003 Articles 13–18 of the Legislative Decree 81/2015
Netherlands	On-call contracts by agreement	Allows the employer to offer the employee a job when needed, which the employee can accept or decline. If accepted, they sign an agreement for a fixed period of time	<i>Wet Werk en Zekerheid</i> – Work and Security Act 2014
	Zero-hours contracts	Employment contract in which the employer does not guarantee the individual any work, and the individual is not obliged to accept any work offered	
	Min-max contracts	Fixed-term or permanent agreement for a minimum and maximum number of hours over a certain time period	
Romania	<i>Activități cu caracter ocazional desfășurate de zilieri</i> – intermittent work	Work performed by day labourers, used only in the case of unskilled workers in specific sectors	Law no. 52/2011 regarding the exercise of occasional activities performed by day labourers
UK	Zero-hours contracts	Employment contract in which the employer does not guarantee the individual any work, and the individual is not obliged to accept any work offered	There is no legal definition of zero-hours contracts Definition of ‘time workers’ in the National Minimum Wage Regulations 1999 No. 584, regulation 3

Source: National experts’ reports for the Eurofound 2017–2018 study on casual work

Table 3: Casual forms of work – duration and sectoral coverage

Country	Contract(s)	Duration	Sectoral coverage
Czechia	DPP – agreement to complete a job DPC – agreement to perform work	DPP: a maximum of 300 hours per calendar year for the same employer DPC: a maximum of half of the set weekly working hours for a maximum period of 52 weeks	No sectoral limitations
France	CDDU – custom fixed-term contract	No limitations in terms of renewals or periods between contracts	Only allowed in a limited number of sectors which are defined by decree or in a collective agreement
Germany	<i>Kurzfristige Beschäftigung</i> – short-term employment	Work is restricted to 3 months or 70 working days per year	No sectoral limitations
	<i>Arbeit auf Abruf</i> – on-call work – and <i>KAPOVAZ</i> – capacity-oriented variable working time	No total duration of contract defined. The contract has to fix the duration of daily/weekly working hours (If not fixed in the contract: a minimum of three hours per day and ten hours per week are deemed to be agreed).	
Italy	<i>Lavoro intermittente o a chiamata</i> – intermittent/on-call work	Maximum of 400 days in 3 consecutive years with the same employer	Not applicable to the tourism, retail and entertainment sectors Only applicable in the private sector, if a set of requirements are met Specific demand for intermittent work in some professions, sectors and periods of the year
Netherlands	On-call contracts by agreement	After three consecutive temporary contracts (including breaks of less than six months), the temporary contract is turned into a permanent one	No sectoral limitations
Romania	<i>Activități cu caracter ocazional desfășurate de zilieri</i> – intermittent work	Maximum of 90 days per year per employer for each worker (with a maximum of 12 hours per day); 180 days in agriculture	Agriculture, hunting and related services (excluding animal breeding) Forestry (excluding forest exploitation) Fishing, fish farming and aquaculture Collection, treatment and disposal of non-hazardous waste Recovery of materials Wholesale of raw agricultural products and live animals Organisation of exhibitions, fairs and conferences Advertising Performing arts (including performances, support and management activities)
UK	Zero-hours contracts	No limitations	No sectoral limitations

Source: National experts' reports for the Eurofound 2017–2018 study on casual work

Table 4: Casual forms of work – income and social protection

Country	Income	Social protection
Czechia	Monthly or equivalent hourly legal minimum wage	DPP: full coverage if the monthly income per employer exceeds CZK 10,000 (€386 as of 5 September 2019), no coverage below DPC: full coverage if the monthly income per employer exceeds CZK 2,500 (€97 as of 5 September 2019), no coverage below
France	Same rights and benefits as standard contracts	Same rights and benefits as standard contracts
Germany	Collectively agreed or minimum wage (short-term work) No payment for inactive time; minimum payment of 3 hours per day and 10 hours per week (on-call work)	Only if a minimum income is realised
Italy	For on-call work contracts with an obligation to respond, the worker's availability is part of the employment relationship. As the commitment to being available affects the worker's private time and flexibility, the law requires that the employee be compensated with an availability allowance (<i>indennità di disponibilità</i>) while not working For on-call work contracts with no obligation to respond, no allowance is paid to the worker during non-working times No minimum income for working time	Access to social protection benefits is open to individuals who have worked a certain number of days in a year and have accumulated a certain amount of social contributions during the duration of employment
Netherlands	No payment for inactive time Zero-hours contracts: no guaranteed minimum income for the first six months; afterwards, a minimum of three hours per week Min-max contracts: minimum number of guaranteed hours per week, month or year for the first six months; afterwards, only under specific conditions	Full coverage
Romania	Minimum gross income guaranteed at minimum wage for at least eight hours a day	None (but voluntary opt-in option for the worker)
UK	No guaranteed minimum income Payment for waiting time only if on the premises of the employer	Only if a minimum income is achieved and dependent on status (i.e. whether employee or worker)

Source: National experts' reports for the Eurofound 2017–2018 study on casual work; European Commission (2017a)

Characteristics of workers and companies

In addition to a lack of data on the incidence of casual work, there are only limited qualitative data regarding the characteristics of casual workers. Nevertheless, some information is available, especially in relation to the sectors in which casual work is prevalent. The results show some diversity across countries, along with some common recurring themes.

Workers' profiles and motivations

Evidence gathered by the national experts shows that casual forms of work are mainly performed by individuals belonging to those groups that are also more commonly involved in the broader non-standard employment forms: young people, older workers, women and low-qualified workers and, in some countries, migrants.

The age profile of casual workers is highly diverse. In some countries, casual forms of work are devised for specific populations. In **Italy**, for instance, the so-called Monti-Fornero Law (2012) limits use of on-call contracts to the under-25s and over-55s, with the rationale that the flexibility of this form of work matches the needs of the individuals in these groups. Indeed, in almost all countries examined, there is a relatively high concentration of casual workers among the youngest age group (those aged 15–25). In **Czechia** and **Germany**, casual work is clearly polarised according to the age structure. As well as a high concentration among younger workers, a high proportion of casual workers can also be found among those aged over 60. This indicates that casual forms of work might be a way to supplement income after retirement. In **France**, however, casual work does not seem to be concentrated in any particular age group. The average age of French casual workers is 37, which reflects the average age of the total workforce.

Table 5: Scale and trends of casual work in selected EU Member States

Country	Contract(s)	Date 1	Date 2	Development over time	Source(s)
Czechia	Non-regular, intermittent contracts outside employment relations (DPP and DPC)	2014: 1.6 million contracts (76,000 employees)	2016: approximately 1.8% of the labour force	Incidence more than doubled between 2010 and 2016	Business registers Labour Force Survey (LFS)
France	CDDU	2014: 1.2 million employees (approximately 5% of the labour force)		Increasing over the years from being marginally used to cover over 1 million workers	L'Acoss et les Urssaf (French organisation managing social insurance contributions)
Germany	Total atypical employment (e.g. mini jobs, midi jobs, marginal part-time jobs)	2015: 5 million casual workers, including less than 3 million in mini-jobs (12% of the active population)	2016: 2 million in mini jobs	Falling, especially in mini jobs, since the introduction of the minimum wage regulation	Mikrozensus The German Socio-Economic Panel (Sozio-oekonomische Panel, SOEP)
Italy	<i>Lavoro a chiamata</i> (on-call work) Other casual contracts: Temporary agency workers/vouchers (before May 2017), autonomous collaborators, fixed-term contracts	2016: fewer than 300,000 workers and 61,000 firms 4 million workers in precarious employment (approximately 20% of the labour force)	2017: 436,946 on-call workers	Impact of legislative reforms: - 2012 Fornero reform: reduction from 671,780 - Abolition of vouchers in 2017 led to the increase of on-call use	
Netherlands	Flexible contracts On-call contracts by agreement Zero-hours contracts Min-max contracts	2004 (Q3): 1.07 million employees in flexible contracts 251,000 employed on zero-hours contracts, mini-max, or on call contracts	2017 (Q4): 1.955 million employees on flexible contracts (approximately one-quarter of the labour force) 2017 (Q4): 546,000 employed on zero-hours contracts, mini-max, or on call contracts	Incidence more than doubled between 2004 and 2017	Dutch Central Bureau of Statistics (CBS) 'Flexbarometer' (2018)
Romania	Day labourers	2011: 150,000	2017: 919,000	Significant increase since Law no. 52/2011 entered into force	No central database; calculation based on tax authority (ITM) declaration from the employers
UK	Zero-hours contracts	October–December 2002: 225,000	October–December 2017: 901,000 (approximately 2.8% of the labour force)	Approximate increase of 0.8% of the labour force	LFS

Source: National experts' reports for the Eurofound 2017–2018 study on casual work

The breakdown by sex follows traditional sectoral and societal lines. In some sectors, such as agriculture, where casual work responds to the seasonal characteristics of the activity, there are more male workers. Other forms of casual work are dominated by women, as in **Czechia**, where 2.4% of the female workforce are on DPPs or DPCs, as against 1.3% of the male workforce, or in **Germany**, where the share of casual workers is as high as 12% among the female workforce but just 4.4% among male workers. On the other hand, in **Romania**, a slightly higher proportion (58%) of casual workers are men, while 42% of casual workers are women.

In terms of skills level, the percentage of casual workers is generally higher among individuals with only a primary or lower secondary education (ISCED levels 1 and 2).⁴ In the **UK**, however, there is a relatively high concentration of casual workers among those with an upper secondary education or a post-secondary non-tertiary education (ISCED levels 3 and 4). This suggests that casual work arrangements are spreading to higher-skilled occupations (as has also been observed in **Italy**).

When considering occupational groups, in almost all countries, services and sales as well as elementary occupations (such as cleaners and assistants) have the highest proportion of casual workers. In this respect, **France** is an exception. Here, managerial and intellectual occupations are overrepresented among casual work relationships compared with other contracts: 41% of all custom fixed-term contracts in **France** are in those two occupational groups, while they represent only 19% of all other contracts.

The main driver of workers taking on casual work is the absence of more standard forms of employment alternatives. A secondary driver is their desire to supplement earnings. Moreover, in several countries, tax and social regulations result in higher take-home pay for casual workers than for standard forms.

Furthermore, the use of casual work forms is sometimes presented as a response to specific situations in relation to the labour market. For instance, it is frequently argued that casual forms of work are of interest to young people as a first step into the labour market, ultimately opening up opportunities to stay in employment and move on to more advantageous contracts. This line of argument, however, assumes that casual work contracts act as stepping stones towards more stable, sustainable and standard forms of employment. Research however indicates that this sequence is far from the standard reality: the risks for casual workers being trapped in dead-end jobs – or inactivity – are high. Another example of a group that can potentially benefit from the availability of casual work is individuals with care obligations. The argument put forward focuses on the benefits stemming from a non-standard working hours schedule, which is not full time and not in a typical pattern. However, again this line of argument assumes that workers can choose to fit their working hours around their care commitments; this is not the common feature of these contracts, which depend rather on the employer's offer of work.

Companies' profiles and motivations

In terms of company size as a determinant for using forms of casual work, the countries examined present a varied picture. In **France**, most custom fixed-term contracts are concentrated in small companies: 60% are used in companies with up to 50 employees. In other countries, such as **Czechia** or **Italy**, there is only a slightly higher concentration of casual workers among smaller firms. In **the Netherlands** and **the UK** on the other hand, casual work is more concentrated among larger firms.

Sectors characterised by a higher fluctuation in demand for labour have the highest concentration of casual workers. For instance, the agricultural sector has the highest concentration of casual workers – as the **Italian** and **Romanian** situations show. In other countries, the hospitality sector employs the most casual workers. In **the Netherlands**, for example, 55% of all employers in the hospitality sector use flexible workers (as defined by Statistics Netherlands).

Casual work is also widespread in the services sector: in **Czechia**, the banking sector has a high proportion of casual workers (around 19% of all agreements outside an employment relationship are in this sector). In **Romania** and **France**, the share of casual workers in the entertainment industry is relatively high compared with other sectors: in **Romania**, 21% of employees in live entertainment, performing arts and recreational activities are casual workers, while in **France** 15% of all custom fixed-term contracts are in the artistic and performing arts sector. The **Netherlands**, meanwhile, has a high proportion of casual workers in healthcare and education. In 2015–2016, 45.3% of employers in the healthcare sector and 40.1% in the education sector employed workers on casual work contracts.

For those countries where information on public and private sector employment is available, casual work relationships are more frequent in the latter than in the former – though it should be noted that this coincides with the trend of the increasing privatisation of previously public organisations. The share of casual arrangements in the public and in the private sectors are, respectively, 0.6% and 1.2% in **Italy** and 2.2% and 2.9% in the **UK**.

At the same time, there has been a marked increase in casual work arrangements in the public sector in the **UK**, including in the healthcare and social care sectors, although there are many private employers in the latter. In **Romania**, there is no casual work in the public sector because day labourers (a specific form of casual work in Romania) work only in private firms, where they represent 2% of the labour force.

Aside from seasonal fluctuations in production, evidence shows that there are three major reasons why organisations in different sectors employ casual workers: cost advantages, flexibility and technological change (Eurofound, 2018c). However, as the ILO points out, 'these are not independent reasons and organisations may adopt non-standard work for any [single] one, or a combination, of these reasons' (ILO, 2015, 2016).

⁴ The International Standard Classification of Education (ISCED) ranges from level 0 to level 6.

A survey conducted by the Netherlands' Institute for Social Research⁵ examining why **Dutch** employers use on-call contracts found that 32% of employers indicated 'sickness of other employees' as the main reason, closely followed by 'fluctuations in the company's workload' (29%) and 'ensuring greater flexibility in the number of staff employed' (22%) (Van Echtelt and De Voogd-Hamelink, 2017). In the **UK**, flexibility is regarded as central to business operations: the national employer organisation the Confederation of British Industry (CBI) reports that 97% of firms cite flexibility as important to their competitiveness (Wood, 2016). Temporal flexibility as opposed to numerical flexibility is an even more significant driver as it allows employers to adjust working hours to meet demands rather than recruit extra staff on a permanent basis.

Cost is another key driver for employers. In many countries, the costs associated with casual and fixed-term contracts are lower than for standard contracts. In **Czechia**, for example, salaries up to a certain ceiling are exempt from social security charges. Other costs, such as bonuses and other benefits enjoyed by workers on standard contracts, also often do not apply to casual

contracts. In this context, it was found that the primary motivation for casual contracting in larger manufacturing businesses is more likely to be flexibility, whereas for smaller businesses it is more likely to be the reduction of cost and bureaucracy.

Casual work also simplifies the hiring process for employers. As Eurofound (2015b, p. 47) noted, casual work is used by managers as 'a flexible employment form for quickly assigning workers to a task at short notice.' Moreover, to ensure a rapid response, employers often use 'a pool of casual workers, either administered by themselves or through intermediaries' (Eurofound, 2018b, p. 8).

Finally, casual work is favoured by employers to screen workers and/or enable potential employees to become familiar with the nature of a specific job or area of work. If both parties are satisfied with the experience, temporary workers may later be transferred to a more standard form of contract. Indeed, in **Italy** for example, interviewees noted that on-call workers may be the first people employers might contact when they need to fill a standard permanent vacancy, illustrating that informal networks are still an important channel for finding employment in Italy.

Summary: Profiles of workers and companies engaging in casual work contracts and factors that influence their decision-making

- Groups in the workforce over-represented in casual work are those generally found in non-standard employment relations: young people, women, low-skilled workers as well as some older workers and migrants.
- Casual work is mainly found in sectors with strong fluctuations in demand, particularly private services sectors.
- The main factors influencing employers' and employees' engagement in casual work relate to the general economic and labour market situation (affecting employers' cost considerations and workers' income generation options), legal frameworks (notably EPL, tax and social protection regimes), the need or wish for flexibility (in terms of entering and ending employment contracts as well as in terms of working time) and the option to use this flexible work arrangement as a 'testing ground' for a new employment relationship for both parties.

⁵ The Netherlands' Institute for Social Research is a government agency that conducts research into the social aspects of all areas of government policy. The main fields studied are health, welfare, social security, the labour market and education, with a particular focus on the interactions between these fields.

2 Casualisation of work

The phenomenon of casual work reflects the trend of current labour markets challenging the standard employment relationships. Such casualisation of work can be viewed both through regulation and through practices that use other contractual arrangements in a casual way.

Using other work arrangements as casual work

Among the countries selected for this study, three EU Member States display practices of contracting casual work through work arrangements either outside the employment regulations or via self-employment: Poland, Italy, and the Netherlands.

Civil law contracts: Poland

Polish employment law does not define casual work as such, and nor does it mention specific types of employment contracts, such as on-call work or zero-hours contracts. Instead, employers use civil law contracts (CLCs) – often referred to as junk contracts (*umowa śmieciowa*) – if they require such flexible work arrangements (Arak et al, 2014; Gajewski, 2015; European Commission, 2016). Since the 1960s, the Civil Code of Poland has recognised two types of CLCs.

- The contract to perform a specified task (*umowa o dzieło*) is used for a relationship in which the ultimate result of the work performed is what matters most (Articles 627–646).
- The contract of mandate (*umowa zlecenie*) is used if the goal of the contractual relationship is the execution of the tasks with due diligence (Articles 735–751).

The legal framework is basic and does not extend beyond stipulating the employer’s obligation to provide payment to the contracted person for fulfilling the agreed responsibilities. This makes CLCs very flexible and leaves much room for the contracting parties to agree on their contents and conditions. As such, these contracts are very similar to those agreed with self-employed, professional or craft workers.

Furthermore, no formal requirements exist relating to the conclusion of CLCs, and they do not need to include any specific minimum standards in terms of the nature of work, working hours, earnings, and so on. This, in practice, results in employment relations that are very similar to zero-hours contracts, that is workers can be called upon at any time with no specified minimum number of working hours (European Commission, 2016).

CLCs do not provide for much job security, employment rights or social protection. While an individual working under this type of contract is considered to be employed, they do not enjoy the full range of labour and social rights of an employee on a standard contract. For example, CLCs do not include an automatic right to severance pay or sickness and maternity insurance (the latter two social benefits needing to be voluntarily contracted). Some coverage exists, however, in the following fields: old-age pension, disability and insurance against accidents at work and occupational diseases. Furthermore, there are some differences between the two types of CLCs, as shown in Table 6, with the contract of mandate being closer to the standard employee status.

Between 2002 and 2016, the number of people working under CLCs in Poland doubled, with the vast majority being contracts of mandate (more than 80%). In 2016, about 8% of the working population were employed on CLCs (Statistical Office of Poland, 2017). CLCs are particularly used in sectors sensitive to seasonal or economic fluctuations, such as tourism or export-dependent sectors (Muszyński, 2016). Older people, women of childbearing age, low-skilled workers and young people entering the labour market are more likely to be on CLCs.

As these contracts can be extended without limitation, working on CLCs has both immediate effects upon workers and serious long-term consequences (on pension entitlements, for instance). Furthermore, CLCs impact the overall labour market by contributing, for example, to the emergence of a dual labour market (Arak et al, 2014; Gatti et al, 2014).

Table 6: Polish CLCs – workers’ rights

Workers’ rights	Employees	Contract to perform a specified task	Contract of mandate
Social protection	Full coverage	No	Some
Social benefits	Yes	No*	Yes, but limited*
Health insurance	Yes	No	Yes
Paid holidays	Yes	No	No
Minimum wage	Yes	No	Yes
Notice period	Yes	Upon agreement	Upon agreement

Notes: * Social benefits for CLCs include, for the contract of mandate, maternity allowance for each female contractor for 52 weeks after childbirth even if not voluntarily contracted. For the contract to perform a specified task, only parental allowance is available, corresponding to the basic maternity allowance, paid for 52 weeks after childbirth.

Source: National contribution on casual work, Eurofound 2017–2018

From the perspective of employers, businesses using CLCs as opposed to more standard employment relationships face some drawbacks when such contracts persist or become more widespread. As research shows (Arak et al, 2014; Gatti et al, 2014), several risks are linked to the general flexibility on the side of the contractor: companies can be faced with the sudden loss of the contractor, as it is easy for them to ‘quit’ their job. Furthermore, such workers may be less productive in the longer term as a result of a lack of investment by the firm in human capital. It can also be argued that businesses using CLCs to lower labour costs cause unfair competition.

The issues arising from the use of CLCs have been a focus of the main trade union Solidarity (NSZZ) from 2002 onwards. Its official complaint to the European Commission (Gajewski, 2015) helped raise awareness of the challenges associated with this type of contract and resulted in the inclusion of social contributions and minimum hourly rates from 2014 onwards (Solidarność, 2015; Eurofound, 2017).

Self-employment as casual employment: Italy and the Netherlands

In the two following cases, Italy and the Netherlands, both employment contracts and self-employment are used in contracting casual work. Uses of the Italian ‘collaborations’ forms and Dutch freelancers (*zelfstandige zonder personeel*, ZPPs) are very close to ‘bogus self-employment’ practices.

The Italian ‘collaborations’ category

The Italian labour market is characterised by a high degree of casualisation. However, it cannot be easily equated with one type of atypical, non-standard employment contract, such as on-call work.

On-call work is subject to several limitations, which might explain why it involves a very small percentage of the total Italian workforce; temporary agency work is also not especially widespread in the Italian labour market. However, other forms of flexible employment contracts, such as the highly criticised ‘autonomous collaborations’ are also used in the context of casual working arrangements.

These ‘work collaborations’ have been used for intermittent employment relationships, where workers are hired as self-employed, reducing therefore social security contributions for the employer. According to the latest figures, the use of collaborations has shrunk in recent years. While there were 900,000 collaborators in 2010–2011, there were around 172,000 in 2016 (ISTAT, 2017). In particular, the use of very short work collaboration contracts is lower. According to the Italian National Institute of Statistics (ISTAT, 2017), this reduction might be attributed to the recent legislative changes which abolished the collaborations based on a project (*collaborazioni a progetto* – ‘co.co.pro’) and made it more difficult for employers to resort to atypical contracts so as to mask stable, regular and ongoing employment relationships.

However, some warnings have been raised about the ‘translation effect’, clearly illustrated in the Italian case. Given the need for flexibility, when a specific casual form is not available, other atypical employment arrangements replace it. While their use was still allowed, ‘voucher’ contracts were popular for casual arrangements but, as literature shows, were also abused. Evidence shows that, after voucher contracts were abolished and other casual forms of work were limited, fixed-term contracts of very short duration increased. This rise may also hide casual forms of work, for example when a person is employed under several short-term contracts by the same employer. The fraudulent use of work collaborations instead of stable contracts may still be a problem in Italy, fuelled by a need for flexibility.

The Dutch ZPP

In the Netherlands, the definition of ‘flexible work’ includes both employee and self-employed relationships. Employment in the Netherlands is defined as casual or flexible if it concerns:

contracts of a temporary nature (including agency work and payroll) and self-employment. It does not include part-time work on a permanent basis.

1. **Flexible contract:** *an employment contract of limited duration or for an unspecified number of hours. This includes agency work, payroll work and on-call work. The workers involved are also referred to as flex workers (Statistics Netherlands definition). It also includes the temporary contract, a relationship between an employer and an employee in which the employment contract is of limited duration (Statistics Netherlands definition).*
2. **Self-employed person:** *a person who performs work at his or her own risk or expense – in his or her own business or practice (independent contractor), or as director-majority shareholder or as another category of self-employed person (e.g. in a profession carried on independently) – and who does not employ any staff (Statistics Netherlands definition).*

Kremer et al (2017, p. 14)

The Dutch definition goes beyond the initial Eurofound definition of casual work, limited to non-standard employment contracts (see the Introduction), and the practice of using ZPPs for casual working arrangements highlights several key aspects.

The self-employed population can be quite different from workers on flexible contracts, as drivers to enter into self-employment are different than those for entering into casual employment. Most self-employed persons ‘choose’ to work under this status. They are often happier with the casual nature of their employment – not least, because it allows them to work for different employers. Nevertheless, 40% of self-employed workers still deem a permanent contract important and one-third would prefer to be employed under those conditions if they found a new job (Kremer et al, 2017).

With the exception of the employer representative, all interviewees highlighted that ZZP contracts were used as a new form of flexible employment by companies, to avoid having to pay social security contributions and take responsibility for their employees. Indeed, as is stressed in the literature, in opting for ZZPs, employers can avoid six types of costs and risks, compared to other flexible contracts (redundancy payment for dismissal; obligation to support reintegration after long-term illness; obligations in collective labour agreements; offering a minimum number of hours; minimum wage; tax and social security contributions – Euwals et al, 2016). The trend of increased employment through ZZP contracts by Dutch companies also leads to companies distancing themselves from their social responsibility.

Moreover, the issue of bogus self-employment has been raised, as it is often unclear whether ZZP workers are in fact self-employed or employees (Zandvliet et al, 2013). The government plans to replace the Deregulation of Assessment of Independent Contractor Status Act (*Deregering Beoordeling Arbeidsrelaties*, Government of the Netherlands, 2016) to make the distinction clearer. The coalition agreement states that people will be considered self-employed if their period of employment is longer than three months and if they earn up to 125% of the legal minimum wage, which is €15–18 per hour.

Towards a ‘standardisation’ of casual work?

The potential emergence of a general trend towards casualisation of work can be seen through quantitative and regulatory evidence.

Crowding out standard employment

Some evidence suggests that marginal employment is crowding out regular employment in some sectors, groups of workers and sizes of firms, with a clearer substitution effect in SMEs – especially those with fewer than 10 employees (Fores, 2015; Jaehrling et al, 2015; European Parliament, 2016b; European Commission, 2018). For example,

according to the **Czech** State Labour Inspection Office (SUIP) reports, there is an increasing trend of concluding DPPs and DPCs in situations where it would be perfectly adequate to conclude a standard employment contract. The conclusion of these temporary contracts instead of standard employment contracts ensures greater flexibility and lower labour costs while reducing the level of employee protection. It has been considered easier in those regions with higher unemployment rates; however, the conclusion of temporary contracts persists despite the unemployment rate being very low in all regions of Czechia (on 31 December 2017, the unemployment rate varied regionally between 2.3% in Prague and 5.8% in the Moravian-Silesian region).

Although data collection is challenging, it seems that the use of casual forms of employment is on the rise across European countries, especially for newly recruited workers. The majority of new jobs created in the **UK** during the post-recession employment boom involves part-time employment, zero-hours contracts and self-employment. Moreover, only 4% of workers in zero-hours contracts were unemployed in the previous year.

In the case of **Poland**, flexible working arrangements, such as temporary contracts and CLCs, have contributed to job creation, in the sense that many new jobs were based on these forms (Gatti et al, 2014). For instance, between 2003 and 2007, some 71.6% of the new jobs created were based on temporary arrangements.

In **Czechia**, the increased intensity with respect to the conclusion of DPPs during the economic crisis is confirmed by data indicating that, between 2009 and 2010, the number of people working on such agreements increased by more than one-third (SBS Statistics). Experts predicted that the total number of agreements concluded outside a regular employment contract would decrease over time, as a consequence of the economic recovery in 2015–2017 and changes to legislation introduced at the end of July 2017 (amendment to Act No. 435/2004 Coll. and Act No. 262/2006 Coll., Labour Code) concerning, among other things, the use of DPCs by employment agencies. Interim data for 2015, however, did not indicate the beginning of such a (downward) trend.

Box 1: Growth in casual forms of employment

The use of part-time and temporary contracts in Poland has grown. In 2016, according to Eurostat annual data, it had the highest proportion of temporary contracts in the EU, with 27.5% of all workers on part-time employment or temporary contracts. The share of temporary contracts based on CLCs also increased over time. The proportion of workers in Poland in such contracts changed from 7% in 2008 to 11% in 2013 and 13% in 2014 and 2015, representing approximately 1.4 million people (Gatti et al, 2014; OECD, 2016; Statistical Office of Poland, 2017).

Similarly, in recent decades, the flexible nature of the UK labour market and relevant employment legislation has enabled a dramatic increase in casual work, which was previously relatively rare. The use of zero-hours contracts has increased in the last 7–10 years. Other factors that may have caused an increase in the use of zero-hours contracts include: higher unemployment since 2004; changes in institutional practices as in higher education, the NHS and the care home sector; and the introduction of the Agency Workers Directive in 2011, which gave agency workers greater employment rights and protections and consequently meant that some employers replaced agency workers with workers in zero-hours contracts (Brinkley, 2013). However, the revival in zero-hours contracts preceded the directive by several years, and the number of agency workers since 2011 has risen, not fallen (Brinkley, 2013).

In the **Netherlands** there is also a general feeling that the number of casual workers has become too high, that casual work is becoming something ‘normal’, and that there is therefore a need to reverse this trend, in particular when it comes to long-term flexible employment. According to a representative from the Dutch Ministry of Social Affairs and Employment, there are no clear statistics on the number of ‘fake independents’: suggested figures vary between 2% and 17% of all people on ZZP contracts.

This trend not only affects job quality and employment security, but also income security. Research conducted by Dekker and Vergeer (2007), for example, shows that higher job insecurity leads to lower consumption.

On a larger scale, adopting casual forms of work to replace standard ones could result in a more common acceptance of flexible forms of work.

Regulating casual forms as ‘standard’

Regulation also plays a role in bringing casual forms of work closer to standard employment. In **France**, the CDDU has been devised as an exception to the more standard fixed-term contract to address specific needs in delimited sectors. However, in most countries, regulation creates and recognises specific casual forms as such.

Since 2003 in **Germany**, for instance, the act on part-time and temporary work has considered ‘work on demand’ (*Arbeit auf Abruf*) as a ‘standard form of employment’, allowing employer and employee to ‘agree that the employee works depending on the workload’ (Section 12, Teilzeit- und Befristungsgesetz, TzBfG) (Eurofound, 2018c). In **Italy**, the 2003 labour reform (Biagi Law 30/2003) introduced intermittent or on-call work as a legal form of employment, aiming to legalise occasional work. Meanwhile, the **Netherlands** recognises some casual (flexible) contracts of a temporary nature (including agency work and payroll).

On the other hand, in some countries, casual work is contracted through already existing (normal) contract types, either in civil law (Poland) or as a contract outside the employment agreements (Czechia). Workers in all these situations are considered ‘employees’, in a subordinated position vis-à-vis an employer, while their status is comparable to, but less favourable than, the standard employee status, as they are only partially covered by all labour and social rights, if at all.

Finally, other countries – for instance, **Italy** and the **Netherlands** – tend also to use self-employment relationships as a normal way of contracting work (especially casual work).

3 Impacts of casual work

Most of the consequences of casual work, for both workers and businesses, are similar to those of the broader non-standard work category, which includes temporary or short-hours part-time workers. However, due to the particular characteristics of casual work, its impact on employers and employees can be greater.

Impacts on workers

Casual work implies some reduced predictability and security of working arrangements; the impact of this on workers' working conditions and social protection rights needs to be considered.

Variations between groups of casual workers

Casual workers constitute a diverse group. Therefore, while it is important to avoid generalisations, it is necessary to raise legitimate concerns regarding the working conditions of some subgroups of casual workers.

Some subgroups of casual workers do enjoy better working conditions than others, especially where casual work is a 'choice' based on personal goals (balancing work and family responsibilities or topping up another income source, such as a pension); this is also the case for those enjoying relatively high incomes. Other workers take up casual work while on standard work contracts to top up their earnings and to monetise specific skills. While there are some risks in these situations, such as potential underemployment and overtime, gains (mainly monetary) may be advantageous, especially in the short term. Similarly, those engaged in intermittent work, in skilled and highly skilled occupations, or in occupations with a high demand for casual workers that does not fluctuate significantly, tend also to have better working conditions. In such cases, weak job security may not pose a problem because individual workers are confident of finding other work easily. In general, for work at the higher end of the labour market, even under casual arrangements, the individual has control over such key aspects as schedule, tasks and pay. This dimension of control increases job satisfaction and financial security.

In contrast, there are casual work arrangements in which individuals have very little control over these aspects; when casual work is – or is perceived as – the only available work option, the impacts of these working arrangements can be detrimental.

Interestingly, various analyses show that, broadly speaking, casual workers report good levels of job satisfaction. Overall, casual workers in **Italy** seemed satisfied with their job: 65% of on-call workers reported 'high or medium-high' levels of job satisfaction. Similarly, a **UK** study from the Chartered Institute of Personnel and Development (CIPD) reported that 66% of casual workers were 'satisfied' or 'very satisfied' with their current job; among workers in zero-hours contracts, only a minority reported dissatisfaction: 12% were 'dissatisfied' and 4% were 'very dissatisfied' with their work.

Data from the **Dutch** Central Bureau of Statistics indicate that – in 2017 – most casual workers (74%) would like 'to work the same number of hours they are currently working', which might suggest satisfaction with their current work arrangements. Similarly, in **Czechia**, according to the Czech LFS, only 17% of those working in DPP or DPC agreements are looking for other jobs.

However, when broken down by items – such as pay or job security – their appreciation of satisfaction is more nuanced. For example, in the **UK**, results from the LFS indicate that fewer than 20% of people in zero-hours contracts believe that their pay is unsatisfactory, while 16.5% are looking for another job, 14% want to work longer hours and 9% want a change in occupation.⁶

On this issue, the well-known 'consistency' factor plays a significant role. It is difficult for an individual to admit, acknowledge and report that the job they are (still) in is 'not (at all) satisfactory'. Therefore, respondents are more likely to report general satisfaction, while expressing dissatisfaction about specific features. Casual workers are no exception in this regard.

Furthermore, job satisfaction is relative, as those on precarious and atypical contracts report globally less satisfaction with stability and job standards. In **Czechia** and **Germany**, casual workers generally reported being less satisfied than the rest of the working population. In **Italy**, on-call workers indicated that they were dissatisfied with career prospects and job stability.

Economic insecurity

The working arrangements of casual workers do not provide income security and visibility. The overall risk of precariousness has been pointed out regarding casual forms of work. According to the **UK** contributor to this report, 'the benefits of this flexibility and consequent increase in casual forms of employment appear to be heavily weighted in favour of employers over employees.' Precariousness seems to have increased since around 2008, due to the onset of the financial crisis, with attempts to cut costs, including labour costs (European Parliament, 2016a). In **Germany**, the impact of the Hartz reforms is considered rather mixed; indeed, there are considerable public, media, policy and academic debates around casual work and the extent to which it represents a positive development in terms of employment effects, as opposed to promoting precarious work (together with low pay and in-work poverty) and even substituting standard employment relationships. Casual work may have had a positive effect on increasing labour market participation, including that of certain groups such as women, students and older workers. However, it has also been associated with issues such as in-work poverty, being locked in to low-quality jobs, and the substitution of regular employees (Fores, 2015; Galassi, 2016; European Parliament, 2016b).

⁶ While there are no measures of job satisfaction per se in the UK-LFS, some proxies can be used, such as 'looking for another job', 'satisfaction with pay', etc.

Box 2: Casual work – A stepping stone to standard employment?

Discussions have focused on whether and how casual forms of work could create opportunities for individuals to enter the labour market and develop a career path.

Policymakers have been discussing, both at European and national level, the development of forms of work, even casual ones, that offer opportunities, especially to individuals otherwise excluded from the labour market. Recent debates – at European level – on precarious forms of work clearly underline the complexity of the matter. Experiences of casual forms of work can be positive, as long as workers are able to progress in their career and, in particular, move to other, more stable forms of employment if they want to. The concern is that some workers might be locked in to these types of non-standard jobs, which act as ‘dead-end’ jobs rather than stepping stones towards more stable (permanent) employment.

Experiences differ depending on individuals’ age or stage in the life course. For younger workers, a flexible type of employment might represent a real opportunity at the beginning of their working life, allowing them to acquire necessary work experience. Conversely, a prime-age and/or middle-aged labour force might fall into casual work to escape unemployment and risk remaining in this type of precarious work for longer than anticipated.

Evidence of casual forms of work acting as temporary opportunities that open more stable paths is lacking. Indeed, after a year of casual work, individuals are more likely to be unemployed or, at best, in another casual work arrangement. For example, **Italian** casual workers are more likely to transition from casual work into unemployment rather than into standard employment. Of the individuals who were casual workers in the previous year, 12% were in an open-ended contract one year later. However, 30% of workers had moved from casual work into unemployment, while only 4% were still in a casual work arrangement after one year.

Similarly, according to the OECD (2014), **France** is one of the few OECD countries where temporary workers are less likely to move into permanent employment than unemployed workers, making it difficult to argue that the CDDU is a stepping stone to more permanent employment. The persistence of casual work status is even greater in the **Netherlands**, where 81% of workers who were in flexible contracts are still in a flexible contract one year later (3% are unemployed and only 4% have a permanent contract).

This highlights that the opportunities for casual work to act as a step on the career ladder are limited. This is especially true in low-skilled and low-paid occupations where workers lack the financial resources to fund their own training (a key factor in facilitating career progression).

The potential lock-in effect in more vulnerable employment situations is also supported by evidence of casual workers being assigned less demanding tasks and given less autonomy, which limits the potential for on-the-job learning that could be useful for their career advancement (Eurofound, 2015b).

In addition, casual workers tend to have more limited access to formal further education and training offered by employers (as, for example, indicated by interviewed Czech and German experts). As job positions are of limited duration (intermittent work) or otherwise fragmented (on-call work), employers might be less motivated to invest in the employee. Considering that cost is among the main drivers for employers to engage in casual work, this pattern follows a consistent logic. At the same time, workers might not be interested in participating in any offered training, due to a lack of commitment towards the employer or their tasks, or as they perceive it, limited career advancement opportunities in this work arrangement. Indeed, **Dutch** data show that casual workers are one-sixth less likely to invest in their continuous professional development, while employers do not invest in the training of their casual workforce (Euwals et al, 2016).

Casual workers face some key issues associated with low pay and low income. In the years since the Hartz reforms, analysis shows that, parallel to the sharp increase in low-paid work, in-work poverty increased in **Germany** from only 1.6% in 1989 to over 4.4% in 2013, representing

a staggering 178% increase (SOEP, 2017a). In the **UK**, the increase in casual work has led to real hourly pay falling by 10% between 2009 and 2013 and resulted in nominal wage growth falling consistently below price inflation (Grimshaw et al, 2016; ACAS, 2017), equating to the longest sustained period of falling real wages since records began in 1964 (ONS, 2014; TUC, 2016).

Caution is advised when analysing revenues from casual work arrangements, especially as data are lacking and comparability is difficult. Nevertheless, two main features characterising casual workers’ earnings are worth highlighting.

- Net wages could be higher in casual work than in other work arrangements due to favourable tax regimes.
- A ‘penalty’ applies to casual workers’ wages, with a widely acknowledged pay gap between marginal (including casual) and regular employees (OECD, 2014). Data gathered for this report confirm this.

Evidence shows that the gross hourly pay of casual workers is lower than for workers in other contractual arrangements, with significant differences due to sectoral and occupational characteristics. In the **UK**, the gross hourly pay of casual workers is around GBP 9.60, which is much lower than the national average of GBP 14.50 (€10.73 and €16.21 respectively, as at 11 September 2019).

The highest sectoral pay for casual workers is in construction. Regarding occupations, the best-paid casual

workers are in the administrative professions, while the worst paid are, unsurprisingly, in elementary occupations.

In **Germany**, the gross hourly wage for casual workers is less than €12, while the average gross hourly wage for all employed people is €19. The figures are even lower if one looks at the average pay by sector. Casual workers in the agricultural sector, for instance, earn around €7 per hour. In the hotel and distribution sector, where the concentration of casual workers is greatest, the average gross hourly wage of casual workers is around €9.50, only slightly above the legal minimum wage of €8.50.

Moreover, the short duration of their work arrangements overall – fewer working hours – penalises casual workers in terms of total earnings. For instance, in the **Netherlands**, the average annual personal income for on-call contract workers was €9,300 in 2015.⁷ This is about one-quarter of the personal income of all employed people on permanent contracts in the country in the same year. In **Italy**, based on data from the Istituto per lo Sviluppo Della Formazione Professionale dei Lavoratori (ISFOL), the net monthly wage of a casual worker was €890, with the lowest wage (€780) found in the distribution, hotels and restaurant sector. The average net monthly wage was €1,300 in 2014. ISTAT (2010) reports that in the period 2006–2009 the lowest gross hourly wage for casual workers was in the real estate and other entrepreneurial activities sector, amounting to €9.30 per hour, while in the hotel, restaurants and distribution sector it was around €10 per hour. The average gross hourly wage for the overall Italian workforce was €16.20 in 2010 (ISTAT, 2014; Fondazione Giacomo Brodolini, 2017).

When all potential characteristics that might explain the wage gap are controlled for – working hours, sectors and occupations – differences remain in some countries. In **Italy** for instance, despite recognition of the principle of non-discrimination, in reality temporary workers do not benefit from rights and bonuses as standard employees do and, in practice, mechanisms exist that allow employers to pay the former less than the latter (Picchio, 2006). In the **UK**, the wage gap has disappeared, explained by sectoral characteristics. In **France**, although the average pay is lower for casual workers than for standard employees, this seems to be explained by the lower number of hours worked (Marie and Jaouen, 2015).

On the other hand, depending on country regulations, casual workers could benefit from higher net pay than standard workers. Indeed, mainly due to tax regulations,

in some countries the ‘net brought home’ is somewhat higher for casual workers than their counterparts in other employment arrangements.

For instance, **Romanian** day labourers earn a higher net income per hour than employees with standard labour contracts, as casual workers do not pay compulsory social contributions.

In **Poland**, taxation regulations clearly increase the attractiveness of CLCs for both the worker and the employer. Calculations on the basis of a gross salary of PLN 2,000 (€461 as of 11 September 2019), the 2017 minimum wage, show that in both types of CLCs (contracts for mandate and contracts to perform a specified task) workers kept more and employers spent less than in standard employment situations (Table 7).

Since 2017 however, the minimum wage applies to the contract for mandate, as the workers under this CLC should receive PLN 13 per hour, close to the ‘normal’ monthly minimum wage of PLN 2,000 (€3 and €461 respectively, as of September 2019).

Overall, despite the penalty on earnings, casual workers have a clear (short-term) interest because, in several casual working arrangements, net wages are often higher than earnings in other employment arrangements.

Working time unpredictability

Casual forms of work are characterised by irregular, fewer working hours.

Many of these forms do not have a fixed number of working hours and several forms rely on ad hoc work arrangements, leading to high uncertainty and unpredictability for workers. In all employment relationships, the overall duration – per day, week or month – and regularity of working hours are important terms and conditions. The link between the quality of working time and work outcomes, like workers’ health and well-being or work–life balance, is well established in research (Eurofound, 2017).

On average, in most countries, casual workers do not work more than 15–20 hours a week. In the **Netherlands**, the average working time of a casual worker is 23 hours per week, with 24% working fewer than 20 hours. However, in **Italy** and the **UK**, a minority of casual workers (24% in Italy and 14% in the **UK**) work between 35 and 40 hours per week, the working time of a full-time

Table 7: Polish CLCs and employment contracts, total salary paid (2017 minimum wage)

	Contract for mandate	Contract to perform a specified task	Employment
‘Worker’ to keep	PLN 1,681 net (€388)	PLN 1,758 net (€406)	PLN 1,460 (€337)
‘Employer’ to pay	PLN 2,000 (€461)	PLN 2,000 (€461)	PLN 2,415 (€557)

Note: Euro conversions as at 11 September 2019.

Source: Arak et al (2014); Polish national contribution to this report

⁷ According to the website of the Dutch Central Bureau of Statistics, personal income comprises personal gross income less income insurance premiums, excluding national insurance contributions. Personal insurance premiums, taxes on income and capital and national insurance contributions are not deducted from personal income because these components are not always clearly attributable to the individuals within a household.

employee. On the other hand, a large proportion of casual workers work full-time, defined as 35+ hours, raising the question of ‘standardisation’ of casual forms of work.

Considering the way working hours are scheduled, casual forms of work are characterised by the irregularity and unpredictability of working time arrangements. In this regard, casual workers are still an exception compared to

the whole workforce. Indeed, across Europe, regularity of working time is still the norm, as shown by data from the EWCS, although some workers experience changes in their work arrangements (Box 3). Casual and atypical workers are among the 18% of employees with ‘other contracts’ reporting that they are requested to come in to work at short notice (Eurofound, 2017).

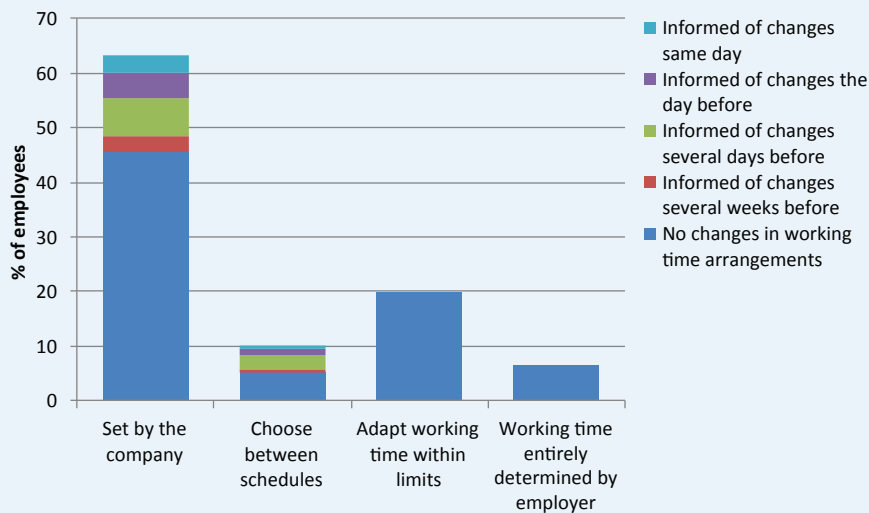
Box 3: Working time in Europe – Regularity and changes

According to EWCS 2015 data,⁸ most employees in the EU28 (61%) work the same number of hours every day. Over three-quarters work the same number of days every week (78%), and over two-thirds work the same number of hours every week (68%), with fixed starting and finishing times (67%). Most employees combine different aspects of regularity. Almost half of the employees have regularity in all aspects (46%), 29% have between two and four aspects of regularity and the group with the most irregular working hours represents 25% of the employees, with regularity on one aspect only. Moreover, the majority of the workforce in Europe does not have flexibility in working time. The largest proportion of employees has no flexibility to change working time arrangements (63%) and another 10% can only choose between fixed schedules.

However, despite a very common regularity in working time, workers experience changes in working patterns. Roughly one-third of the employees with no flexibility and about half of the employees with fixed schedules reported changes in their working time arrangements. Furthermore, about 18% of the employees in the EU28 reported ‘regular changes’⁹ in their fixed working time arrangements. Of that group, about 16% (3% of all employees) is notified of the change ‘several weeks in advance’, but for 40% (7% of all employees) this notification happens only ‘several days before’.

Finally, some workers experience changes at very short notice. For 26% of workers (5% of all employees) notification of changes in working time arrangements happens one day in advance, while 19% (3% of all employees) are notified of changes in the working time on the same day the change takes place. The latter group might include workers who are on-call and therefore face short-term changes in their working time, making their working time schedule unpredictable.

Figure 1: Working time arrangements, share of employees in the EU28, 2015



Source: EWCS 2015

The EWCS shows that between 2% and 3% of employees were requested to come in to work at short notice ‘daily’ or ‘several times a week’ in the 12 months prior to the survey. This mostly reflects time demands in a wide variety of occupations: it is more common among service and sales workers, as well as agricultural workers (17% for both). Moreover, it is more common among certain economic sectors, such as agriculture, transport, healthcare and construction. Workers with atypical working time arrangements are the first affected by changes. Those that are requested to come in to work ‘at short notice on a daily basis or several times a week’ are more likely to work fewer than 20 hours a week, but also more likely to work more than 48 hours and, on average, work one hour more per week than the other employees.

8 Respondents of the EWCS are asked whether they work the same number of hours every day, work the same days every week, work the same number of hours every week and if they have fixed starting and finishing times.

9 There are no data in the EWCS to quantify how often these changes occur, other than the respondent indicating that it is ‘regular’.

Box 4: Italy – Constitutional aspects of regulation for on-call contracts

According to some authors, the on-call workers' situation is at odds with the majority of Italian labour law, which recognises the employee's need for a balance between their work and private life (Voza, 2005; Albi, 2015). Moreover, it has been argued that the general principles of the Italian Constitutional Court (n. 210/1992)* ruling could also apply to on-call work. This ruling states that 'part-time contracts with flexible clauses' are unconstitutional because they do not respect the individual's right to plan their own private time. However, another strand of the jurisprudence highlights that the two types of contractual forms are fundamentally different. In a part-time contract with flexible clauses, the worker knows when they will work and the usual working time, and the employer has the right to change the work arrangements. In contrast, in the case of on-call work contracts, the employee accepts the flexibility of the contract from the beginning. In other words, they accept the unpredictability and irregularity of working times, not knowing whether they will work or not. In these circumstances, the non-constitutionality of on-call work should, arguably, not apply (Nucara et al, 2014).

*C. cost. 11.05.1992, n. 210, Giur. It., 1993

Workers on casual work contracts are more likely to experience significant fluctuations in hours worked within short time spans (Wood, 2016). Changes and unpredictability have several impacts on working experience. For example, unpredictable working hours have a direct impact on earnings, contributing to irregular livelihoods and therefore increasing the risk of poverty. To address this issue, some countries specify a minimum number of guaranteed working hours to be paid to casual workers, as discussed earlier.

Furthermore, unpredictability of working hours can put pressure on work–life balance. In **Italy**, the debate around on-call work focuses on workers' freedom to arrange their private time. Hence, for on-call workers, the employment contract also covers the time when they are not working. However, it has been pointed out that, even in the case of on-call work with no obligation to respond, the worker will in practice still try to be available for the employer, especially if on-call work is their only source of income.

Health and well-being

A number of aspects of casual work can negatively affect casual workers' health and well-being:

- the irregularity and unpredictability of working time, including the (perceived) need to be always available
- a permanent feeling of job and employment insecurity
- financial stress resulting from job insecurity
- a potential lack of responsibility in and meaningfulness of the work
- a lack of recognition for the work done

As a result of the above factors, workers might feel 'desperate and exploited' (Eurofound, 2015b; Kremer et al, 2017). From a psychosocial perspective, this can cause specific problems – such as stomach, back and neck complaints, headaches, tiredness and listlessness (Aronsson and Gustafsson, 2005) – while also affecting daily life. An unpredictable life course, especially if this unpredictability lasts a long time, has an impact on broader life decisions, such as family planning.

Potential competition among casual workers can also nurture mental stress. According to **UK** experts interviewed for this study, some employers use competitive practices:

workers in zero-hours contracts must phone their employer at a specific time or be physically present without guaranteed hours; whichever person is there first, receives the hours available. In this sense, employers constantly 're-recruit' individuals.

Social protection

Overall, the social inclusion and social protection of casual workers are not ensured.

Social protection rights have been built around the standard employment relationship. Therefore, since the main features of casual work arrangements depart from those of standard employment relations, most casual forms of work have a weakened link with social protection. Indeed, in most countries, casual workers are not covered by the general obligation to pay social insurance contributions (see Chapter 1) and are often exempt from paying income tax on their earnings. Consequently, casual forms of work do not provide full social protection to workers, with obvious adverse implications for their present and future life, including the risk of poverty in old age.

Moreover, even when social protection is recognised for casual work in principle, in practice most of the time, it is not applicable. For instance, in **Italy**, the legislation provides that all workers, irrespective of their employment contract, should have the right to receive social benefits. However, in practice, the qualification period to be eligible for benefits denies this right to casual workers: access to such benefits is open to those individuals who have worked a certain number of days in a year and have accumulated a certain amount of social contributions during the duration of employment. The contingent nature of casual working arrangements does not usually fit the criteria.

The current discussion on casual work is part of a larger debate on the flexibility of the Italian labour market. As highlighted in Ichino et al (2008), flexibility can be acceptable if it is accompanied by measures that support the workers in case of dismissal; on-call workers do not seem to have such support. The areas of greatest concern are the limited entitlement of on-call workers to social benefits and the limited, accrued social security contributions.

Various features – limited working hours, low income – have an impact on the social security protection of casual workers. For example, a minimum income threshold

applies in **Czechia** and the **UK**; this negatively affects those with low income levels by creating barriers to accessing healthcare, unemployment benefits and, later on, pensions.

Workers without a stable contract have a high risk of social exclusion due to, for instance, the difficulty of family planning or obtaining a loan – including a mortgage – and even some social stigma. Some progress has been made regarding the social inclusion (and employment conditions) of temporary agency workers. However, on-call workers continue to be the most vulnerable group from this point of view and, as a result, they are in urgent need of support, including regulatory/legislative measures to strengthen their labour market situation and combat employer abuse and fraudulent use of on-call work contracts.

Representation

While there is hardly any evidence across the analysed countries that the regulatory model of casual work limits casual workers' access to representation and a collective voice, anecdotal evidence hints at operational challenges for employee representatives to organise casual workers and effectively represent their interests to employers (Eurofound, 2015b).

The need for improved representation of casual workers is widely expressed across countries. As stressed by literature, collective action may be essential in this process (Choi and Mattoni, 2010): unions may exert sufficient pressure on the government and employers to result in improvement of the social conditions of marginal workers. In **Romania**, some employees' organisations stated that only the inclusion of day labourers in a trade union could give such workers the right to express their opinions and demands in terms of adequate income, employment stability, health and safety at work, access to training and transitions to permanent jobs.

However, qualitative and quantitative data are scarce. While a few surveys (EWCS, Italian ISFOL-PLUS survey) do ask whether representation exists inside the firm, most do not ask directly whether the individual is a member of a union.

From the information gathered, very few atypical workers are members of a union. The main **Italian** trade unions have branches that represent temporary and atypical workers: NidiL CGIL, UILTemp and FeLSA CISL. The share of members of these trade unions out of the total membership is very small: in 2016, NidiL Cgil had 93,841 members, compared with over five million CIGL members overall. UILTemp had 69,368 members (over two million UIL members overall) and FeLSA CISL had 41,601 members (two million CISL members overall).

In the **UK**, union membership among casual workers is very low: just 7.4% of those on zero-hours contract are a member of a union. This is supported by the Workplace Employment Relations Study management survey, which finds that two-thirds of organisations that employ casual workers have no union members present. The survey also finds that in only one in five workplaces is a recognised union – with members – present; in 14% of organisations, unions are present but are not recognised. In **Germany**, the overwhelming majority (95%) of mini-jobbers are not

union members – a phenomenon that is in line with both the overall decline in union coverage in Germany in recent years as well as the low level of unionisation among casual workers more generally (OECD, 2017).

Casual workers' representation is a major challenge for trade unions. On the one hand, atypical workers are less likely to be trade union members because of the discontinuous nature of their work; on the other hand, they are the workers that would mostly need support to improve their working conditions. It is particularly difficult for trade unions to get in touch with these workers, because their employment histories typically are too fragmented and short; unions, therefore, struggle to organise them.

Moreover, the question of whether collective agreements can take casual workers into consideration has been raised across the Member States. For instance, according to the **Czech** Labour Code, collective agreements should apply to all employees (hence, include employees working on DPPs or DPCs). However, trade unions do not usually insist on the various benefits to be also conferred to casual workers; hence, many collective agreements include the wording that 'the obligations set out in the collective agreement apply only to those employees in a regular employment relationship'. In **Italy**, on-call work is rarely included in collective bargaining negotiations. This is linked with most sectoral unions disagreeing with the use of on-call work, as it is a contract of intermittent nature that cannot guarantee adequate living standards to the employees. Therefore, as seen in **Germany**, casual workers mostly rely on the state to protect them; given a relatively inadequate enforcement capacity, states may not be able to provide this protection in practice.

Conversely, in **France**, the recent labour law reforms (Ordinance n° 2017-1385 of 22 September 2017) have opened the possibility for social partners to negotiate more flexible terms for fixed-term contracts (CDD) in their sectors. If they decide to use this possibility, social partners could make CDD more flexible, bringing it closer to the custom fixed-term contract (CDDU) in three of the five features they differ on: the maximum duration of the contract, the length of time between two successive contracts, and the maximum number of successive contracts.

Finally, other paths can be followed to improve casual workers' situation. In the **UK**, trade unions have been criticised for almost exclusively representing 'standard' workers (Standing, 2011), and have been found to be ineffective at influencing flexible scheduling so as to improve job quality (Wood, 2016). Trade unions have nonetheless played a major role in pursuing public campaigns and lobbying efforts to reduce or eliminate the exploitative practices associated with some zero-hours contracts.

Transfer of business risks

Casual workers are also more likely to experience the transfer of business risk, where employers transfer all risk on to precarious contracts. According to experts interviewed for this study, this is often referred to as 'one-sided flexibility', where employers benefit from the flexibility of casual work, but employees are not seeing the flexibility benefits these contracts are said to bring (according to the UK national contributor).

For instance, the current (relative lack of) regulation regarding casual work in the **UK** means that this risk is shifted entirely on to the worker who, as the data show, is more likely to be young, low-skilled with low educational attainment and female. Such individuals, vulnerable and relatively unestablished in the labour market, are less likely to possess the means of negotiating or managing the uncertainty that their casual working patterns entail. The UK Trades Union Congress (TUC) is particularly concerned that many young people feel that zero-hours contracts are their only option.

Interestingly, in **Germany**, this issue has been clearly raised in the debate on the impact of digitalisation and future of work. Prior to the general election of September 2017, the Federal Ministry for Labour and Social Affairs (BMAS) published a white paper, 'Work 4.0', which stated that 'limits should be imposed ... on the systematic transfer of business risks to temporary agency workers or crowdworkers' (BMAS, 2017, p. 89). Significant reform of the financial and social protection given to the self-employed was also proposed (BMAS, 2017).

Finally, a further example of such transference of risk is the misuse of self-employment, where the employer misclassifies workers as self-employed while maintaining control over their work. The employer benefits from the minimised responsibilities towards the individuals, the reduced tax and social security contributions and the unfair competitive advantage gained (ACAS, 2017).

While recognised and increasingly questioned, the phenomenon of bogus self-employment remains difficult to gauge, as reliable figures are not available. Estimates of bogus self-employment vary in the **UK**, with Citizens Advice suggesting that around 500,000 workers were encouraged into self-employment by their previous employer, and now work principally for them, while the Department for Business, Energy and Industrial Strategy (BEIS) proposes a figure of at least 100,000 people (TUC, 2016).

In the **Netherlands**, the government recognises the importance of the bogus self-employment issue: it is often unclear whether ZZP workers are in fact self-employed or employees (see Zandvliet et al, 2013). A representative from the Dutch Ministry of Social Affairs and Employment highlighted that there are no clear statistics on the number of 'fake independents'; figures could vary between 2% and 17% of all people on ZZP contracts.

However, the impacts of business risks are not the same for all self-employed workers, given the variety of situations. At the top of the ladder, self-employed people can afford to pay (or can even avoid paying) social security contributions; at the bottom, workers may be forced into self-employment by the companies employing them. Workers can hence be in the position of dealing with companies that claim not to be liable for the health, safety and social security rights of an individual not directly employed by them.

Company outcomes

The flexibility sought by employers when reverting to casual forms of work has effects in different areas, notably hiring processes and work organisation, as well as competitiveness. However, evidence, particularly from statistical data, is scarce.

Impact on work organisation

Previous Eurofound research underlined the use of casual work by companies as a 'flexible form of employment to quickly assign workers to a task that arises at short notice' (Eurofound, 2018b, p. 8). In general, employers establish a pool of casual workers that can be contacted when required to offer them work. This practice helps companies to engage the workforce if and when needed, with a high level of numerical and temporal flexibility, in terms of number of workers and working hours, and duration and scheduling of working time. Accordingly, casual forms of work seem particularly well-suited to support a work organisation characterised by fluctuating seasonal, project-based or demand-based workloads or other needs for flexible staffing, such as the quick replacement of sick workers (Van Echtelt and De Voogd-Hamelink, 2017; Eurofound, 2018b).

The advantage of this practice is that it offers employers flexible employment, while at the same time providing for some sort of stability and reliability in their workforce, as the **French** example in Box 5 illustrates. Maintaining a pool of workers gives employers the option to tap in to a reserve workforce that they have already screened and worked with, thus saving resources by avoiding the repeated induction of new staff. They therefore feel reassured about the capacity of the individuals they employ. This is an important aspect for employers, especially when they are in very competitive markets.

Box 5: France – The 'permittence' practice

Recent analysis from the National Union for Employment in Industry and Commerce (Unédic), the French body in charge of unemployment benefits, underlines the concept of *permittence*, which is an employer's practice of re-employing the same casual workers in an almost permanent way (Court of Auditors, 2012).

This practice started in the entertainment sector, where artists working through gigs and under casual forms of work (*intermittents du spectacle*) were regularly re-employed in a quasi-permanent way by the same employer and has become widespread: 'more than 70% of hiring under short-term contracts are in fact rehiring by the initial employer' (Unédic, 2018). Data show a high rate of recurrence of 'permittence' in economic sectors where fixed-term contracts are generally used (Insee, 2014; Benghalem, 2016).

The rehiring practice gives employers continuity of competencies without paying for it: hiring a worker on a casual basis allows the employer to test the fit between the worker's skills and competencies and the company's needs; rehiring a worker who has already been screened and trialled gives almost the same security as relying on a permanent workforce (Unédic, 2018).

It is also commonly recognised that casual work represents a step in the recruitment process. While casual work contracts do not automatically lead to permanent employment, there is evidence that some companies use them as a form of probation period to assess workers, some of whom are subsequently hired on standard contracts (as, for example, in the **Netherlands**). This process can help ensure that staff recruited on a permanent basis fit the company's work organisation, structure, culture and the team they will be joining.

Impact on competitiveness

Some companies, mostly in lower-income and lower-profit sectors, see casual work as one response to global competition, allowing them to stay in the market.

Casual work offers employers flexibility, both in terms of working time, and in terms of facilitating the establishment and termination of employment relationships. Employers hiring casual workers do not have to offer permanently fixed working hours – or workload – to their staff. This results in cost efficiency gains because HR costs (wages and wage-related ancillary costs like social protection) only arise when the workload requires staff. Furthermore, some HR costs might not emerge at all. For example, employers tend not to feel obliged to invest in training and continuous professional development of their temporary workforce or to involve them in bonus and fringe benefit schemes, as the contingent nature of the employment relationship makes the worker unlikely to stay in the company (as seen in the Netherlands).

These cost savings can result in productivity gains, if the same or higher output can be produced at the same or higher quality for less expense. However, some evidence also hints at the possibility that casual work may hinder firms' productivity for several reasons. First, some initially foreseen financial advantages do not always materialise. For example, since 2015, **Dutch** employers have been obliged to pay on-call workers for a minimum of three hours each time they are called to work, and after six months workers are legally entitled to receive a fixed number of working hours based on the average number of hours worked under the on-call contract during the six-month period.

Second, according to Bardazzi and Duranti (2016) the availability of a cheap labour force might create an incentive for firms to keep a labour-intensive production technology, rather than making productivity-enhancing innovation investments. Moreover, flexible workers in the firm may not be interested in – or, more likely, not offered – company training (see above). This can damage firm productivity, insofar as this is closely related to the employees' human capital and, in particular, firm-specific human capital.

Third, in this context, Addressi (2014) highlights that workers' personal ability and attitude to work not only affects their productivity, but also the way the productivity process works and evolves, because some tacit knowledge is not kept or shared within the firm to the same extent if there is a flexible workforce rather than permanent staff.

Fourth, productivity can also be hampered if casual workers show a lower level of motivation and commitment towards the company and the tasks assigned. On one hand, casual workers might not be incentivised to perform as best they can for the benefit of the company since

they are not typically expected to stay for the long term. On the other hand, this attitude might negatively affect the 'atmosphere' in the company, and hence the overall performance (including staff on standard contracts). Some of the experts interviewed for this study voiced their opinion that, in businesses where teamwork is fundamental, greater precariousness of employment relations worsens the quality of work, as high staff turnover is an obstacle to team cohesion and associated feelings of a shared purpose, solidarity and collaboration.

Beyond that, casual work arrangements can affect the overall work organisation and employment relationships in companies. The presence of casual workers in a firm affects the experience of permanent employees. Battisti and Vallanti (2013) find that, when firms use flexible employees as a buffer during crises, the permanent staff in the company feel more secure against dismissals, and hence put less effort into their work. On the other hand, the parallel employment of permanent and casual workers might lead to more competition between workers, incentivising both groups to work harder to retain or improve their employment situation.

As a result of lower productivity – or provision of lower-quality products or services due to the above-mentioned aspects – the company's reputation can also be affected. According to **Dutch** literature (Kremer et al, 2017), there is evidence that a good salary, security and a higher level of responsibility play a big role in fostering employees' intrinsic motivation for the job, and to go that extra mile to deliver quality and come up with innovative ideas.

In the same way that access to unemployment benefits for self-employed people constitutes an important safety net to boost entrepreneurship, job security functions as an important intrinsic motivator for employees. Furthermore, in the **UK**, employers and their organisations, such as the CBI and CIPD, have recently started to voice concerns about their brand and reputation if they are associated with bad work practices, including the abuse (or even, in some cases, just the offer) of zero-hours contracts. Ongoing changes in the workforce could also represent a heavy burden for companies. Being able to recruit new people rapidly is linked with at least some need for constant adaptation of work processes, as most likely not everything can be expected to be covered by each employee. Continuous efforts are required to bring the newly employed up to speed. Furthermore, incumbent staff might be required to cooperate effectively with the casual workers.

Challenges for society

Casual forms of work also have broad impacts on the labour market as a whole, either in terms of social inclusion of individuals or regarding a more general casualisation of work, fraudulent practices and potential brain drain.

Social inclusion at risk

The social inclusion of flexible workers, and economic growth, are key if labour market flexibility is to be advantageous. **Italian** trade unions underline the importance of economic growth for the creation of stable employment opportunities with decent working conditions. In a stagnating economy, employers tend to use flexible forms of work more extensively because of their immediate cost-saving advantages together with the greater availability of labour. The workers, on the

other hand, might accept flexible contracts not because they prefer them, but because they do not have any options for more standard employment. While flexible employment could be beneficial in the short term (having some employment tends to be perceived as being better than being unemployed or inactive), from a long-term perspective there is some risk to workers of being trapped in a precarious and unstable working career for several years or even their whole working life. If that is the case, it is very likely to affect income at older age (pensions or welfare benefits), particularly if employers use casual work to benefit from tax advantages or avoid social protection contributions. The **Czech** Labour Inspectorate SUIP annual reports show how the earnings of workers employed on the basis of DPP, are capped to avoid reaching the upper limit that would require the payment of health and social security contributions (Státní úřad inspekce práce, undated). Instead, earnings over this limit are paid to the employee in (unrecorded/undeclared) cash. Against the background of a rising old-age dependency ratio, and the (financial) struggle that the social protection systems of several Member States are facing, this is an impact that should be considered.

Negative effects of casual work agreements are also felt by the state. In **Czechia**, for example, it is estimated that non-payment of health and social insurance contributions with respect to DPP remuneration can be up to CZK 10,000 and up to CZK 2,499 for DPCs (€386 and €96 respectively, as of 11 September 2019).

Moreover, as the **UK** discussion around zero-hours contracts illustrates, casual forms of work might create polarisation between flexibility and exploitation. As the UK's Advisory, Conciliation and Arbitration Service (ACAS) notes:

the arguments for and against protection and flexibility are so strong and persuasive that it begs the question: are the two things compatible at all? It is, perhaps, one of the most important questions facing policymakers concerned with the world of work, as the issue of achieving a 'fair balance' between employers and employees, between regulation and flexibility, goes right to the heart of the employment relationship.

(ACAS, 2015, p. 2)

Potential brain drain

The lack of overall job stability that might result from a growing trend towards casual work may lead individuals to leave the country. Some evidence hints at higher-skilled workers searching for better employment and working conditions abroad if affected by atypical employment (Barbieri and Scherer, 2009; Bardazzi and Duranti, 2016). In the long run, the consequences for the labour market and economic growth prospects of the country can be detrimental, as the 'brain drain' literature has pointed out (see, for instance, Docquier and Rapoport, 2012).

Circumvention of labour regulation

Casual work instead of standard employment

Greater general acceptance of flexible work could also result in an increase in the fraudulent use of casual work instead of standard employment. As Taylor notes:

There's nothing wrong with zero and low hours contracts but they should be a means to two-way flexibility, not a

lazy way for those with market power to dump risk on those who lack that power.

(Taylor, 2017)

This practice is reported in several countries across Europe. In **Czechia**, for instance, DPPs and DPCs are offered for jobs with characteristics requiring a standard employment relationship (these include the nature of the activity, and the length or regularity of the tasks). This suggests that the greatest motivation for employing workers on the basis of an agreement to complete a job (DPP) is not primarily related to the temporary nature of the activity performed, but rather the fact that neither employer nor employee have to pay health and social security contributions on earnings up to a certain threshold. Moreover, SUIP findings also highlight cases in which companies have hired over 90% of all their employees on contracts outside a standard employment arrangement, even though the labour code clearly sets out the employer's obligation to hire staff primarily on the basis of standard employment contracts.

Similarly, according to experts interviewed for this study, although on-call work in **Italy** is legally allowed only for discontinuous and intermittent activities, its abuse is widespread, with some employers hiring a worker with an on-call work contract for work to be performed full-time and continuously.

Finally, a further example of circumvention of labour law in the context of casualisation of work is the use of disguised employment relationships or bogus self-employment, misclassifying workers as self-employed while still maintaining control over their work to minimise responsibilities towards individuals, reduce tax and social security liabilities and gain unfair competitive advantage (ACAS, 2017).

Lack of compliance with casual work regulations

Circumventing key features of casual forms of work is another type of misuse of these work arrangements. The main reason for these abuses is a claim for the need for (even) more flexibility and the search for reduced expenses; the two main features of casual work often subject to abuse are wages and working hours.

In several countries, the minimum wage regulation applies to casual workers. Nevertheless, ensuring compliance with this rule is challenging. For instance, in **Romania**, the employer's compliance with the provisions regarding minimum gross remuneration of day labourers remains the principal challenge for the authorities.

The number of hours worked can also be abused, due to a lack of transparency in the number of hours really performed. Various cases of misreporting the number of hours worked can be found. The fraudulent use of casual work in **Italy** can be illustrated through the example of an employer hiring a worker on an on-call work contract, while the actual work is performed full-time and continuously. Hence, the employer pays social security contributions only for the hours they declare, which can be much lower than the actual hours worked.

In **Czechia**, there is no obligation for employers to record the number of hours worked on DPPs. Consequently, according to the SUIP, the maximum annual limit of 300 hours worked is often exceeded. If there is insufficient or no evidence, it is

very difficult to prove the existence of offences associated with employers exceeding the legal working time limit. DPPs and DPCs are also fraudulently used in cases where the employer wants to exceed the statutory overtime hours. Indeed, while DPPs and DPCs can legally be concluded with

an individual already in employment, conditions apply: the two contracts must cover ‘work of a different kind’.¹⁰ Therefore, concluding a DPC/DPP to complete the work to be done by an employee in the context of their original job is not a legal way to pay overtime.

Summary: Impacts of casual work

Impacts on working conditions

Casual work is a complex phenomenon, with substantial diversity in effects across Member States and even in operational implementation within Member States. It is seen to be polarising: those workers with valuable skills who engage in casual work for the opportunities it offers experience better working conditions than those with less valuable skills who are driven into it by necessity. Accordingly, generalising the effects of casual work on working conditions does not accurately represent the reality. Nevertheless, some overall outcomes can be derived, even if the specific manifestation differs from case to case.

Due to the very nature of casual work, it has considerable potential to affect the worker’s economic security. On the one hand, it can provide them with access to the labour market and the opportunity to generate (additional) income. On the other hand, it can be associated with limited career opportunities, not least due to limited or no access to training. The flexible nature of casual work generally results in job and employment insecurity which, in turn, can lead to low, irregular and unpredictable income and limited or no social protection.

The flexibility inherent to these work arrangements can be beneficial for employees in terms of facilitating a better work–life balance, provided the worker has some discretion in arranging working time and work schedules. However, because a real choice of working hours is extremely rare, casual workers are more likely to be at a disadvantage.

The flexible character of casual work also poses a significant challenge for worker representation.

The combination of the identified potential effects might impact workers’ health and well-being, as well as some of their life decisions. The available anecdotal evidence hints at rather negative impacts in these aspects.

Impacts on companies

As with the working conditions, the impact of casual work on the employer is not exclusively positive or negative and, in practice, will differ from case to case. In general, however, casual work has the potential to affect the work organisation. On the positive side, it enables the employer to easily adapt human resources to fluctuations in the workload, while at the same time providing some stability, since staff can be drawn from a pool of workers who might repeatedly be chosen by the same company. On the negative side, flexible staffing requires some ongoing adaptation of work processes, which might also result in challenges related to teamwork and staff motivation (both for casual workers and those in standard employment).

Casual work might also affect a company’s competitiveness. It offers the potential for more cost-efficiency – in terms of wages, social contributions, investment in training, bonuses, fringe benefits and similar costs – and greater productivity. Conversely, productivity might be reduced by disrupted work processes and limited firm-specific human capital and staff commitment, which might also result in lower product or service quality. This, together with the potential image of a ‘bad employer’, might damage the reputation of the company.

Impacts on society

Next to the microeconomic impact that casual work might have on workers and employers engaged in this work arrangement, macroeconomic effects should be considered. Notably, if casual work is being applied on a larger scale – and the fragmented data indicate that this is increasingly the case – it has the potential to endanger the social inclusion of the affected workers by contributing to inequalities and limited prospects.

Furthermore, the spread of casual work might result in a more general acceptance of non-standard forms of work, the first indications of which are already observable: several of the new forms of employment identified by Eurofound point to a casualisation of work.

From a labour market perspective, this trend becomes even more problematic when casual work arrangements are abused. This may be done to avoid standard employment (even though the characteristics of the activity imply that such a contract is appropriate); abuse may also take place when regulations on casual work are disregarded or bypassed to the disadvantage of the worker.

Finally, all these developments together could incentivise higher-skilled workers to search for better working conditions abroad, which could lead to domestic labour shortages and brain drain.

¹⁰ ‘Work of a different kind’ is defined as work that varies considerably from and is unrelated to the work the employee performs under the original employment relationship. If this is not the case, the employer is considered to be circumventing legislation and the contract is deemed null and void.

4 Main issues in policy debate and regulation

Policymakers across Europe are discussing the opportunities and challenges surrounding casual work. While these debates are not new, they have recently been reinforced, driven by some observable trends towards casualisation of work during and since the Great Recession and widespread broader discussions on the future of work. The following pages summarise some of the key issues discussed, as well as some illustrative approaches taken by governments and social partners to tackle them.

Improving protection of casual workers

Better defining casual work

Clarifying the concept of casual work and the distinctive characteristics of the respective employment relationship is an important step towards protecting casual workers from precarious situations and abuse.

The **UK** situation illustrates this point. The use of zero-hours contracts has been high on the political agenda since 2013, becoming one of the most ‘high profile’ employment law issues in the UK (Adams et al, 2015). The CIPD (2015) argues that zero-hours contract operations need greater transparency on employment status, codifying procedures for the cancellation of work at short notice and termination. This could be achieved in part through greater use of model contracts. Nevertheless, according to the CIPD, all workers should be legally entitled to a written copy of their terms and conditions no later than two months after the start of their employment; as of September 2019, under the Employment Rights Act 1996, only employees are entitled to this (CIPD, 2015). In this context, in light of the increase of platform-style employment, in the wake of the Taylor Review and with growing pressure in public and policy debates, some form of legislative reform is needed to clearly distinguish between categories of employee, worker and self-employed.

The most recent indication of the shape this reform could take is exemplified in the government’s response to the Taylor Review (BEIS, 2018): in theory, the government accepted 52 of the Taylor Review’s 53 suggestions to create fairer work in the UK; and crucially, it also recalled the need to make the classifications of employment status categories distinct and clearly defined. Despite this, the recommendations will not be implemented in the near future, as they are contingent upon the outcome of consultations on employment status, enforcement of employment rights and measures to increase transparency in the UK labour market.

Closing the gap with standard employment

Aligning casual workers’ rights with those of standard employment is one path considered by some countries.

Some discussions linked to other types of non-standard employment, such as temporary agency work, can show the way for addressing the issues related to casual work.

In the **Polish** debate, for example, better enforcement and simplification of the labour code are discussed as suggestions to address casual work. This would imply strengthening the enforcement of current laws in order to prevent abuse of the CLCs. It would also require the alignment of the CLCs’ social contributions with the ones for standard employment contracts, and a simplification of the existing labour code for employment contracts, including easier dismissals (Gatti et al, 2014).

Some countries try to equip casual contracts with some features of standard employment contracts. For example, in **Czechia**, an amendment to the labour code was proposed in 2016 to expand the flexibility of basic labour relations while enhancing the level of employee-status protection.

In an attempt to satisfy both sides of the industry, the **French** government proposed the creation of an ‘intermittent open-ended contract’ (*contrat à durée indéterminée intermittent*), with a specific flexibility clause for the arts and performance sector, whereby the work periods could be undefined. However, adoption of this type of contract depended on collective agreements, which did not subsequently materialise due to the lack of interest from trade unions. The main drawback of this contract for employees was that, although it aimed at addressing some precariousness associated with fixed-term contracts, it would prevent them from receiving unemployment benefit during non-working periods, therefore making overall earnings (including benefits) significantly lower for those who worked less than a full-time equivalent throughout the year.

Favouring standard employment relationships over casual ones is an even more radical way to close the gap. Expressing reserve about casual forms of work, trade unions across Europe have been promoting standard employment relations so as to better protect workers’ rights. **French** trade unions have generally negative views on the development of alternatives to the standard open-ended contract, arguing that other types of contract increase employees’ precariousness and have a negative impact on their living and working conditions. That is why they supported measures such as the additional employer’s unemployment insurance contribution for short-term contracts (under three months) in 2013, with the objective of disincentivising the use of such contracts. That is also why they support the current proposals to introduce a bonus-malus system on those contributions, after the additional rate was abolished in 2017 (Eurofound, 2019).¹¹

In **Germany**, trade unions were also sceptical about, and even opposed to, the Hartz reforms from the start, not

¹¹ The bonus–malus system for social security contributions paid by employers for unemployment insurance, introduced in France in the first quarter of 2019, adjusts contributions, penalising those sectors of activity that make the greatest use of short-term contracts (such as accommodation, catering and agri-food).

least because they expected that these reforms would lead to increasingly precarious (and low-paid) employment at the expense of full-time regular employment (Eurofound, 2010a; Jaehrling et al, 2015; SOEP, 2017b). Indeed, in 2012, the German Confederation of Trade Unions (DGB) put forward a proposal aimed at removing the incentives for short part-time work, such as mini-jobs, and including all part-time workers in the social security system (Bispinck and Schulten, 2011).

Information on employment rights and taking action

A recurrent issue that the most vulnerable in the labour markets face is the difficulty of making their voices heard and having their rights recognised given, among other things, a lack of information about their labour rights. Even if there is no guarantee that it will be beneficial, full awareness of workers' rights is an important first step.

In general, the weaker bargaining power of casual workers makes it difficult to force employers to respect their rights (Jaehrling et al, 2015). This situation has been repeatedly highlighted in the **UK**, for example. Multiple cases have been recorded where workers are aware of their employment rights but are reluctant to assert them, fearing that their employer will not offer further assignments (ACAS, 2017). Similarly, it is difficult to estimate how widespread the abuse of on-call contracts is in **Italy**, as few workers report employer misuse. However, as Italian trade unions report, the situation is beginning to change. In fact, in the past, casual workers might have preferred not to report abuses because they were hoping to obtain a more stable job with the same employer. Now, however, workers are more aware that they may stay in atypical employment for a long time, and thus they are more willing to take the risks associated with seeking to have their rights recognised and safeguarded – for instance, by reporting abuses to trade unions.

Workers' absence of initiative is problematic as, often, without a first move on the employee's side, no action can be taken by authorities or by representative organisations. This step rarely happens, mostly because the workers are afraid to lose their jobs. Moreover, even if the worker has signalled the abuse, the only way to prove that the employer has abused labour law is to find witnesses in the same company. Again, this is very difficult because the other employees may also fear losing their jobs (Linkiesta, 2013).

Representation

Casual workers need support when pursuing the recognition and application of labour rights and protection. Representative bodies should help in this regard. Trade unions, as relevant bodies to voice workers' concerns and protect their rights at the workplace, in the company but also in broader sectoral or national negotiations, are obvious support organisations. However, in the case of casual work arrangements, trade union help does not seem to come naturally.

A key difficulty in this regard is lack of trade union membership. As research widely confirms, the characteristics of casual work make it unlikely that casual

workers will join unions – a result of the workers' profiles (mainly from the most vulnerable workforce groups), the nature of the activity (transient and temporary) and of the employment relationships (contingent). This has been highlighted across Member States. For instance, **Italian** on-call workers are less represented by trade unions, a logical consequence of the reduced interest intermittent workers show in joining a union due to the casual nature of their work. This poses a key challenge for the unions, in that they are seeing a rise in employment practices in which workers could be more susceptible to exploitation; however, the majority of these workers are not union members and, consequently, cannot easily access the appropriate mechanisms to redress such abuse.

The state becomes the only point of call or protection for the vast majority of these workers. Nevertheless, in the face of potential for employer abuse, this level of protection is deemed inadequate, not least because of the lack of awareness among casual workers of their employment rights. Moreover, even when they are aware of these rights, their much weaker bargaining power outside collective bargaining structures, such as trade unions, makes them particularly vulnerable in terms of persuading employers to respect their rights (Jaehrling et al, 2015).

Furthermore, trade unions in many Member States have taken stances against casual forms of work, to the point of not discussing them or acknowledging them. This has been the position of most **Italian** sectoral unions, which do not wish to legitimise the use of on-call work contracts by referring to them in collective bargaining (and agreements); as a consequence, they do not bargain over the rights of these workers in collective agreements. In this context, on-call workers often find themselves unprotected against abuse and illegal use of their contracts, unless they themselves take action and report employer abuse to the competent authorities, such as the territorial labour inspectorate or the trade unions; this happens to only a limited extent.

With a different approach but a similar outcome, the major **French** trade unions and employer representatives claim they are defending the interest of 'all their members'; therefore, they do not want to advance specific demands for specific contracts. French trade unions have – in general – negative views on the development of alternatives to the standard open-ended contract, arguing that other contracts increase the employees' precariousness and have a negative impact on their living and working conditions; this position leaves casual workers quite exposed.

Nevertheless, several trade union organisations across Europe have developed strategies to organise casual workers; they also devise actions to fight precarious work and strengthen standard employment. These actions are not necessarily specific to casual work; they may be broader initiatives to increase worker protection across all kinds of non-standard forms of employment. These could be a starting point to addressing the issues associated with casual work.

Box 6: Germany – Trade union initiatives to support casual workers

German trade unions have recently begun to represent contingent workers (SOEP, 2017b). For instance, the DGB has run a number of campaigns largely centred on the notion of ‘good work’. Since 2007, it has published the Good Work Index, which is intended to highlight the growth of precarious and dead-end employment in Germany since the Hartz reforms (DGB, 2016). The index is built upon data from a survey of 5,000 casual workers. It assesses their employment, considering factors such as job security, future prospects, contradictory work demands and access to training. That said, it is worth adding that to date:

more far-reaching reform proposals from trade unions and some political parties aimed at increasing the prevalence of works councils and/or their co-determination rights with regard to the use of atypical employment have, so far, failed.

(Jaehrling, 2017, p. 168)

Some other intermediaries could potentially also be of help. In **Romania**, the main stakeholders consider that it would be very useful for both employers and employees to set up agencies for mediation and employment aimed at casual workers. These agencies could, for example, inform workers about the broad issue of social benefits and debunk some misconceptions about the conditions needed to grant those benefits to casual workers, such as the notion that the workers can only receive social benefits if they earn less than a certain income threshold.

Ensuring flexibility and fair competition

Several sectoral and employer organisations stress the importance of maintaining or even increasing labour flexibility. In the **UK**, discussions on the impact of digitalisation on employers’ need for flexibility and hence casual work have been initiated. The move towards modern technology and big data in sectors such as retail, where demand is variable, means that companies can model demand more accurately and increasingly use such data to match the paid hours assigned to workers to consumer demands. From this perspective, the use of zero-hours contracts may increase, but with substantial variation across sectors.

The issue of sustainability of business models relying on casual forms of work has been raised. In **Italy**, for example, several stakeholders consider that the sustainability of a business model based on flexible contracts depends

on the specific business needs. Those firms operating in sectors characterised by highly cyclical demand conditions (such as the hospitality and restaurants sectors) might find flexible forms of work a good way to meet demand peaks by rapidly (and cheaply) adjusting the size of their workforce. In those sectors, on-call work and other flexible contracts are essential to running a business efficiently. Conversely, in the **UK** it was suggested that social care is one sector where widespread use of zero-hours contracts is not sustainable. This is due to the preference of clients for being attended to by the same individual, and the care tasks requiring a longer duration of assignments.

Despite their embedded flexibility, casual working arrangements are not considered flexible enough by employers and requests for even more flexible forms have been made. Some employers also resist proposals to increase the regulation of casual work, claiming it will have negative impacts on employment if it reduces the ‘much needed’ flexibility.

Certain employer organisations have also opposed penalty systems aimed at reducing the use of casual forms of work. For instance, French employer organisations opposed the government proposal in 2018 to impose a bonus-malus system on unemployment insurance contributions, in case the collective negotiations on short contracts would not be satisfactory. They consider the timing of the proposal as an attempt to put pressure on the employer representatives to identify and propose measures to stop the increasing reliance on CDDs and CDDUs.

Box 7: Czechia and Romania – Employer organisation requests to maintain the flexibility of casual work

The Confederation of Employers and Entrepreneurs’ Associations of **Czechia** (KZPS) disagreed with the planned reduction of the period over which DPCs are applicable, from the current 52 weeks to 26 weeks. According to KZPS, such a change runs contrary to the declared aims of the proposed amendment to the labour code, which will enhance the flexibility of labour relations. Furthermore, KZPS criticised plans to further regulate what it considered ‘one of only a small number of flexible forms of employment relationships currently available’, that is the DPP and DPC agreements (KZPS, 2017).

Similarly, in **Romania**, the general manager of the National Vineyard Growers and Wine Producers Association considers that restraining the possibility of employment of day labourers to a period of 90 days per year limits the right to work for individuals and endangers the activity of some economic operators in horticulture and wine-making. He stresses that the conditions of engagement of casual workers, including migrant workers, must be urgently addressed and improved because in 2017 there was a real labour force drain from agriculture to other fields of activity and to other countries.

Finally, employer organisations proactively propose measures for guaranteeing or increasing the flexibility of casual work arrangements. For instance, regarding on-call work, the Confederation of German Employers' Associations (BDA) is calling for a shortening of the four-day notification period, at least for those workers who work very flexibly, such as those who work at home (BDA, 2016). Similarly, French employer representatives are keen to explore ways to increase the flexibility of the labour market, either by releasing the constraints of the standard open-ended contract or by giving employers the opportunity to use alternative forms of contracting, such as fixed-term contracts, interim contracts or project-based contracts.

Balancing protection and flexibility

Some Member States are aiming to combine the two approaches described in 'Impacts on workers' and 'Company outcomes' earlier in Chapter 3 by acting on the flexibilisation of labour market rigidities to ensure business sustainability and competitiveness. In parallel, they hope to better regulate flexible forms of work to protect casual workers. The primary focus of such discussion or intervention has been to make these types of work arrangement less attractive for employers, reducing the temptation to use them instead of permanent contracts.

For instance, in Poland, suggestions for change focus on rendering regular employment contracts, especially open-ended ones, more flexible and less protected and

the CLCs more protected. Similarly, in the Netherlands, successive legislation aims at stopping the increasing use of casual forms of work. Public authorities, media and public opinion agree that casual work has become too widespread in the country. The rationale behind the Flexibility and Security Act (1999) was to create greater security for employees and at the same time greater flexibility for the employer – by reducing the administrative burden for employers to employ people on flexible contracts. However, this changed with the Work and Security Act (2014), which viewed permanent contracts as being the preferred choice, and stated that employers should be discouraged from using flexible employment contracts and that workers should benefit from more predictable employment conditions.

Important issues in the social protection area have been discussed and modified. Some changes could be regarded as favouring casual work arrangements. For instance, in the Netherlands, unemployment benefit rights related to standard employment have been reduced through the Unemployment Insurance Act. This states that, after six months on benefits, any job is considered to be 'suitable employment', and the worker is obliged to accept it. Previously, this applied after one year. On 1 January 2016, the maximum duration for receiving unemployment benefit was reduced from 36 to 24 months. On the other hand, companies are required to offer their standard employees sick pay (*loondoorbetalingsverplichting*) of at least 70% of their total wage for a period of up to two years, which is reported to be a major issue for employers and which employers state has contributed to an increased use of non-permanent contracts.

Box 8: The Netherlands – Work and Security Act (*Wet Werk en Zekerheid*) of 10 June 2014

The Work and Security Act introduced a number of provisions.

- Employers are no longer allowed to include a probationary period for employees hired on temporary contracts of less than six months. For all other contracts of up to two years, the maximum probation period is up to one month.
- Employers must notify their employees at the latest one month in advance if their contract will not be renewed, thereby allowing them to better prepare and find other employment if necessary.
- A minimum income must be guaranteed for the employee if the employer does not provide work.
- Employers may include a stipulation in temporary contracts, to end them within the first 26 weeks of employment – to be extended up to 78 weeks through a collective labour agreement.

A number of significant changes have been introduced since 1 July 2015:

- 'chain regulation' (*keten-bepaling*), which means employers are only allowed to offer three successive temporary contracts over a period of two years, with a break of six months in between each contract, otherwise the contract will turn into a permanent contract
- an obligation to provide training to employees if they underperform, or to find them another position within the company, although if no suitable position can be found after the obligation to provide training, employers can dismiss their employees
- until 2020, employers have to pay transitional compensation if they decide to terminate an employment contract. For the first 10 years of employment, the payment is one-sixth of the monthly wage for each completed period of six months of service. From the 10th year of employment onwards, the payment is one-quarter of the monthly wage for every six months of service. For employees aged over 50 and employed more than 10 years, the payment is half of the monthly wage for each completed six months of service.

Box 9: The Netherlands – ‘Trust in the Future’ (*Vertrouwen in de toekomst*) 2017–2021

The agreement has two key elements: it seeks to make ‘permanent work less permanent’, and ‘flexible work less flexible’.

In detailed terms, the ‘reducing permanent work benefits’ element comprises the following:

Cumulative grounds for dismissal: Judges can approve dismissal on the basis of a ‘cumulation of circumstances’ in different domains, which means different economic, social or other grounds; previously, the employer had to prove that the employee had ‘fully’ broken one of the economic, social or other grounds for dismissal, which was often hard to prove.

Probationary period: This is amended to five months for permanent contracts and three months for temporary contracts of over two years.

Reduction in the period of sick pay: The obligation of sick pay (*loondoorbetalingsverplichting*) is reduced from two years to one year for SMEs with up to 25 employees.

Training period: The first six months of a permanent employment contract become a training period during which the employer pays reduced social security contributions.

Regarding ‘reducing flexibility’, the following elements are found in the agreement:

Accumulation of transitional pay: In order to make flexible work less flexible, the government plans to give employees the right to accumulate transitional pay from day one in work, and not only after two years. However, companies will be able to deduct costs paid for training made to improve the employee’s employability for other functions in the company from the transitional compensation sum.

Increase in period of chain regulation: The chain regulation will be increased from two to three years, after which employers will be obliged to offer a permanent contract if they have offered three consecutive contracts without a minimum break of six months between them. However, it should remain possible for employers to deviate from this rule if the nature of the job requires so.

For **zero-hours contracts**, the government wants to tackle the ‘permanent availability’ requirement that is part of many zero-hours contracts. This should make it possible for employees on zero-hours contracts to take on different jobs at the same time. As of September 2019, it is not clear what measures have been taken to ensure this.

Finally, concerns raised in 2017 on the growth of casual work in the **Netherlands** led the then new government to present a coalition agreement ‘Trust in the Future’ (*Vertrouwen in de toekomst*) for the 2017–2021 period. The agreement has two key elements: it seeks to make ‘permanent work less permanent’, and ‘flexible work less flexible’. This series of measures in favour of both employees and employers has been subject to criticism. The very fact that the government is adopting this ‘double approach’ towards making flexible contracts less flexible and making permanent contracts less permanent is considered ineffective. On the one hand, employee representatives highlighted that there were many exceptions to the laws, which made it hard to distinguish the rule from the exceptions. On the other hand, employers claim that the introduction of greater social protection measures for employees had the opposite effect on ensuring their job security because it would make employers less likely to recruit additional staff at all, regardless of the contract.

Improving compliance and enforcement

A pressing issue is the need to enhance compliance with regulation in labour markets across Europe. This is not specific to casual work, or even to non-standard

employment forms; however, these work arrangements – often less specified than standard employment relations – are open to interpretation, leading to intentional or unintentional misuse. Moreover, as casual work arrangements come with reduced labour rights and protection, workers’ situations should be monitored closely.

Gaps and inadequacies in control mechanisms apply specifically to casual forms of work. This appears to be the situation in **Germany**. According to the DGB, Germany’s Central Customs Authority – which oversees labour regulation – is in need of more staff in order to ensure that companies are paying the minimum wage and respecting employment legislation (Deutsche Welle, 2017). Similarly, enforcing legal provisions is probably one of the main challenges in **Italy**. Although the Jobs Act sought to simplify the current labour inspections system by establishing the National Labour Inspectorate (INL) – tasked with coordinating all inspections and analysing informal undeclared work and irregular employment – there are concerns about whether the INL has the resources to fulfil this remit effectively (Eurofound, 2015a). Most stakeholders consider that the system of controls and sanctions foreseen in the current legislation has repeatedly failed to detect employer abuse of the various forms of atypical employment in Italy.

Inspections in a few Member States point to systematic registration of casual workers as a feature to be monitored. From this point of view, Italian law has made some progress, with the obligation for employers to report to the territorial labour inspectorate the call to work of an employee. In **Romania**, it is commonly recognised that performing regular checks among employers that typically use day labourers would prevent possible abuses of the use of occasional, seasonal or casual work. The main issues relate to the use of day labourers in prohibited activities (mainly in construction) and employer compliance with the provisions regarding minimum gross remuneration and registration of day labourers. Similarly, in **Czechia**,

inspectors consider that the control of abuses of DPPs is also hampered by the fact that employers are not obliged to register such employees with the Czech Social Security Administration (CSSA) or any other administrative body, provided the earnings of the employee are below the limit for the payment of social and health insurance contributions. In the case of remuneration above the set threshold, the employer has up to eight days to submit to the CSSA the records of employees working under such agreements; SUIP experts maintain that this is an excessively long period in light of available digital technologies. The requirement for such submissions would represent a further step against the abuse of DPPs and DPCs.

Summary: Key issues in policy debate and regulation

Due to the continuous increase of such work arrangements and the associated challenges identified, casual work and non-standard flexible forms of work more generally are high on the policy agenda in many EU Member States. The key issues tackled in these discussions are clustered as follows.

Protection of casual workers: Based on a clearer definition of ‘casual work’ and defining the characteristics of this work arrangement, workers should have better access to relevant information and be encouraged and supported to take action in case of misuse of the system. In this context, ensuring effective representation of casual workers, either by traditional trade unions or by specialised organisations, is discussed. Also, aligning the employment rights of casual workers with those of standard employment is debated as a key factor ensuring worker protection.

Ensuring flexibility and fair competition: In today’s increasingly demanding economy – driven by megatrends like globalisation and digitalisation – it is argued that businesses need to be given (labour) flexibility to ensure their sustainability and competitiveness. Accordingly, policy debate centres around further flexibilisation of labour regulation. At the same time, the point is made that in some sectors flexible employment can also hinder sustainability and growth. Accordingly, a sectoral approach might be advisable.

Balancing protection and flexibility: Some discussions point towards the need to combine the two approaches discussed above by reducing labour market rigidities while regulating flexible work. One way of achieving this could be making flexible employment less attractive to avoid misuse, while improving employment predictability for workers and tackling issues of social protection.

Improving compliance and enforcement: Regulation is just one part of the story; ensuring that it is operationally applied is another. In this context, policy debate centres around the need for systematic registration of casual work, the existence and effectiveness of controls and sanctions foreseen in legislation and the capacity and resources of organisations, like labour inspectorates, to monitor casual work.

5 Concluding remarks and policy pointers

Casual work is not a new phenomenon. Work arrangements characteristic of casual work are not solely linked to recent developments such as digitalisation and the platform economy (even if technology facilitates this type of work). Rather, it is employers' need to maintain competitiveness by means of a flexible workforce that is the key motivation for introducing casual work. Casual forms of work support this flexibility, as they are founded on reduced social and labour rights to facilitate easier, quicker and more flexible recruitment of workers when the need arises. Nevertheless, notably in and since the Great Recession, there has been a pronounced rise in casual work in several EU Member States. As this feeds into a more generally observable trend towards a fragmentation of work (Eurofound, 2015b), casual forms of work are more often included in public and policy discussions about the future of work. While this type of work arrangement certainly provides important opportunities for specific groups of employers and employees, substantial potential disadvantages have likewise been identified for parts of the overall workforce, and these shortcomings should be tackled to ensure inclusive and well-functioning labour markets.

Challenges for casual workers and the labour market

A key characteristic of casual forms of work is undefined, unpredictable, irregular working hours, resulting in highly unpredictable and insecure income. This irregularity poses a short-term challenge to the affected workers; it is also very likely to result in severely negative long-term outcomes for workers' mental well-being and health, their employability, social situation, pension entitlements and, hence, economic security in old age. It should be noted that the irregularity of casual work is also accompanied by limited employment security, training opportunities and career prospects.

Moreover, casual workers are rarely members of trade unions or representation organisations, and therefore the issues linked to casual working arrangements are rarely part of social dialogue and collective negotiations. As the majority of casual workers belong to vulnerable groups in the labour market, this is not only problematic for the individual, but also for the labour market as a whole. For example, structural problems like labour market segmentation, labour shortages and brain drain might be aggravated by casual work.

Furthermore, the spread of such work arrangements might result in a more general acceptance of fragmentation of work and its potentially negative consequences for employment and job quality. A greater prevalence of casual work could affect society through lower living standards due to low and irregular income and reduced purchasing power, and through challenges related to the

financial sustainability of social protection and welfare systems.

Challenges for workers in standard employment

Workers in standard employment relationships usually enjoy certainty on several levels: regularity of working hours, predictability of work schedules, clarity over the amount of work and level of income in the medium term, and recognition of labour and social rights, voice and actions. Nevertheless, when confronted with colleagues hired as casual workers, workers in standard employment relationships face several challenges.

Competition among workers: Standard workers can fear losing their job, being replaced by 'cheaper and more flexible' workers.

Additional workload due to the need to train casual workers: To allow for an efficient work process, newly hired workers have to be trained. Given the high turnover of casual workers, this can be time-consuming for the statutory staff and increase their workload or work intensity.

Not enough time to build trust: Moreover, there is a need to build trust between workers and to allow for sharing the company culture. This process requires time and therefore is not easy to implement when confronted with potentially short contracts and the brief presence of workers recruited on a casual basis.

Potential impact on wages and other working conditions: Confronted with an increasing number of casual workers – often constituting 'cheap labour' – individual workers and their representatives may find it increasingly difficult to negotiate for better wages or other elements of working conditions.

Challenges for employers and businesses

Casual work arrangements are attractive to companies: they provide a quick response to a need for a task to be performed at a specific time, often arising at short notice. Overall, casual work can deliver flexibility, simplified hiring processes, and reduced obligations and costs. These benefits, however, contrast with the negative consequences of many casual work arrangements: high staff turnover, more challenging work organisation, lower commitment and motivation of staff, and lower quality of production and service provision. Accordingly, to ensure that the work is done to the standard required, employers have to make greater efforts when dealing with these consequences.

- Efforts are required, over a short period, to support casual workers' adaptation to the company culture and work organisation, and to manage a team comprising both casual and standard employees.
- Specific efforts are also needed for management to have trust in casual workers' performance and abilities.
- Specific attention must be dedicated to securing quality delivery of products or services.

The way employers try to address some of these risks – such as workers walking out without giving notice or work not being performed to the right standard – is to create access to an almost permanently available, but nevertheless flexible, workforce.

1. Minimising the risk of random choices is the first objective. Casual work arrangements are used to respond rapidly to demand for a task; usually, this does not leave much time to choose between several candidates and get the best fit for the job. Therefore, employers tend to establish a pool of potential candidates.
2. Employers then proceed to a 'screening' by using casual work as a probationary period to assess whether the candidate is suitable for the company.
3. Finally, they try to secure the option of going back to the same workers, who have already been screened and trained and are considered compatible with the company culture.

This strategy illustrates that, overall, casual work may not be as flexible and cheap for employers as often perceived; it requires some level of maturity and systematic planning of organisational processes and environment.

Policy pointers

This research highlights the following main issues in need of action.

Creating conceptual and legal clarity on casual work:

Casual work is a complex concept, with different interpretations, definitions and models across Europe. While it is acknowledged that this makes it very difficult, if not impossible, to establish a 'European definition' or to harmonise approaches, some key characteristics of this type of work arrangement could be agreed upon at EU level to facilitate policy discussion and guide national policymakers. At national level, legislators should strive for as much clarity on the concept as possible, to avoid blurring boundaries, room for interpretation and, eventually, misuse. A clear and operational definition would also be an important first step to make this phenomenon measurable, either by administrative data or through surveys.

Ensuring adequate regulatory frameworks: Legislation or collective agreements should regulate the key issues arising from casual work (such as predictability of working time and income, equal treatment regarding wage levels or access to training, social protection) with the aim of protecting workers. The EC Directive on transparent and predictable working conditions, adopted in 2019, was an important step in this direction, and its implementation and effectiveness at national level will be monitored. At the same time, policymakers need to take into account the flexibility needs of employers to ensure sustainable businesses and a growing and competitive economy. While finding this balance is challenging, regulation should also not be too complex, to ensure applicability in practice. Another important element is to ensure regulatory stability, as frequent changes make it difficult for employers (notably SMEs) and workers to keep up to date with the latest regulations.

Fostering compliance with regulations: Next to the existence of a regulatory framework, ensuring its adequate implementation is important. Member States should put in place efficient monitoring of the use of casual work. Controls should address the companies that typically build their business model around casual work arrangements. Advice could be developed to support companies on their path to compliance with regulations. Expertise and resource capacities in those bodies assigned to monitoring compliance need to be ensured.

Raising awareness on workers' rights: This research has highlighted that casual workers are often not well informed about their rights and entitlements and, even if they are, they can be reluctant to take action if rights are violated. Providing workers with practical and easy-to-understand information and encouraging them to stand up for their rights is recommended.

Supporting employee representation: The role of employee representatives is also important. While there are obvious challenges to organising and mobilising casual workers, employee representatives at all levels should be aware of the vulnerable situation of casual workers and try to include them in negotiations. One approach might be the cooperation of specialised organisations representing casual workers with traditional representative organisations.

Monitoring developments: The world of work is changing, with substantial impacts on employment and working conditions, as well as social welfare. It will be important to continue to study casual forms of work, particularly how they are used in practice and their impact on workers and companies. Priority should be given to better understanding the business models that essentially rely on casual work arrangements.

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Casual work, both intermittent and on-call, contributes to labour market flexibility and is therefore increasingly used across Europe. In some countries, practices go beyond the use of casual employment contracts to include other types of contracts and forms of self-employment. While it offers some advantages for both employers and workers, it is often discussed by policymakers at EU and national levels due to the observed negative consequences it has for some workers. Impacts include economic insecurity and unpredictability of working time, which in turn affect workers' health, well-being and social security. From a labour market perspective, casual work raises concerns about decent social inclusion of vulnerable groups, labour market segmentation and more general trends towards fragmentation of work and brain drain. Some policy responses have already been implemented to tackle these issues; further policy pointers are flagged in the report.

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency established in 1975. Its role is to provide knowledge in the area of social, employment and work-related policies according to Regulation (EU) 2019/127.