



University of Navarra

Research Paper

RP No 476

October, 2002

PART-TIME WORK:
ITS EVOLUTION AND RESULTS

Sandalio Gómez*

Celia Pons**

Carlos Martí***

* Professor of Managing People in Organizations, IESE

** Research Assistant, IESE

PART-TIME WORK: ITS EVOLUTION AND RESULTS

Abstract

This research paper analyses the characteristics of part-time work and its development in Europe. Special attention is given to Spain, where part-time work has not yet become fully established, as only 8% of the Spanish labour force are part-timers, as opposed to an average of 17% in Europe as a whole. The main reasons for the growth of part-time employment in Europe are discussed, including: the increasing labour market participation of women (more than a third of the women in employment in Europe work part-time); the drive towards a more flexible organization of work in industry; and the growth of the service sector, which currently accounts for 75% of all part-time workers in OECD countries. Some of the factors that have hindered the development of part-time work in Spain are highlighted, including: changes in the definition of part-time employment that have affected the relevant legal regulations; the level of earnings; employment security; lower expectations of career growth; the prevalence of temporary contracts; and the prevailing business culture.

Keywords: part-time, flexibility, Europe, Spain, employment

PART-TIME WORK: ITS EVOLUTION AND RESULTS

Definition of part-time work

What constitutes part-time work?

- The Framework Agreement on Part-Time Work concluded in 1997 among the European social partners gives the following definition: “the term ‘part-time worker’ refers to an employee whose normal hours of work, calculated on a weekly basis or on average over a period of employment of up to one year, are less than the normal hours of work of a comparable full time worker.”

Dividing line

- Despite the above definition, each country must use its own judgement in defining the concept of part-time work. Hence the difficulty of making homogeneous comparisons.
- Also, as there is no internationally accepted definition of the minimum number of hours per week that must be worked for a job to be considered full-time, the dividing line is generally drawn on the basis of rules laid down by each country individually. The range of definitions currently in use is quite broad.

Legal importance

- Defining what is to be considered as part-time work is important for several reasons, two of which are worth mentioning here: to make it possible to define and protect the rights of part-time workers; and to make it possible to assess the relative importance of part-time employment in a country’s overall economy.
- From a legal point of view, the aim is to define a category of workers and set out their rights and obligations, in order to avoid discrimination with respect to other categories of workers; and also, to determine, in individual cases, whether the job done by a particular worker falls within the scope of the regulations governing part-time work.

Socioeconomic importance

- From a socioeconomic point of view, the study of part-time employment, as it has evolved over time and in terms of its importance to a country’s economy, can contribute

to the analysis and comparison of labour markets and how they influence the development of societies in general and households in particular.

- In the past, part-time employment has been used as a tool of family policy (in the sixties), to combat unemployment (in the seventies), to promote labour market flexibility and reorganize working time (in the eighties), and to redistribute employment (in the nineties) (CES, 96).
- Unlike full-time work, which has been a defining feature of the world of work in Europe for many decades, part-time work is associated with a trend towards intense diversification of employment.

Evolution of part-time work

Recent developments

- In the last ten years there has been an increase in part-time employment as a percentage of total employment both in the European Union as a whole and in the various member states, though to varying degrees.

Table 1. Part-time employment as a proportion of total employment
(In percent)

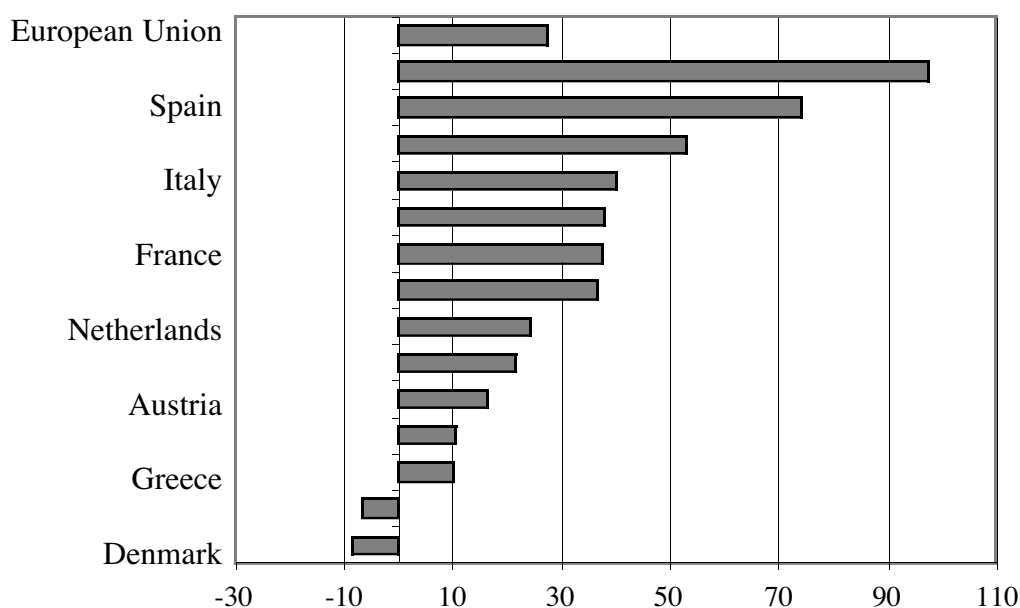
| | 1991 | 1996 | 2000 |
|----------------|------|------|------|
| Netherlands | 33.1 | 38.1 | 41.1 |
| United Kingdom | 22.6 | 24.8 | 25.0 |
| Sweden | 24.2 | 24.6 | 22.6 |
| Denmark | 23.3 | 16.4 | 21.3 |
| Belgium | 13.6 | 16.3 | 20.8 |
| Germany | 14.1 | 16.7 | 19.4 |
| France | 12.3 | 16.3 | 16.9 |
| Ireland | 8.3 | 11.4 | 16.4 |
| Austria | 14.0 | 14.0 | 16.3 |
| Finland | 10.1 | 11.5 | 12.3 |
| Portugal | 7.9 | 9.3 | 10.8 |
| Luxembourg | – | 8.0 | 10.5 |
| Italy | 6.0 | 6.5 | 8.4 |
| Spain | 4.6 | 7.7 | 8.0 |
| Greece | 3.9 | 5.0 | 4.3 |
| European Union | 13.9 | 16.4 | 17.7 |

Source: Eurostat

- Part-time employment is significantly more widespread in the countries of northern Europe, where it accounts for almost one quarter of total employment, than in those of southern Europe, where it accounts for less than 10% of total employment.
- An overall analysis of developments over the ten years from 1991 to 2000 allows countries to be grouped according to their proportion of part-time employment:

1. The Netherlands deserves special mention. With 41% part-time employment in the year 2000, it stood more than 15 percentage points ahead of the United Kingdom in second place. Despite this, the growth of part-time work over the decade in the Netherlands was not particularly significant, perhaps because of having started from a position well above the European average.
 2. In the 20% to 25% range we find countries such as the United Kingdom, Sweden, Denmark and Belgium. The trend in these countries varied over the period, ranging from 7 percentage points in Belgium to more moderate rates of growth in the UK and Denmark, and even a decrease in the case of Sweden.
 3. Germany, France, Ireland, Austria, Finland, Portugal and Luxembourg all lie within the 10% to 20% range. The growth in part-time work was quite spectacular in Ireland, where the proportion of part-timers doubled over the decade. The strong growth of the Irish economy in recent years has been accompanied by a considerable increase in part-time employment.
 4. Between 4% and 8% we find the countries of the south of Europe, specifically those of the Mediterranean basin, Greece, Italy and Spain. The Spanish case deserves special mention: even though in absolute terms the level of part-time employment remains low, Spain, like Ireland, doubled its proportion of part-time workers during the nineties.
- The structural difference in the development of part-time work between the countries of the north of Europe and those of the south may be attributed to the lower rate of female labour market participation in the southern countries, the possibly less favourable legislation and the different organization of their economies.

Figure 1. Changes in the rate of part-time employment over the period 1991-2000
(In percent)



- An analysis of the graph in Figure 1 above leads to the following conclusions:

First, part-time employment has increased in all countries except Denmark and Sweden.

Second, in the year 2000 both Sweden and Denmark still had relatively high rates of part-time employment, 22% and 21% respectively, despite the recent decline.

Third, the growth in the rate of part-time employment over the decade varied considerably from country to country, ranging from a remarkable 97% in Ireland or 73% in Spain to just 10% in Greece.

Fourth, the rate of growth of part-time employment appears to be unrelated to the geographical location of the countries, as high rates were recorded both in southern European countries such as Spain and Italy and in northern European countries such as Ireland and Belgium. Also, the proportion of part-time employment in each country, in absolute terms, appears to be unrelated to the rate of growth of part-time employment.

Table 2. Part-time employment as a proportion of total employment, by gender
(In percent)

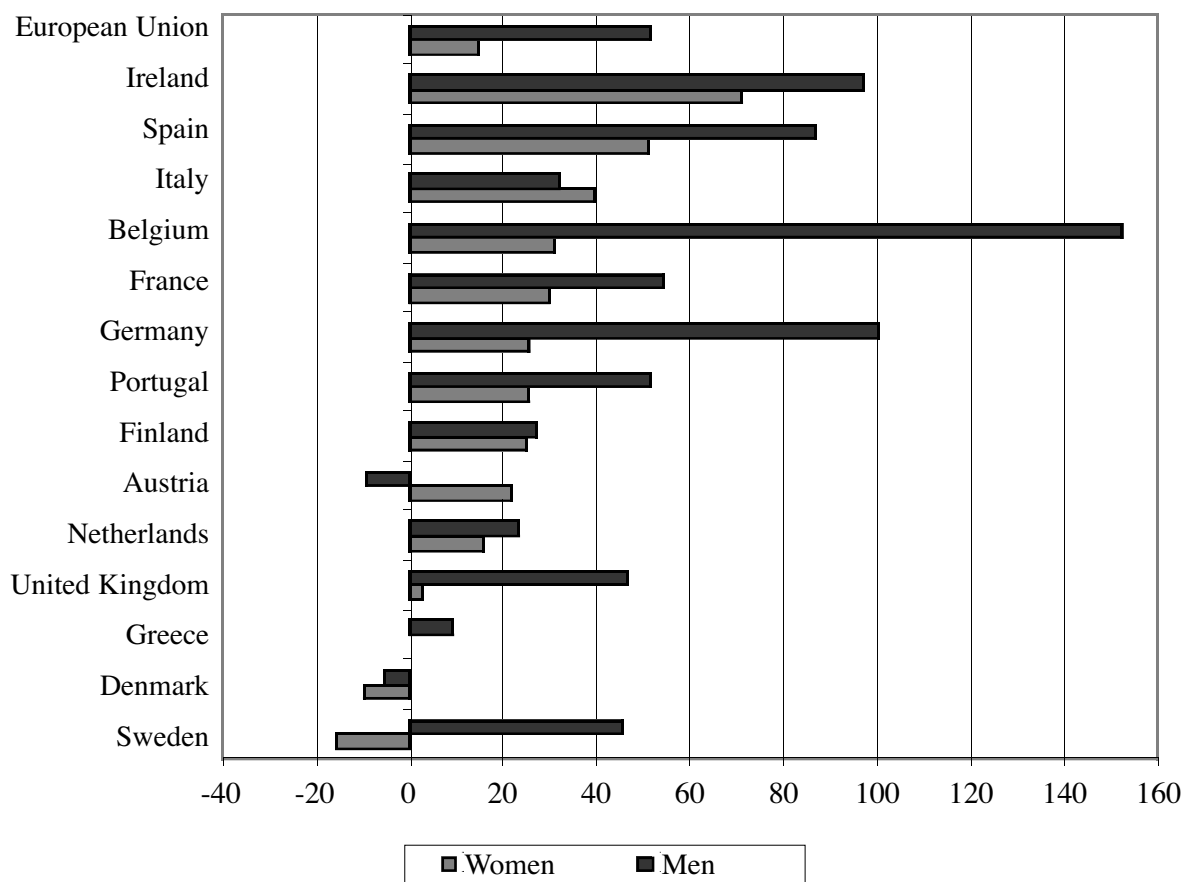
| | Women | | | Men | | | |
|----------------|-------|------|------|----------------|------|------|------|
| | 1991 | 1996 | 2000 | 1991 | 1996 | 2000 | |
| Netherlands | 60.9 | 68.3 | 70.6 | Netherlands | 15.6 | 17.0 | 19.2 |
| United Kingdom | 43.5 | 44.7 | 44.6 | Sweden | 7.3 | 9.1 | 10.6 |
| Belgium | 31.0 | 34.7 | 40.5 | Denmark | 10.8 | 5.5 | 10.2 |
| Germany | 30.2 | 33.9 | 37.9 | United Kingdom | 6.2 | 8.6 | 9.1 |
| Sweden | 42.8 | 41.9 | 36.0 | Finland | 6.3 | 8.0 | 8.0 |
| Denmark | 37.8 | 31.6 | 34.1 | Ireland | 3.5 | 4.9 | 6.9 |
| Austria | 26.5 | 27.6 | 32.2 | Portugal | 4.1 | 5.1 | 6.2 |
| France | 23.9 | 30.0 | 31.0 | Belgium | 2.3 | 3.4 | 5.8 |
| Ireland | 17.6 | 22.0 | 30.1 | France | 3.5 | 5.3 | 5.4 |
| Luxembourg | | 20.5 | 25.0 | Germany | 2.5 | 3.8 | 5.0 |
| Finland | 13.6 | 15.3 | 17.0 | Austria | 4.5 | 3.7 | 4.1 |
| Spain | 11.2 | 16.6 | 16.9 | Italy | 2.8 | 3.0 | 3.7 |
| Italy | 11.8 | 12.9 | 16.5 | Spain | 1.5 | 3.0 | 2.8 |
| Portugal | 13.0 | 14.7 | 16.3 | Greece | 2.2 | 3.0 | 2.4 |
| Greece | 7.4 | 8.7 | 7.4 | Luxembourg | | 1.1 | 2.0 |
| European Union | | 31.6 | 33.3 | European Union | 4.1 | 5.5 | 6.2 |

Source: Eurostat.

- An analysis of the rate of part-time employment among men and women (Table 2) leads to the following conclusions:
 1. The rate of part-time employment among women, which in all the countries under study was considerably higher than the corresponding rate for men, reveals the eminently female nature of part-time employment. In the European Union as a whole, in 2000, one third of women worked part-time, while the corresponding figure for men was only 6.2%.

2. Here, too, the Netherlands stands in a class of its own, with 75% of women working part-time in the year 2000 and 19.2% of men. The growth in female part-time employment over the nineties, at ten percentage points, was slightly higher than the growth in part-time employment as a whole.
3. Countries such as the United Kingdom, Belgium, Germany and Sweden had spectacular rates of part-time employment for women, ranging from 35% to 45%. With the exception of Germany, these same countries also had the highest rates of part-time employment for men, though at lower levels around 10%.
4. The Mediterranean countries –Italy, Spain and Greece– had the lowest rates of part-time employment, both for women and for men, with particularly low rates for men.
5. The rate of part-time employment among men in Luxembourg was conspicuously low, at 2%, while among women it accounted for one quarter of total employment.

Figure 2. Change in the rate of part-time employment over the period 1991-2000
(In percent)



- Analysis of the graph in Figure 2 above, showing the changes in the rate of part-time employment over the period 1991-2000, reveals that part-time employment among women increased in all countries except Sweden and Denmark. Among men, part-time employment increased in all countries except Denmark and Austria.
- The growth in the rate of part-time employment among men in the European Union as a whole over the decade was spectacular, more than 50%, whereas among women it was only 14.4%.
- The changes in the rate of male part-time employment show the greatest variability, ranging from a 150% increase in Belgium to an almost 9% decrease in Austria.
- The growth, both for men and for women, was unequal in all countries and did not match any particular geographic distribution. The countries with the highest increases were again Ireland and Belgium, on the one hand, and Spain, on the other, as a representative of the south.
- Here, again, the rate of growth of part-time employment in each country was unrelated to the rate of part-time employment as a proportion of total employment.
- These between-country differences in female participation rates may be attributed to various factors: the different levels of education in the different countries, the development of family policies, and employment regulations governing the labour market participation of women.

Spain

- Royal Decree-Law no. 5 of March 2, 2001 introduced a new definition of part-time work: from now on “employment shall be considered to be part-time when the employee has agreed to work for a number of hours per day, week, month or year that is less than the hours of work of a comparable full-time worker”.
- This represents a return to the system in place before the passing of Royal Decree-Law no. 15 of November 28, 1998, which defined the working hours of a part-time worker as being less than 77% of the working hours of a full-time worker as established in the applicable collective agreement.
- The considerable difference between the rate of part-time employment in Spain compared to the EU average may be due in part to the way part-time work is initially conceived in Spain. If it is presented as means of job creation, it may be rejected as being targeted too narrowly at short-term economic goals. Also, the Spanish labour market has two peculiarities which set it apart from the other countries of the European Union: namely, the widespread use of temporary employment contracts and the relative neglect of part-time contracts.
- As far as temporary work is concerned, Spain is the country in the European Union with the highest rate of temporary employment (more than 30% of the total, compared to an EU average of 15%).

Table 3. Workers on temporary contracts, full-time and part-time, 1995-2000

(Temporary workers as a percentage of total workers with full-time or part-time contracts, fourth quarters)

| Gender and working hours | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Men | | | | | | |
| - Full-time | 31.8 | 31.3 | 31.2 | 30.6 | 30.2 | 29.4 |
| - Part-time | 75.0 | 71.0 | 69.7 | 68.9 | 70.9 | 69.4 |
| Women | | | | | | |
| - Full-time | 33.6 | 32.1 | 31.6 | 30.7 | 30.9 | 30.3 |
| - Part-time | 57.6 | 56.5 | 50.2 | 49.9 | 54.0 | 51.3 |
| Total | | | | | | |
| - Full-time | 32.4 | 31.6 | 31.4 | 30.7 | 30.4 | 29.7 |
| - Part-time | 61.3 | 59.6 | 54.3 | 54.0 | 57.3 | 54.9 |

Source: INE, Labour Force Survey.

- The proportion of temporary workers has been high in recent years among both men and women, although there has been a slight overall decline.
- There are significant differences between full-time jobs and part-time jobs in terms of their temporariness. While temporary work accounts for one third of total full-time employment, among part-timers it accounts for more than half of the total.
- Another striking feature is the fact that, among part-time workers, the rate of temporary employment is higher for men than for women.
- On the other hand, part-time employment in Spain is scarcely significant, accounting for only 8% of total employment (17% in the European Union as a whole).
- Furthermore, the figure of 8% part-time employment in Spain in the year 2000 was slightly down on the previous year. The figure for women (16.9%) was also lower than the previous year.
- This slowdown in part-time employment in Spain, both in relation to the European average and in terms of the rate of growth in recent years, may be due to a number of causes. First, the slower growth in recent years may have been influenced by changes in regulations affecting the legal definition of part-time employment. Also, because full-time employment has grown faster than part-time employment, part-time employment as a proportion of total employment will naturally have decreased. More subjectively but no less importantly is the currently prevailing business culture in Spain: Spanish employers do not yet seem to have come to terms with the concept of part-time work.

Table 4. Term of part-time employment contracts, 1997-2000

(Total number of contracts registered each year at INEM, and distribution according to term of contract)

| | Total | Specified term, in six-month intervals | | | | Unspecified | Open-ended |
|------|-----------|--|--------|--------|--------|-------------|------------|
| | | <=1 | >1/<=3 | >3/<=6 | >6/>30 | | |
| 1997 | 1,983,029 | 30.9 | 18.6 | 15.7 | 3.3 | 25.3 | 6.2 |
| 1998 | 2,367,093 | 33.0 | 19.4 | 12.6 | 2.7 | 26.1 | 6.2 |
| 1999 | 2,412,823 | 25.9 | 20.9 | 13.6 | 3.0 | 28.4 | 8.2 |
| 2000 | 2,512,104 | 22.2 | 21.4 | 13.6 | 3.2 | 30.1 | 9.5 |

Source: INEM, Employment Contract Statistics.

- With respect to the number of contracts registered, the trend in recent years has been rising. Although in 2000 the growth was only 4.1%, over the period 1997-2000 as a whole the increase was more than 25%. The biggest increase was the 19.4% increase from 1997 to 1998.
- With respect to the trend in the agreed term of part-time contracts, it is worth noting the slight decrease in the proportion of shorter-term contracts (up to one month), and the increase in the proportion of open-ended contracts and contracts with no specified term. The remaining average terms have remained more or less at the same level as in 1999, with hardly any changes. As stated in the CES (1) Report for the year 2000, “the lower rate of growth of part-time employment after 1999, compared with the rates recorded in preceding years (from 1997 to 1998 almost 400,000 more contracts were made, while between 1998 and 1999 only 45,000 new contracts were registered), can be considered to be related to the change in the legal regulation of part-time contracts and the type of part-time employment fostered by the new regulations introduced under the November 1998 Agreement on Part-Time Work. Given that the new regulations have been in force for only a short period of time, it is impossible to draw any definite conclusions regarding the extent to which the decrease in the number of contracts bears any relation to said reform. This would require a more thorough analysis of the details of the new contracts, whose apparent longer average term would be no more than a sign of a possible change in hiring patterns that remains as yet unconfirmed. Also, the incentives that have been established for the hiring of workers on longer-term contracts from that date must also be taken into account when assessing the greater presence of longer- and open-term part-time contracts.”
- Another possible limit to the growth of part-time employment in Spain is the fact that part-time work typically is not, in Spain, unlike in other parts of Europe, a secondary activity to top up a family income, a sideline for students or a voluntary choice.
- In the Spanish Labour Force Survey (EPA), the first reason given for doing part-time work is the “type of work” done (38.4%), followed by “could not find a full-time job” (22.2%) and “family commitments” (10.5%).
- The proportion of people who “could not find a full-time job” has trended downward over the last four years, although it is still above the European level (18%). There are hardly any differences between men and women.

(1) Economic and Social Council, a government advisory body.

- The number of people who took part-time work for reasons of “family commitments” has grown in the last three years. It is worth pointing out the considerable differences in this respect between men and women: the number of women who cite family commitments as the reason for taking part-time employment is much higher, while among men the proportion is almost zero. Furthermore, this difference has tended to increase in recent years.

Figure 5a. Trend in number of part-time workers, total and by gender (In thousands)

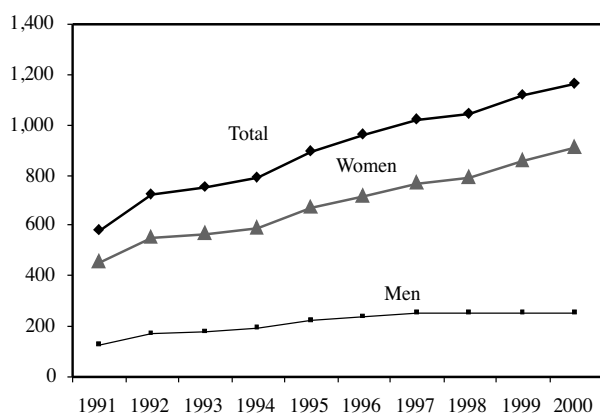
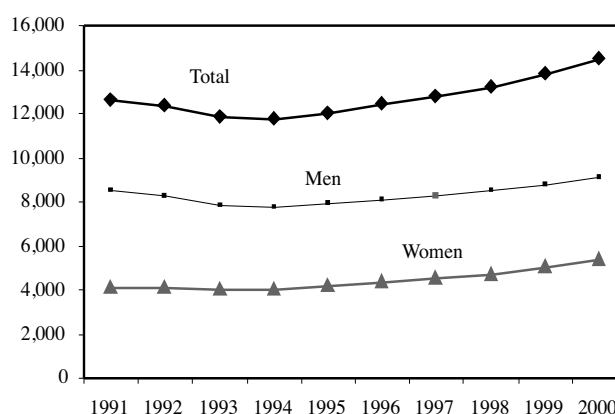


Figure 5b. Trend in number of full-time workers, total and by gender (In thousands)



- Despite the very low level of part-time employment in Spain compared with certain other countries of the European Union, the distinctive predominance of women in part-time employment is equally apparent in Spain. This can be seen in the graph in Figure 5a above, showing the growth in total employment compared with the growth in part-time employment, in total and broken down by gender.
- Looking at the trend in part-time employment over the decade, it can be seen that the increase in female part-time employment has been much greater than the increase in male part-time employment, and accounts for the bulk of the increase in part-time employment as a whole. Also, following a moderate increase in the early part of the decade, the growth of male part-time employment can be seen to level off towards the end of the decade.
- Looking at the trend in full-time employment, the second half of the decade saw strong growth, particularly among women. Nevertheless, the number of men in full-time employment remained much higher than the number of women.

Figure 6a. Men in employment by type of work, 2000

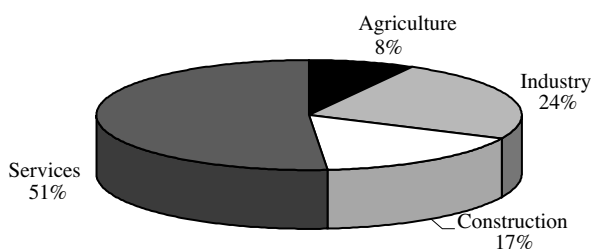


Figure 6b. Women in employment by type of work, 2000

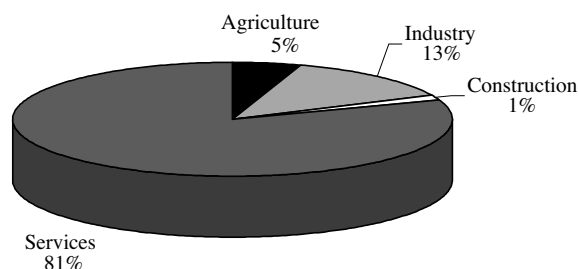


Figure 6c. Men in part-time employment by type of work, 2000

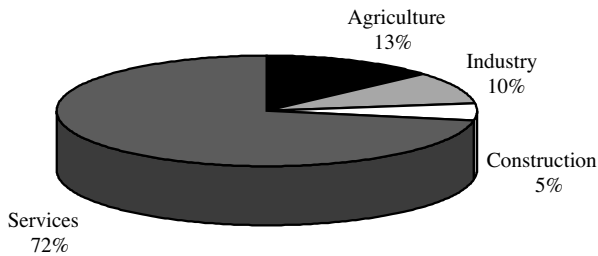
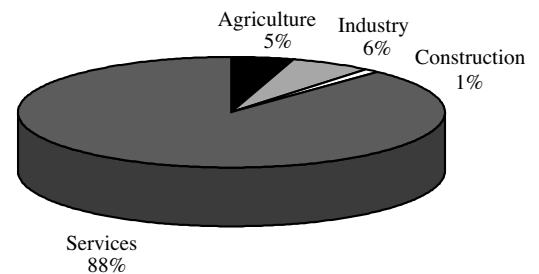


Figure 6d. Women in part-time employment by type of work, 2000



- If we consider the type of work done by part-timers, we find that services predominate, both in share of part-time workers and in rate of growth. According to data from the Spanish Labour Force Survey, the most important service sectors in terms of the number of part-time employees are: domestic service, retailing and repairs, real estate activities, renting and services to firms, and, lastly, hotel and catering.
- While the proportion of women employed part-time in the service sector is very similar to the number employed full-time in that sector, the same is not true in the case of men, where the proportion of part-time workers is higher.
- The importance of the service sector in the labour market is applicable to all the countries in the European Union. This is reflected in the OECD report “Employment Outlook 2001”, which confirms the continued growth of service sector employment as a proportion of total employment. This increase is apparent throughout the decade, and in many OECD countries services account for almost three quarters of total employment. This also coincides with changes in the types of work.

Reasons for the acceptance or non-acceptance of part-time work

Reasons related to:

Earnings

- An OECD study concluded that the average hourly pay of part-time workers is between 54% and 89% that of full-time workers, depending on the country. The percentage is highest, above 80%, in countries such as Italy and Germany. In Spain the average hourly pay of part-time employees as a percentage of that of full-time workers is around 67%. Part-timers are worse off in the United Kingdom, where they earn an average of only 58% of what full-timers earn.

Table 5. Average hourly earnings of part-time workers, 1995
(As a percentage of the average hourly earnings of full-time workers)

| | |
|----------------|------|
| Germany | 82.5 |
| Belgium | 78.4 |
| Spain | 67.8 |
| France | 73.0 |
| Netherlands | 73.2 |
| Italy | 87.4 |
| United Kingdom | 58.0 |
| Sweden | 87.2 |

Source: Eurostat, Structure of Earnings Statistics, 1995.

- One reason for this difference in earnings is the link between different types of jobs and different working hours. Generally speaking, part-time workers are concentrated in job categories with low rates of pay, such as services, sales, clerical work or menial tasks.

Job security

- Part-time workers tend, on average, to stay in their jobs for less time than full-time workers. In most European OECD countries most part-time workers have worked for their company for less than five years, whereas most full-time workers have been with their company for more than five years. Most part-timers regard their job as temporary. On average, in European Union member states in 1997, 34% of men and 18% of women working part-time considered themselves to be in temporary employment, compared to 7% and 10% of men and women working full-time, respectively (2).

Career development

- Generally speaking, part-timers are less likely to be given training than full-time workers. Training tends to be associated with long-term employment relationships, company size and academic qualifications, which tend, on average, to be lower among part-time workers. Also, from the employer's point of view, it takes as long to train a part-time employee as it does to train a full-time employee, but the payback period of the investment is longer in the case of the part-timer. The difference needs to be considered in relation to the different age groups and levels of training. Young people often work part-time in order to be able to carry on studying in their free time and get training outside the workplace, although this training may not necessarily have anything to do with their current job.
- Also, working part-time seems clearly to make it more difficult to build a career, as part-time employees are at an obvious disadvantage compared to full-timers. According to a survey conducted by the European Foundation for the Improvement of Living and Working Conditions, 47% of respondents felt that working part-time would damage their career prospects. However, an almost equal number (45%) did not share this opinion.

(2) This average does not include Greece, Luxembourg, Spain or Portugal.

Voluntary basis

- In most countries of the European Union, people working part-time do so voluntarily, so that at least for a large proportion of part-time workers it can be said that part-time work is a means of combining work with other activities or commitments. In Spain, for methodological reasons, it is impossible to know exactly how “voluntary” part-time work is. Nevertheless, compared with other European countries, the percentage of people who say that they work part-time because they do not want to work full-time is very small (González-Rendón).
- According to the “Employment in Europe 2001” report published by the European Commission, the number of voluntary part-time workers (those who say that they do not want to work longer hours) as a proportion of the total number of part-time workers in the European Union as a whole has remained stable in recent years at a relatively high level (60%), while the proportion of non-voluntary part-time workers has decreased slightly to 15%. The highest rates of voluntary part-time employment are to be found in the Netherlands, Luxembourg, Germany and the United Kingdom, where more than 70% of all part-timers describe themselves as voluntary part-timers. In contrast, the rate is particularly low in Spain and Belgium.

Satisfaction levels

- The satisfaction levels of part-time workers depend largely on gender. On average, women tend to be more satisfied than men with their part-time jobs or reduced working hours.

Conclusions

Our study of part-time work leads us to the following conclusions:

- Most countries of the European Union have seen a steady growth in part-time employment in recent years. In the European Union as a whole over the period 1991-2000 part-time employment grew at a rate of 27%, reaching 17.7% of total employment in the year 2000.
- This trend is linked to two features that have set the tone in the labour market in recent years. On the one hand, the increasing labour market participation of women, seeking alternative ways of organizing work that will allow them to combine work and family life. In the year 2000, women working part-time accounted for more than one third of total female employment in the European Union, representing an increase of 14.4% over the decade.
- The second feature is the more flexible organization of work in industry and the growth in service sector employment as a proportion of total employment. The importance of the service sector in the labour market applies to all the countries of the European Union. The OECD’s “Employment Outlook 2001” report confirms the continued growth of services as a source of employment. This growth continued throughout the decade, with services accounting for almost three quarters of total jobs in many OECD countries.

- Despite maintaining a part-time employment rate (8%) well below that of many other countries in the European Union, Spain recorded one of the highest increases (73%) in the part-time employment rate over the decade.
- The trend in the number of part-time contracts registered in Spain in recent years has been increasing. Although the increase in the year 2000 was only 4.1%, over the period 1997-2000 the increase was more than 25%. The largest increase was in 1998 compared to 1997, an increase of 19.4%. The lower rate of growth of part-time employment after 1999 has to do with the change in labour regulations and the type of part-time employment fostered by the new rules introduced under the November 1998 Agreement on Part-Time Work.
- Royal Decree-Law no. 5 of March 2, 2001, by introducing a new definition of the part-time worker as one whose normal hours of work are less than those of a comparable full-time worker, entailed a return to the system in place prior to the passing of Royal Decree-Law no. 15 of November 27, 1998, which set the working hours of part-time workers at less than 77% of the working hours of full-time employees under the applicable collective agreement. □