

# Non-standard work in the Nordics – troubled waters under the still surface

By Anna Ilsøe and Trine P. Larsen  
February 2021

## Introduction

The Nordic models of labour market regulation and the Nordic welfare states are well-known for their ability to adjust to changing market conditions without undermining the social- and employment security for workers. However, recent trends of non-standard work in the Nordics have questioned this perception. This may not only affect workers and employers, but also the Nordic models, as they are in principle based on the idea of full-time open-ended contracts and thus need to be adjusted to a changing workforce.

It is well-known that the wage and working conditions for non-standard workers are typically at a somewhat lower level than for standard workers. Non-standard workers are often less organized and their access to social benefits and employment protection tend to be more restrictive. When the corona crisis hit the Nordic labour markets, it acted like an x-ray, displaying new and more diverse groups of non-standard workers than previously captured by existing surveys and register data, along with emerging social protection gaps.

This brief enlightens the debate by presenting a summary of the main findings from the project ‘Non-standard work in the Nordics’ which analyses the scope and depth of non-standard work in the Nordics during the last two decades. Empirically, it draws on data provided by the individual Nordic countries’ Labour Force Survey (LFS) and in-depth case studies with individual companies in distinct sectors such as hotels, elder care and the creative industry. These analyses have been conducted by national teams from each of the five Nordic countries, which include 18 researchers in total<sup>1</sup>. The project forms part

---

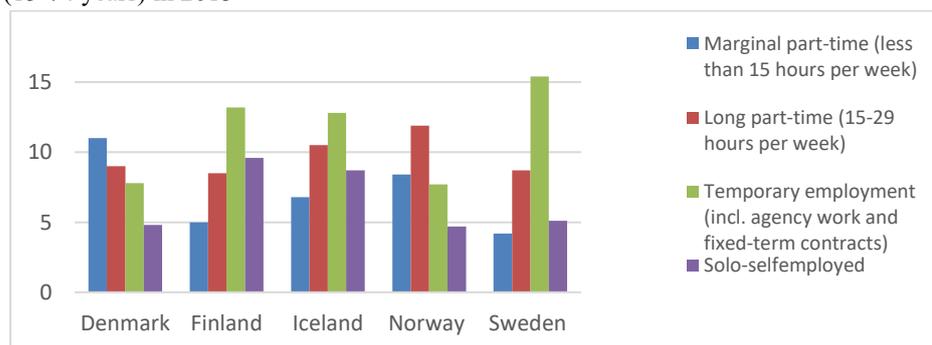
<sup>1</sup> The Danish team: Anna Ilsøe, Trine P. Larsen and Emma S. Bach (FAOS, University of Copenhagen), Stine Rasmussen and Per Kongshøj Madsen (CARMA, University of Aalborg). The Swedish team: Tomas Berglund, Anna Hedenus, Kristina Håkansson and Tommy Isidorsson (University of Gothenburg). The Finnish team Jouko Nätti, Satu Ojala, Tiina Saari, Paul Jonker-Hoffrén, Pasi Pyöriä (University of Tampere).

of a larger research project ‘The future of Work in the Nordics’, which is funded by the Nordic Council of Ministers (2018-2020) and coordinated by Fafo, Norway.

### Non-standard work in the Nordics since year 2000: a still surface

Focusing on four traditional or well-known forms of non-standard work (fixed-term contracts, temporary agency work, solo self-employment and part-time work – including marginal part-time (0-15 hours per week) and long part-time (15-30 hours per week), the share of non-standard work has remained relatively stable since year 2000. Around a third of all employed can be characterized as non-standard workers, but each Nordic country presents different blends of non-standard work, which often relates to variations in the national regulatory context and policy strategies. Temporary work (including fixed-term contracts and temporary agency work) is especially widespread in Sweden and Finland. Solo self-employment is most prevalent in Iceland and Finland. Marginal part-time is widespread in Denmark and Norway, whereas long part-time has the highest share in Norway and Iceland (Fig 1).

Figure 1: Types of non-standard employment in the Nordics in percent of all employed (15-74 years) in 2015



Source: National country reports for Pillar III based on LFS data.

### Emerging practices of non-standard work across sectors and workplaces

The most significant transformations in non-standard work seem to take place in distinct sectors, where non-standard work in some sectors is nearly twice as high as the aggregated data and on the way to become a widespread staffing strategy. Our in-depth case studies of workplaces in selected sectors add to this picture and reveal a much broader scope of contractual forms than the traditional well-described forms available in the existing statistics. Contracts without guaranteed hours (zero-hour contracts, on call work etc.) are used continuously and consciously in the case companies studied in both the public- and the private sector. For example, case studies from the Danish and Finnish

---

Norwegian team: Kristine Nergaard (Fafo) and Icelandic team: Katrin Olafsdottir, Kolbeinn Stefansson, and Arney Einarsson (Reykjavik University).

hotel- and restaurant sector as well as the Danish and Swedish elder care sector reveal that one in two employees are on contracts without guaranteed hours or work as on-call workers. This calls for increased attention to the individual sectors and workplaces to better apprehend the troubled waters and the potential challenges beneath the surface.

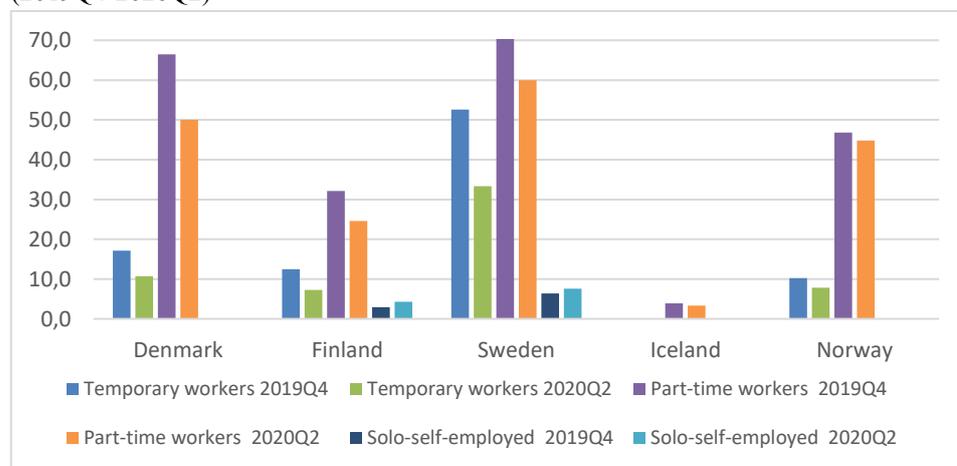
### Regulation of non-standard work: reproducing or fighting insecurities

Non-standard work is in general characterised by higher levels of flexibility and lower levels of security than standard work. In many cases, the flexibility of non-standard work is preferred by both employers and workers. In some instances, non-standard work may be an important stepping-stone for some workers and an important recruitment or retention strategy for some employers. However, higher risk of in-work poverty, income insecurity, job insecurity and of falling into protective gaps can be observed for non-standard workers. In some instances, collective agreements tie social- and employment protection to past employment records and working hours, whereby regulations reproduce or perhaps even reinforce differences in security between standard and non-standard workers.

### Non-standard work in times of crisis

The corona crisis has hit the Nordic economies hard and the economic slowdown has been accompanied with rising unemployment rates. Sectors where non-standard workers are overrepresented such as tourism, retail, hotels and restaurants and large part of the creative industry are among those most exposed to job loss. In the Nordic hotel and restaurant sector, the share of temporary workers and part-time workers declined markedly in the first two quarters of 2020 (Fig. 2).

Figure 2 Recent development in non-standard work measured in thousands of employed people aged (15-74 year) in the Nordic hotel and restaurant sector, selected quarters (2019Q4-2020Q2)



Source: Authors own calculations based on LFS data; Note: Figures for Iceland regarding temporary workers and figures for solo-self-employed in Denmark, Iceland and Norway are unavailable due to too few observations.

Nordic governments have launched a series of unprecedented help packages that in many respects are broader and more inclusive than the measures, we saw after and during the financial crisis in 2008. Although the Nordic governments have aimed to unite people by creating a safety net during the corona crisis, even for those on the outskirts of the labour market, we find that the reforms in some instances have exposed and reinforced the cracks in the Nordic employment and social protection. Certain groups, especially freelancers, entrepreneurs and employees with contracts of few hours have been more exposed to job loss and in some situations left with limited if no social protection, despite the good intentions of the Nordic governments.

### **Methodological challenges when studying non-standard work**

Academic research, social partners and national governments have historically used data on the four well-known, well-described and relatively widely used forms of non-standard work from the LFS as a lens to track developments and inform policy. However, more marginal forms that are not systematically documented via the LFS (but often are included under larger categories) seem to become more widespread in certain sectors. This is, for instance, the case with zero-hour contracts, subcontracted work, on-call work and posted workers. Also, we find completely novel forms such as work via freelance companies or digital labour platforms that are not systematically documented. Therefore, we lack fine-grained data on the emerging practices within non-standard work.

### **The future of non-standard work in the Nordics**

The findings in this report feed into the debates on the future of work in the Nordics in two ways. *Firstly*, the overall volume of non-standard work in the Nordics seems to be fairly stable in the period studied (2000-2020), but the composition of non-standard work has changed significantly. These results speak against the fear that we all will become freelancers. *Secondly*, employers seem to rely on a greater variation of non-standard work than previously, leading to a more differentiated picture among non-standard workers where their contractual conditions may tend to deteriorate. This casualization process underpins the importance of social- and employment protection. In some sectors such as elder care, most non-standard workers are covered by collective agreements, but this is less so in other sectors like hotel and restaurants. Solo self-employed and freelancers are rarely covered by collective agreements due to competition laws. Non-standard workers are also less likely to be unionised and members of an unemployment insurance fund than standard workers. Therefore, finding the right mix of legal and collectively agreed adjustments seems pivotal to keep the Nordic voluntarist collective bargaining models intact. If neither collective agreements nor national law address the increasing casualization of non-standard work, EU may choose to intervene in ways that challenge the autonomy of the Nordic bargaining models.