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The Impact of Non-standard Employment on Women's Employment and Countermeasures

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Abstract

Non-standard employment has been increasing globally over the past several decades. Women have a tendency to choose non-standard employment. This paper studies the development of non-standard employment and points out that non-standard employment has both positive and negative effect on women's employment. Based on which, this paper gives some policy advices, such as developing non-standard jobs to provide more employment opportunities for women, eliminating of gender discrimination in employment to achieve fair competition in the labor market, and raising the level of women human capital investment to improve their own quality.

Key words: Non-standard employment; Women's employment; Countermeasures

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INTRODUCTION

Non-standard employment includes part-time work, temporary employment, dispatched employment, labor outsourcing and other non-permanent employment. Non-standard employment originated in US, Japan and European developed countries and undergone a period of rapid expansion in 1980s. During the last 30 years, the percentage of temporary and part-time employment has grown substantially in many European countries. Non-standard employment has maintained a rapid development

in all types of industries in China since the 1990s. Some scholars point that the scale of non-standard employment will be expanding and predict non-standard employment will make up half of the total employment in the next 10-15 years. Based on the applied research, foreign scholars point that married women have a tendency to choose non-standard employment (Feldman, 1990). Since reforming and opening, China's female labor force participation rate (FLFPR) has fallen gradually, and the status of women has deteriorated relative to that of men both in terms of income and employment (Li & Gustafsson, 1999). At the same time, more and more women choose non-standard employment, and in part-time work, temporary employment, dispatched employment, labor outsourcing, female workers occupy a large proportion. This paper will study the impact of non-standard employment on women's employment and give some policy advices to promote women employment.

1. DEVELOPMENT OF NON-STANDARD EMPLOYMENT

Organizations face the environment uncertainty and risk to the rapid development of economy and society, which cause a serious challenge to the competitiveness of organizations. In order to cope with the challenge, flexible management on human resource comes into being. Enterprises needs to improve the external environment adaptability through organizational change, but the traditional system of long term employment is difficult to adapt to the flexibility requirement of organizations. Therefore, non-standard employment is adopted by more and more enterprises because of its relative flexibility, convenient daily management, lower labor cost and legal risk. There is an obvious contrast between standard employment and non-standard employment. For example, part-time work is very flexible in time and there is significant difference in the nature of contract for dispatched employment.

Since 1980s, the trend of employment diversification in developed countries has been very obvious. A survey of USA enterprises shows that there is 80%-90% of American companies adopt non-standard employment and about 60% of these companies will expand the scale of non-standard employment. The data released by German Federal Bureau of Statistics show the scale of non-standard employment was 7,840,000 in 2010. The Labor Force Survey shows that 11% of the labor force in Canada is in regular part-time employment, 6% in temporary full-time employment, and 4% in temporary part-time employment (Vosko et al., 2003). In Australia, recent research shows that 18% of employees are in permanent part-time employment, 3% in casual full-time employment, 2% in fixed-term contracts, and 9% in casual part-time employment (Louie et al., 2006). At the same time, non-standard employment grows rapidly in developing countries. Some research shows, new jobs are almost non-standard employment in some developing countries in Asia and Latin American. Obviously, non-standard employment has become an important way to promote employment in developing countries and some industries also show a strong demand for non-standard employment.

2. THE POSITIVE EFFECT OF NON-STANDARD EMPLOYMENT ON WOMEN'S EMPLOYMENT

The rapid development of non-standard employment brings positive impact on women's employment in the following respects.

2.1 Non-Standard Employment Provides More Employment Opportunities for Women

Organizations often adopt non-standard employment in some positions requiring relatively low skill level. Reams of empirical study show that women suffer the disadvantage in the investment of human capital compared to men. Therefore, women's employment skill levels tend to be lower than man, and non-standard employment positions are suitable for women. In addition, employment opportunities in community are often non-standard employment. Women are good at taking care of older people, feeding children, keeping house and other domestic service compared to men, so they gain the advantage in community employment.

2.2 Non-Standard Employment Help Women Balance Work and Family Life

Women will spend more time on housework because of the traditional division of labor between females and males, which will influence women's employment directly (Becker, 1965). To married women, they have to spend a lot of time on bringing up children, so they can't throw themselves into work. The conclusion is validated by Report of the Survey on the Status of Chinese Women. A wife take more than 85% of the house work such as family

cooking, washing dishes, washing clothes, cleaning and so on. Women's average time for housework time up to 4.1 hours, 2.7 hours more than men. Women have to choose to reduce labor supply at a particular time (especially when children are young) and withdraw from the labor market. This constitutes barriers to employment of women. Some enterprises don't like to employ women because they think employing women will increase labor cost. Non-standard employment supplies more employment opportunities for women because it helps women balance work and family life. In addition, some non-standard employment are in communities or home, and women like these opportunities because it saves a lot of time and money trip, so they can take care of their families.

2.3 Non-Standard Employment Help Women Improve Competitiveness in the Labor Market

Women have to spend a lot of time in housework, and this has negative effect on their competitiveness in the labor market. It has been well known housework socialization is an effective way to solve this problem. Socialization of housework means to socialize production takes the place of housework took on by family members, and women do not have to worry about tending to their home, which will promote women participation in employment. With the rapid development of non-standard employment, more and more laborers choose to go into domestic service and this help women threw off the chains of heavy housework. Therefore, women can spend more energy in their work and strengthen their competitiveness.

3. THE NEGATIVE EFFECT OF NON-STANDARD EMPLOYMENT ON WOMEN'S EMPLOYMENT

The rapid development of non-standard employment brings negative impact on women's employment in the following respects.

3.1 Occupation Stability Decreases

Compared with the traditional form of employment, an important feature of non-standard employment is flexible. Whether the seasonal workers, temporary workers, part-time workers, or dispatched workers etc., their labor relation with employers is temporary or short-term. When organizations need to fire employers to deal with changes in the external environment, they always fire seasonal workers, temporary workers, part-time workers and other non-standard employees. Dispatched workers can easily be fired because they are short-term or lack of expertise. Even some of the long-term dispatched workers may encounter risks of dismissal when employers don't need them anymore. Compared with male workers, employers often terminate the labor relationship with female non-standard employees. This makes female non-standard employees are often in unstable employment state, and highly vulnerable to macro and micro influence of the

labor market. According to statistics, the unemployed women accounted for 62.8% of China's laid-off workers, and it is up to 70%-80% in some areas. According to the report of Second Survey on Women Status hold by ACWF (All-China Women's Federation), employment rate of women dropped 16.2 percentage points and only 39% laid-off women can be employed again, 24.9 percentage points lower than men at the end of 2000. The female unemployment rate is higher than the male, which has become one of the characteristics of China unemployment population.

3.2 Wage Is Relatively Low

Many organizations choose non-standard employment to solve labor demand in order to reduce labor cost. Organizations will have a huge space for saving labor cost when they choose to employ seasonal workers, temporary workers, part-time workers and other non-standard employees. Even long-term dispatched workers, often get unequal compensation less than permanent staffs who do the same work as dispatched workers. According to Survey on Europe Salary 2002 (SES), the full-time working wage ratio of women to men was 75%. If part-workers were included, the gender pay gap would increase 1%-3%. Obviously, because more women choose non-standard employment and their wage are relatively low, the income difference between men and women increases. After the foundation of the New China, the government pay attention to the protection of women's rights and interests. According to statistics, the wage ratio of women to men was 80% before the reform and opening to the outside world because China implements the principle of men and women enjoying equal pay for equal work. But this situation has changed since 80s with the economic transition. Although related law applies the principle of equal pay for equal work to men and women alike, and protects the right of women to work on equal terms with men, the wage gap between men and women continuously expanded. According to the report of Second Survey on Women Status hold by ACWF, the ratio of women personal income to men personal income is dropped from 77.5% to 70.1% from 1990 to 1999 in cities. The high proportion of non-standard employment in women is one of the important reasons to cause this situation because wage for non-standard employees are relatively low. In addition, a lot of female non-standard employees encounter wage deduction and unpaid wage, so their labor right can't be fully protected.

3.3 Reducing the Level of Women Human Capital Investment

According to modern human capital theory, organizations tend to do cost - benefit analysis when they choose employees to do human capital investment. While organizations are often reluctant to provide training for staffs whose mobility are relatively large, because organizations are unable to get the benefit of human capital investment for the short time after training. One of characteristics of non-standard employment is short-

term, and non-standard employees flow more frequently. Organizations are cautious about human capital investment of non-standard employees and only provide a simple pre post training. This has a great negative impact on human capital investments of women because female workers account for a larger proportion of non-standard employees. Due to physiological reasons, many women would temporarily drop out of the labor market because of birth, caring for their children and other reasons. When they return to the labor market, the original human capital may reduce or even lose their effect because of human capital value depreciation. This leads to the enterprise even more reluctant to provide human capital investment to female employees especially non-standard female employees. In addition, changing jobs are an important way of human capital investment. But the working range of non-standard employees is often limited because organizations always hire non-standard employees in some low skilled jobs, which limit the way for increasing human capital of female workers. This leads to female workers concentrating in occupation with low technique or previously engaged in, and women have less possibility of changing occupation status and social economic status than men.

3.4 Lowing the Level of Social Insurance

Social insurance is funded by taxes or premiums paid by (or on behalf of) participants, and the program serves a defined population. Due to historical reasons, China's social insurance system is mainly designed for standard employees employed in the formal sector, and it is unfit to non-standard employment. Income of most non-standard employees is not fixed and generally low, so some of them choose not paying because they think social insurance as a burden. At the same time, non-standard employees whose income is not instable, like to choose the lower individual base pay rather than the higher one when they decide individual base pay at his own choice. In addition, a lot of non-standard employees often change their places of work, and their enthusiasm is not high because they find it is very difficult to transfer their social insurance from one area to another area. One more thing to note is many enterprises, especially some small enterprises refuse to provide social insurance to their non-standard employees in the absence of supervision. Therefore, many female non-standard employees can't be covered in social insurance system, and they can't have social insurance in spite of their strong desire.

4. POLICY ADVICES

Although there are a lot of problems with non-standard employment, and it has some negative effect on women's employment, non-standard employment provides more employment opportunities for women, and help women balance work and family life. Therefore, we need to face the existing problems in non-standard employment, and make efforts to solve these problems. Some policy advices are given based on the analysis to encourage female employment and construct healthy and harmonious labor market.

4.1 Developing Non-Standard Jobs to Provide More Employment Opportunities for Women

Some non-standard jobs are fit for women, such as jobs in communities and some market and service jobs in the tertiary industry. Taking community employment as an example, jobs in community requires relatively low skills and it is very flexible in form, so they are suitable for women with low-skill, elder age, heavy housework burden, or working in the home. According to statistics, in developed countries, the share of community employment accounted for 20%-30% of the entire employment. However, the share of community employment only accounted for 4% of the entire employment. We can see a huge community employment space providing a lot of non-standard jobs for women. ACWF did surveys in Chongqing, Wuhan and other big cities, which indicate that 25% laid-off female workers have reemployed in non-standard jobs in community. Organizing laid-off female workers to work in non-standard jobs in communities can not only promote the construction of communities and the adjustment of industries, but also make residents life more convenient. In the tertiary industry, some jobs related to the services and market also have similar characteristics with the community employment. In the coming 20 years, the traditional services and tertiary industry will change a lot, and people will have new demands in food, clothes, transportation, culture, education, sanitation, sports, environmental protection, telecom and traveling, which need to promote the development of modern services industry, and this will supply a new space for female non-standard employment. We should pay attention to the social demand and the change of market, and exploit and cultivate more non-standard jobs and raise the level of female employment, which will help women create new performance and lives.

4.2 Eliminating of Gender Discrimination in Employment to Achieve Fair Competition in the Labor Market

The law protects employees from gender discrimination in terms of hiring, firing, promotions, compensation, benefits and conditions. Chinese Labor Law explicitly puts forward that laborers shall not be discriminated against in employment, regardless of their ethnic community, race, sex, or religious belief in Article 12, and prescribes females shall enjoy equal rights as males in employment in Article 13. That means the employer must provide equal pay for equal work. The equal work can be defined as work that requires the same skills and effort. For instance, male and female workers performing the same job receive the same compensation based on merit and skills, not gender or appearance. However, gender discrimination in employment has become a more severe problem in China, especially when female workers are in non-standard employment, unequal compensation for equal work is very serious. Therefore, it is necessary to expand the scope of above provisions in labor law to the unit of non-standard employees especially those part-time workers. At the same time, increasing the intensity of law enforcement is the key point of protecting women's rights to equal employment and realizing the fair competition in the labor market.

4.3 Raising the Level of Women Human Capital Investment to Improve Their Own Quality

Some female workers prefer to choose non-standard employment because they want to balance work and family life. Nevertheless, some female workers have to work in non-standard jobs because they want to have employment opportunities. The latter is mostly female workers with relatively low skills. Women should have more modern characteristics in the market economy, and raising the qualifications of women is very important. Women must raise the level of their scientific and cultural knowledge and vocational skills through education and training to strengthen their competitiveness in the labor market. Therefore, our government should create social environment of eliminating gender discrimination that will cause differences in human capital investment. Law related with female employment protection has focused on raising the employment ratio and labor protection of women for a long time in China. With the advent of knowledge economic era, protecting equal human capital investment opportunities for women is equally important. The government should sternly execute the law to protect the opportunity of fair human capital investment for women while constitute feasible law, to promote women realize their self-valuation as much as possible.

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