

Risk of Precarious Work in the Public Sector

KEY FINDINGS

- **Public sector employment** in the EU accounts for **one quarter** of all dependent employment in **2015**, but **varies widely across member states** from 14 % (Germany followed by Cyprus, Netherlands, Greece) to 41 % (Sweden, Slovenia, Finland). The **size of the public sector** (in number of employees as well as in the share of total dependent employment at EU average) remained **stable since 2010**, neglecting **strong declines** (most remarkable in Greece 45 %, Cyprus 28 %, Netherlands 24 %) and **growth** (Hungary 17 %, the UK 18 %, France 21%, Luxembourg 32% and Malta 34 %) **within countries**.
- In 2015, the structure of **contract forms** in the public sector **differs marginally** from the private sector. **Full-time employment** is the most prevalent with **stable 70%** (68 % in the public sector decreasing from 74 % in 2010). The share of **part-time employees** is **20 %** in both sectors, but increased in the private sector from 14 % in 2010. The share of **fixed-term employment** did **not change** over time: **12 % in the private and 10 % in the public sector**.
- **Working conditions** are generally **better** in the **public sector** compared to those in the private sector, **especially** regarding the **share of low pay, career opportunities and job security**. This pattern is **stable over time** and applies to full-time, part-time and fixed-term employment alike.

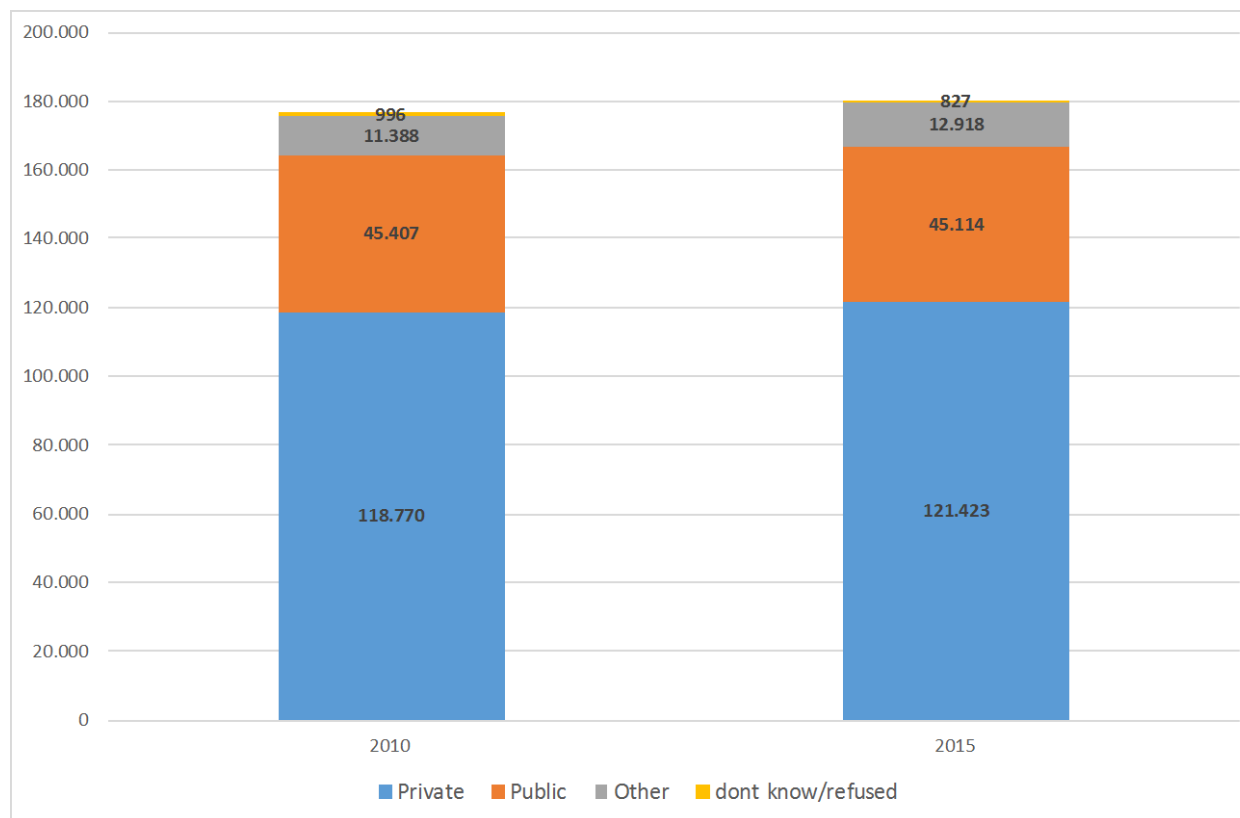
1. OVERALL EMPLOYMENT TRENDS IN THE PUBLIC SECTOR

Public sector employment stable between 2010 and 2015

Total employment increased in the EU27 between 2010 and 2015 (

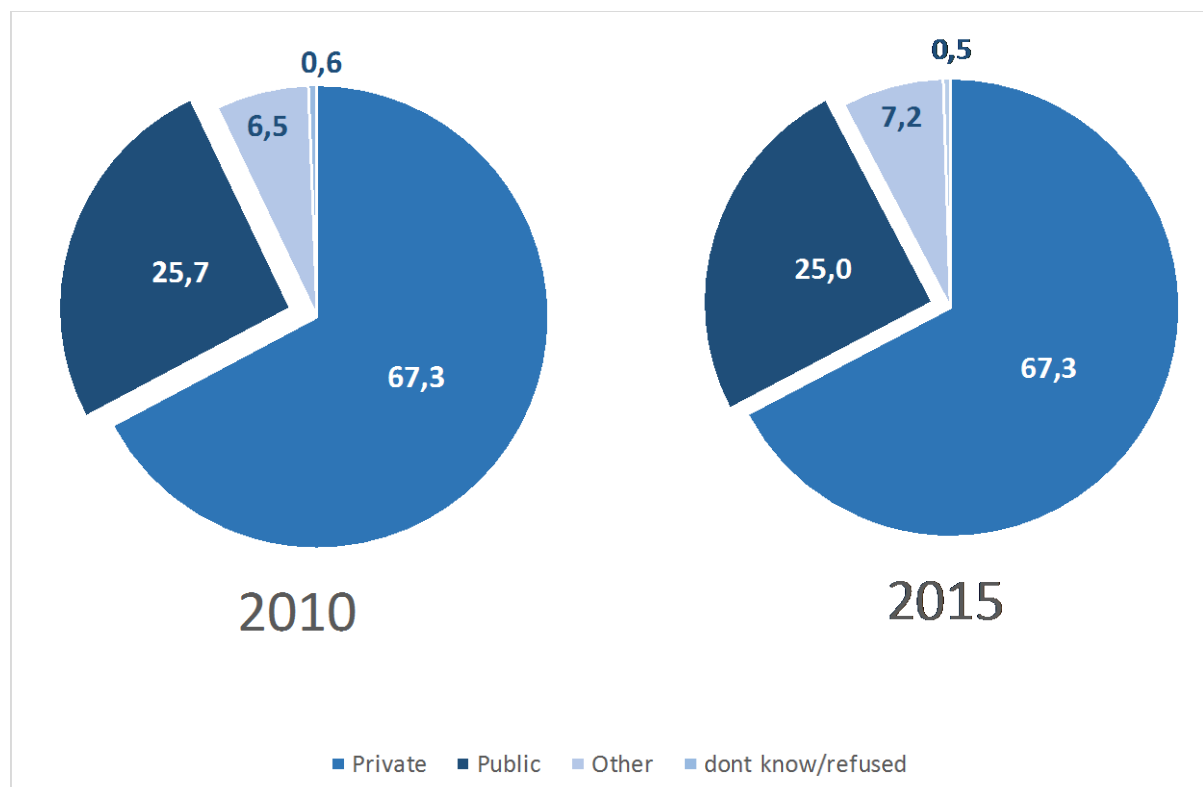
Figure 1), although public sector employment decreased slightly, from 45 407 000 to 45 211 000, a change of -0.4 %. Private sector employment, by contrast, grew from 118 770 in 2010 to 121 542 in 2015, an increase of 2.3 %. The share of public sector employment in total dependent employment declined in the EU27 from 25.7 % to 25 %, whereas the share of private sector employment remained stable at 67.3 % over that period. The share for other forms of employment (joint private-public organisation or company, not-for-profit sector or NGO, other not specified) rose from 6.5 % to 7.2 % over that period (Figure 2).

Figure 1: Dependent employment by sector in Europe (EU27) 2010 and 2015 (number of employees, 1,000s)



Source: EWCS 2010, 2015, weighted results, own calculation

Figure 2: Dependent employment by sector in Europe (EU27) 2010 and 2015 (%)



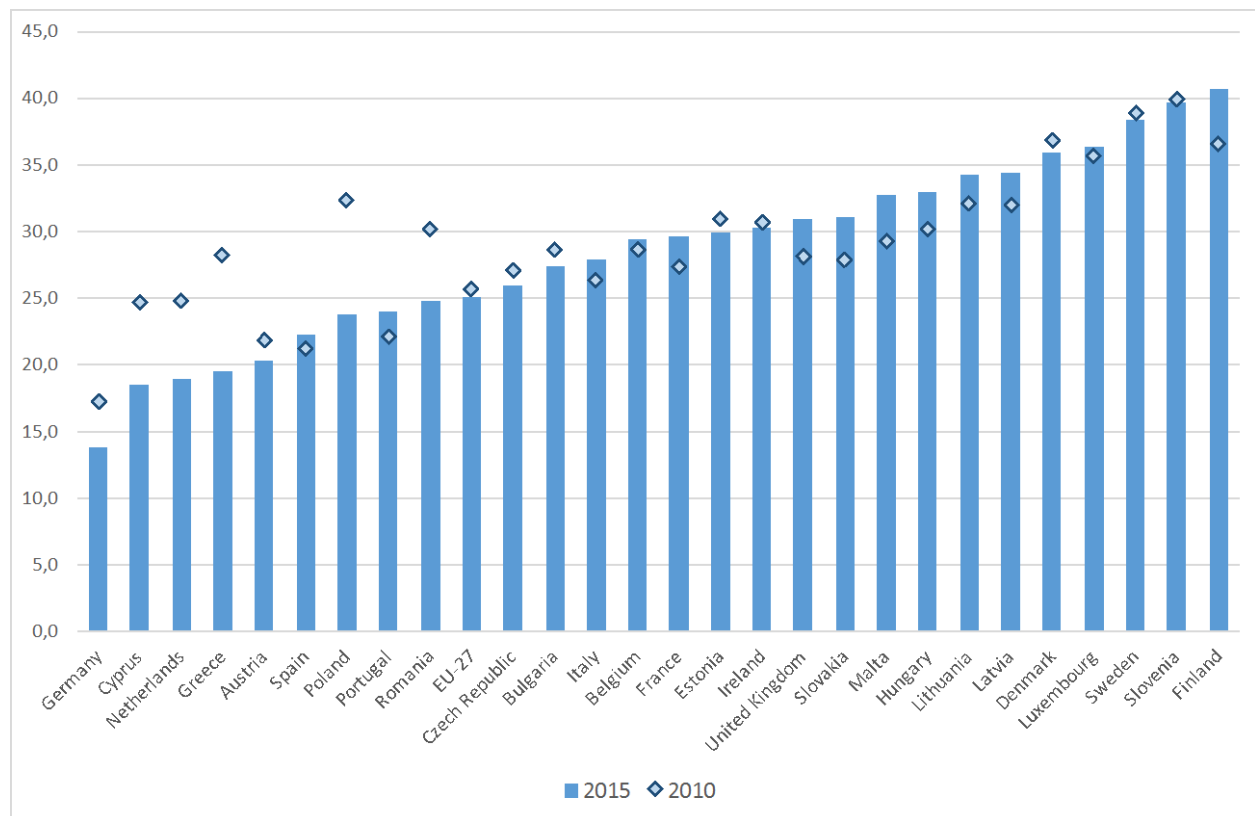
Source: EWCS 2010, 2015, weighted results, own calculation.

Share of public sector workers ranges from 14 % to 41 % in the EU

However, the proportion of employees in the public sector varies significantly between EU Member State, with **Finland, Sweden, Slovenia, Luxembourg and Denmark** at the high end, with proportions of **between 35 % and 40 %** of dependent employment. At the low end is Germany, below 15 %, and **Cyprus, Netherlands, Greece and Austria**, all on or below 20 %.

However, the change of the relative size of the public sector also reflects dynamics of the private sector, thus figure 3 shows the change in the number of those employed in the public sector per country in 2015 (relative to absolute size in 2010 =100).

Figure 3: Proportion of employees working in the public sector by country, 2010 and 2015 (in % of total dependent employment)

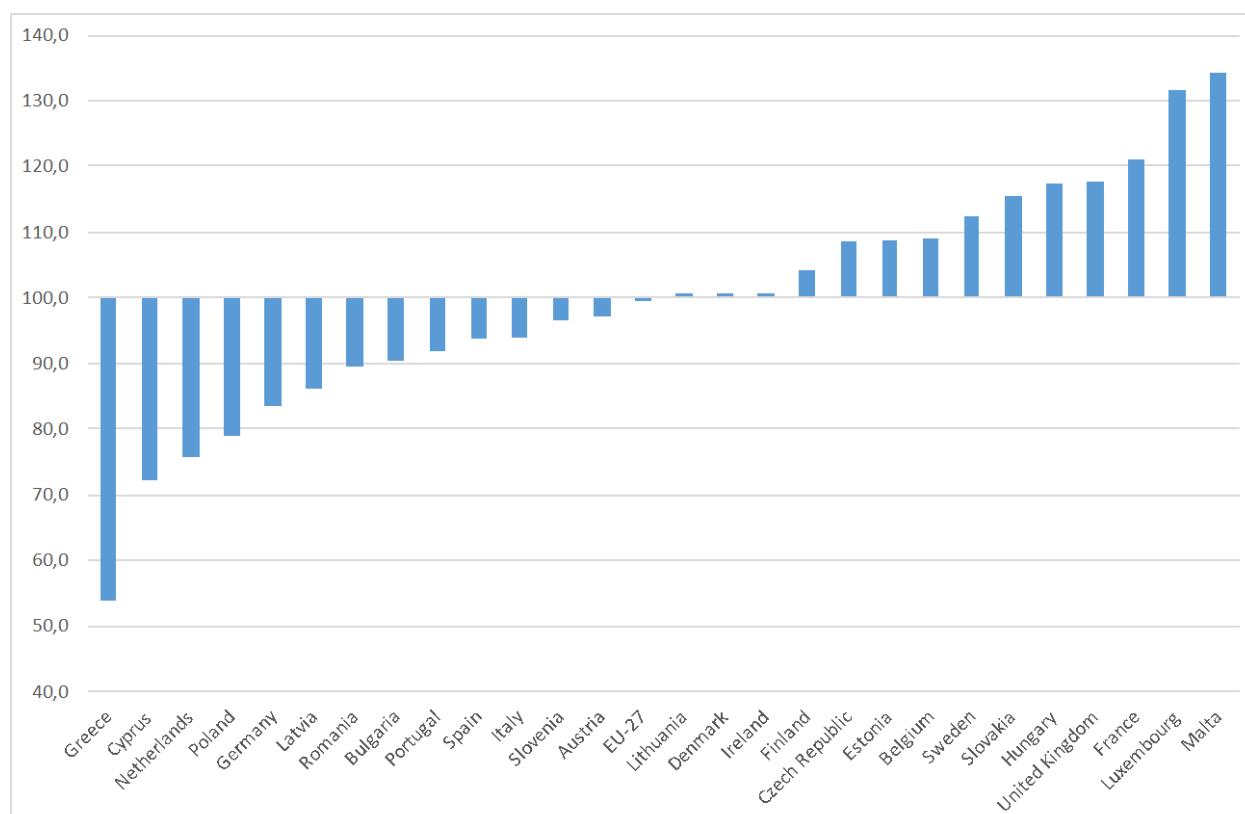


Source: EWCS 2010, 2015, weighted results, own calculation.

Stability of EU average size of the public sector hides variety of declining and increasing public sector employment within countries

Further, the trend between 2010 and 2015 varies according to Member State, with **large decreases** (up to - 46 %) in the number of employees employed in the public sector seen in **Greece, Poland, Cyprus and the Netherlands**. Many southern European countries have public sector employment levels that were below or close to the EU average in 2010, before the crisis-related restructuring reforms took effect. There have been **increases** (up to 34 %) in a number of countries, including **Finland, the UK, Slovakia, Estonia, Czech Republic, Malta, Luxembourg, Hungary and France** (see **Error! Not a valid bookmark self-reference.** below).

Figure 4: Change in number of employees working in the public sector 2015 (2010 = 100)



Source: EWCS 2010, 2015, weighted results, own calculation.

2. WORKING CONDITIONS IN THE PUBLIC SECTOR FOR DIFFERENT EMPLOYMENT TYPES 2010-2015

Overview: mixed picture on public sector working conditions

In order to compare changes of working conditions over time by means of the EWCS, average values of single indicators have been used. The scaling differs between these dimensions but not over time. Nevertheless, some limitations for interpretation of changes over time remain due to adaptations in the EWCS 2015 questionnaire regarding population asked and wording of questions (See endnote on indicators¹).

Taking into account main indicators of working conditions that are comparable between the two waves of the EWCS, public sector jobs seem to offer (on average²) somewhat better quality jobs with respect to dimensions such as career opportunities, job security, and the

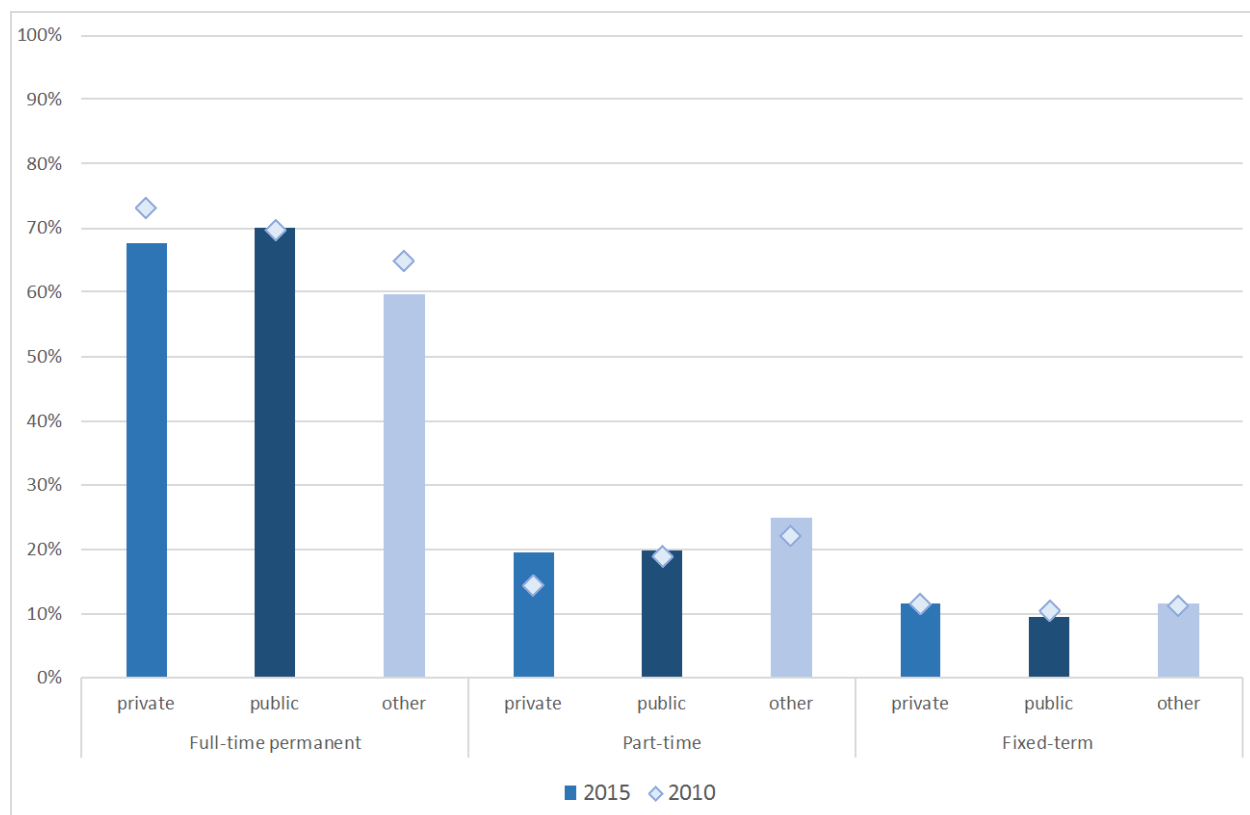
share of low pay. Nevertheless, public sector employees seem to be slightly less satisfied with payment and working conditions in general. Here, levels of satisfaction are slightly higher than in the private sector in the case of full-time permanent employees, higher in the case of part-time employees and also higher in the case of those on fixed-term contracts.

Most notably, **working conditions, as observed by European employees, slightly improved** overall between 2010 and 2015 for both private and public sector employment **in the areas of career prospects, satisfaction with pay and perceived job security**. This is **especially true for open-ended full-time contracts** whereas for other types of employment we do not have evidence of positive improvements except satisfaction with pay for part-time work. Overall, the general pattern of better job quality in permanent full-time employment compared to part-time and fixed-time contracts also applies when public and private sector employment are analysed separately. With our analysis we neither take into account compositional effects in the public and private sector, nor do we claim that the changes over time and the differences between the sectors are significant in a statistical sense. Hence, these findings need to be treated with caution.

Full-time permanent contracts stable in the public sector

The proportion of workers with full-time permanent contracts in the public sector was 70 % in 2015, with little change since 2010, and slightly above the proportion in the private sector (which decreased from 73 % to 68 % between 2010 and 2015). Full-time permanent employment in the other category, such as the third sector, also decreased, to 60 % by 2015. See Figure 5 below for details.

Figure 5: Share of employees with full-time, part-time and fixed-term contracts by sector in Europe (EU27) 2010 and 2015



Source: EWCS 2010, 2015, weighted results, own calculation.

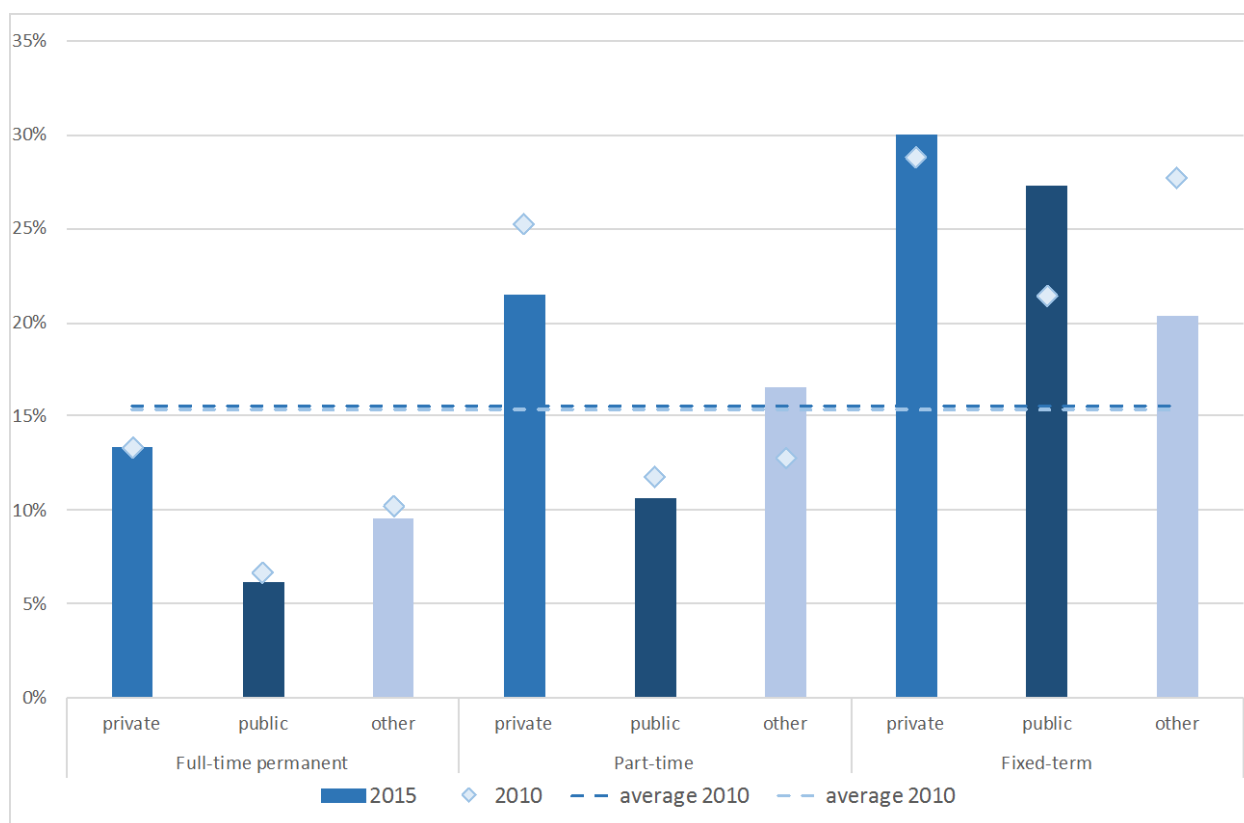
Share of low pay is lower in the public sector

Overall, our data analysis found that the share of low pay is lower in the public sector than in the private sector in the case of full-time permanent employment, part-time work and fixed-term work.

In the case of part-time work, the share of low pay in the public sector was 10 % in 2015, down from 12 % in 2010, compared with 22 % in the private sector (down from 25 % in 2010). In the case of fixed-term contracts, the share of low pay has increased in the public sector, to 27 % in 2015 from 21 % in 2010. This compares to 29 % (down from 30 %) in the private sector.

Figure 6 below (using an objective indicator) shows the share of low pay by type of contract and sector in 2010 and 2015. In the public sector, the average share of low pay in the case of full-time permanent employees was 6 % in 2015, down from 7 % in 2010. This compares with 13 % in the private sector.

Figure 6: Share of low pay by type of contract and sector in Europe (EU27) 2010 and 2015

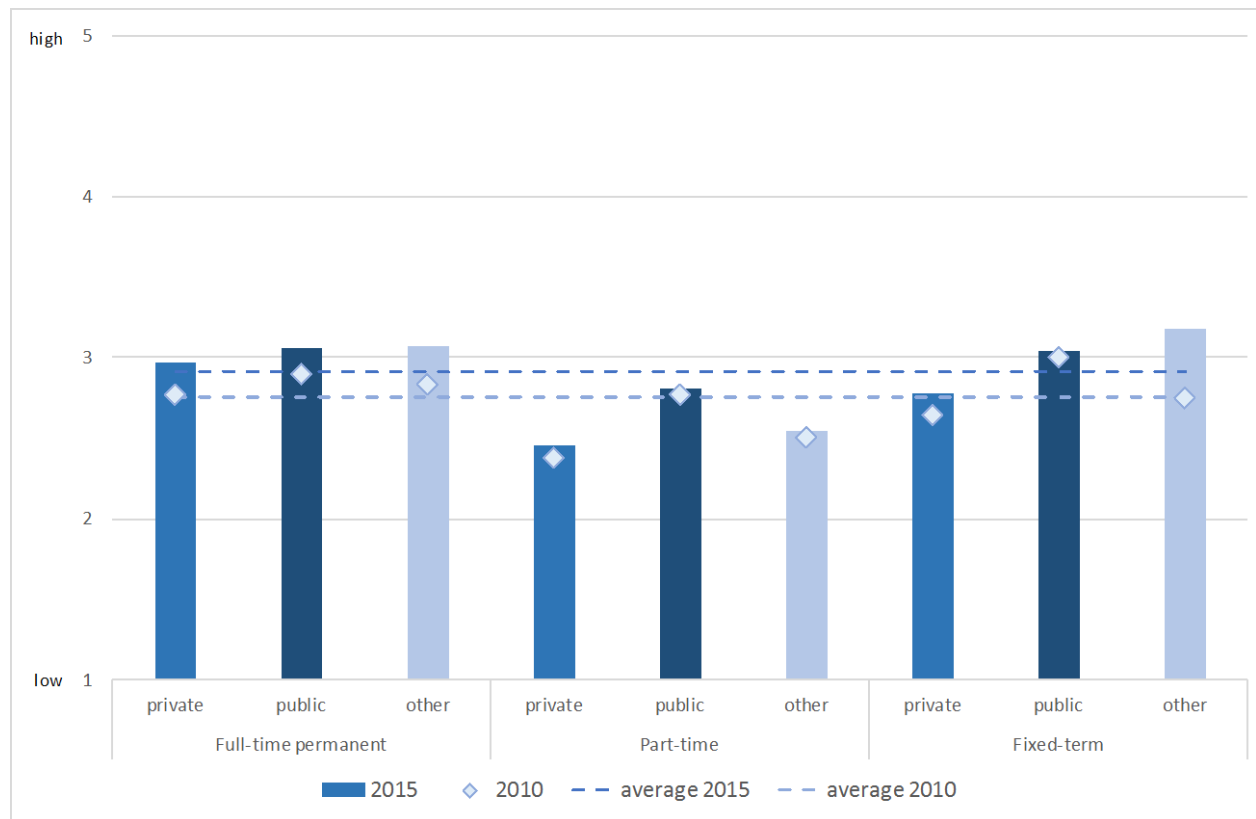


Source: EWCS 2010, 2015, weighted results, own calculation.

Career opportunities judged better in the public sector

Our data analysis (based upon a subjective indicator) found that career opportunities were felt to be better in the public sector than the private sector, in the case of full-time permanent, part-time and fixed-term contracts. The data is also largely stable between 2010 and 2015 with hints of some improvements for full-time permanent employment.

Figure 7: Career opportunities by type of contract and sector in Europe (EU27) 2010 and 2015 (average)

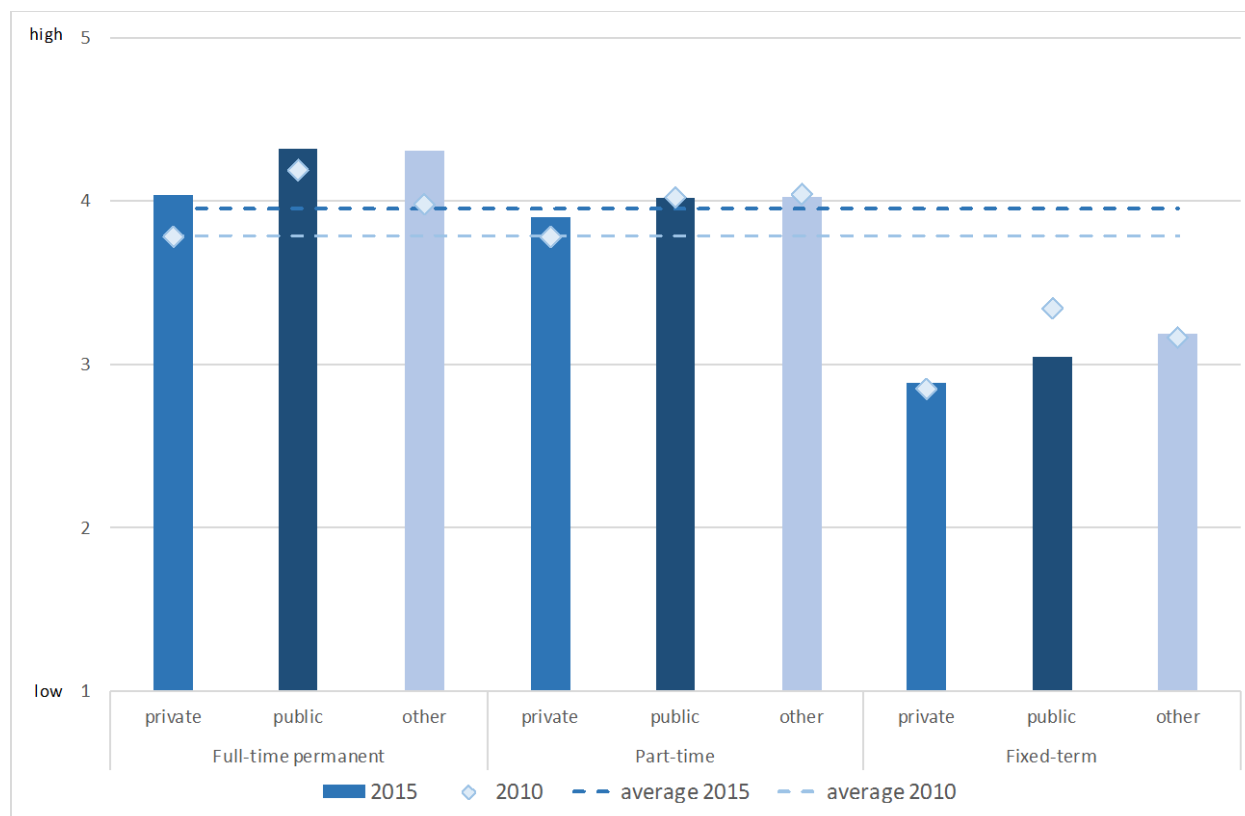


Source: EWCS 2010, 2015, weighted results, own calculation.

Job security judged higher in the public sector

Job security was felt to be higher in the public sector than in the private sector in the case of full-time permanent, part-time and fixed-term employees, although job security was felt to be only marginally above that in the private sector in the case of fixed-term contracts and decreased between 2010 and 2015. But the data suggests that the overall structure and level of perceived job security is rather stable between 2010 and 2015 with hints of some improvements for full-time permanent employment. For details, see Figure 8 below.

Figure 8: Job security by type of contract and sector in Europe (EU27) 2010 and 2015 (average)

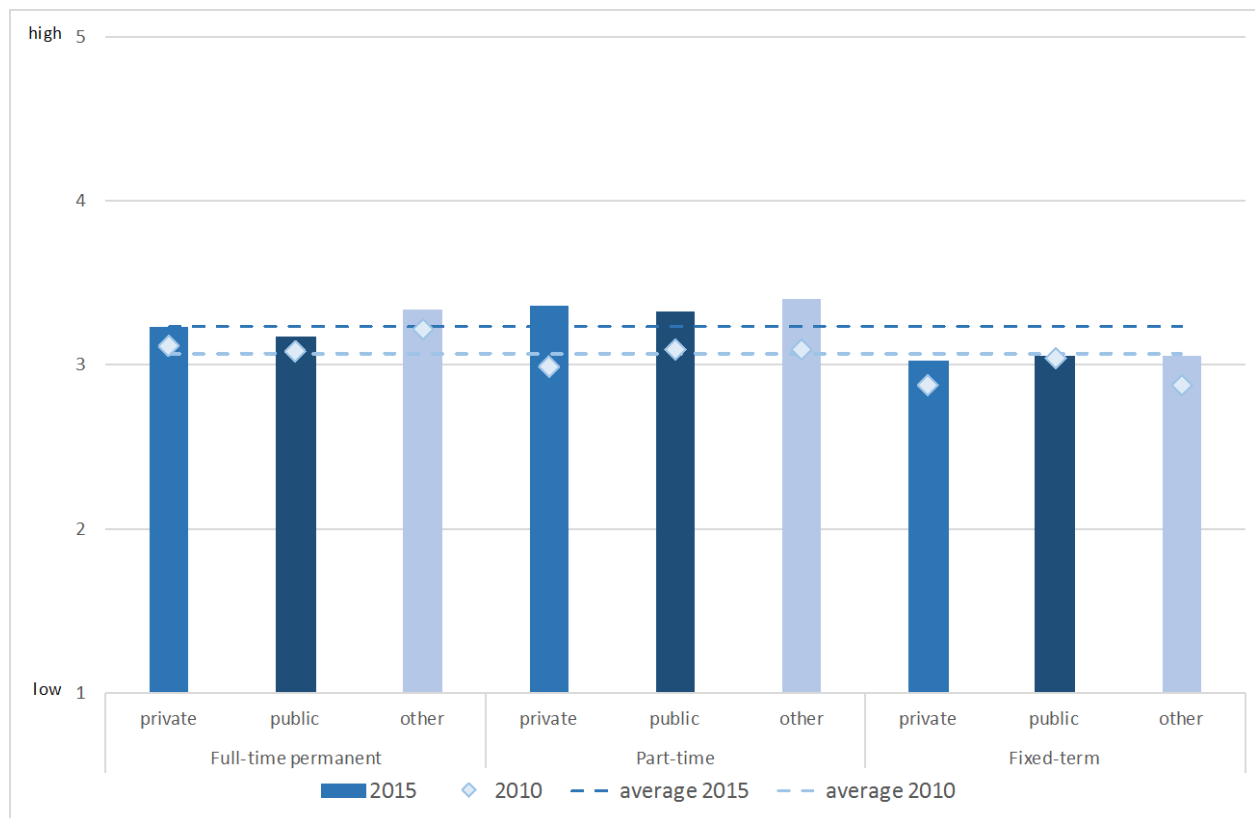


Source: EWCS 2010, 2015, weighted results, own calculation.

Satisfaction with pay slightly lower in the public sector

Figure 9 below shows levels of satisfaction with pay by type of contract and sector in 2010 and 2015. For reference, the scale ranges from 1 = strongly disagree to 5 = strongly agree to the statement “I am well paid” (2010)/ “I am paid appropriately” (2015). Satisfaction levels are slightly lower in the public sector than the private sector in the case of full-time permanent contracts, around the same in the case of part-time contracts and slightly higher in the case of fixed-term contracts. The data is also largely stable between 2010 and 2015 with hints of some improvements for part-time permanent employees (reaching or slightly exceeding the levels of full-time employees – but without statistical proof of significance).

Figure 9: Satisfaction with payment by type of contract and sector in Europe (EU27) 2010 and 2015 (average)

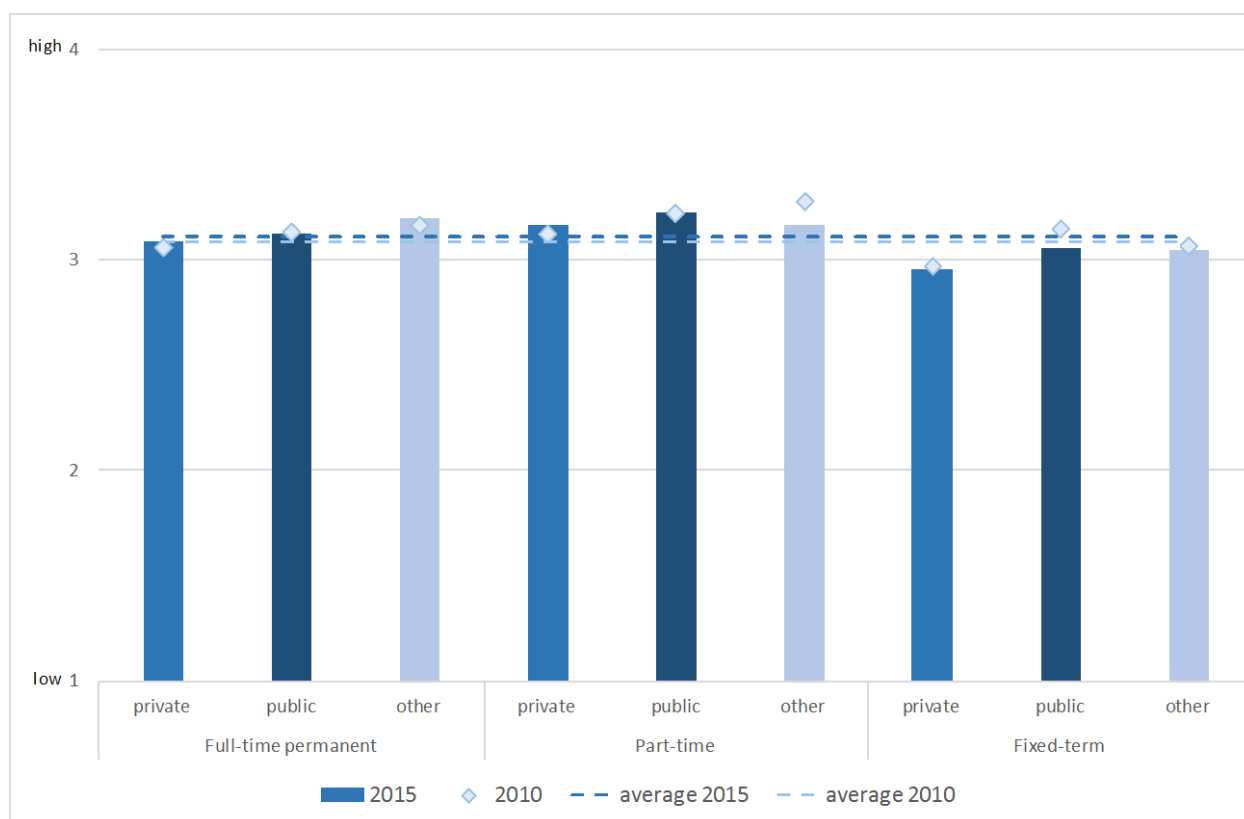


Source: EWCS 2010, 2015, weighted results, own calculation.

Satisfaction with working conditions only slightly higher in the public sector

Figure 10 below shows levels of satisfaction with overall working conditions. It shows that in the public sector, levels of satisfaction are only very slightly higher than in the private sector in the case of full-time permanent employees. Satisfaction levels in the public sector are higher in the case of part-time employees and in the case of those on fixed-term contracts compared to the private sector. The data shows almost no changes between 2010 and 2015.

Figure 10: Satisfaction with overall working conditions by type of contract and sector in Europe (EU27) 2010 and 2015 (average)



Source: EWCS 2010, 2015, weighted results, own calculation.

ANNEX: DEFINITIONS, POPULATION AND INDICATORS USED

Definition of sector

In order to give a clear picture when comparing the public and private sector, joint private-public organisations, NGOs and other types of companies were grouped and analysed separately. For the size of the public sector (in percent and head counts) missing information in both years is taken into account in order to control for changes in respondents' behaviour. The categories used for the analyses are as follows: 1. private company, 2. public organisation, 3. other (joint private-public organisation or company, not-for-profit sector or NGO, other), 4. <missing> (don't know, refused to answer).

Population and type of employment

In order to be able to compare the same number of EU countries in 2010 and 2015, Croatia has been excluded and hence EU27 averages are shown for both periods. The analyses have been restricted to dependent employment (excluding freelancers and self-employed people). The type of employment has been assigned according to stepwise process with distinct groups as described in Broughton et al. (2016). More detailed figures regarding working conditions of employees are shown for three subgroups:

- full-time permanent,
- part-time (regular permanent part-time, marginal part-time with less than 20 hrs per week – may be fixed term),
- fixed term employment (fixed term full- or part-time but at least 20 hrs per week, temporary agency work).

Note: Apprenticeships and trainees are included in total dependent employment figures but excluded from detailed analyses.

Indicators of working conditions

There are many indicators and items in the EWCS reflecting various dimensions of working conditions but due to changes of variable sets, scales and wording over time only a few can be considered rather comparable and therefore useable for our purposes. We have selected single items in order to avoid cross-sectional standardization which makes comparisons over time rather difficult or even impossible. Furthermore, we selected only a few indicators that might be of utmost relevance for the public sector and are also considered highly relevant in general throughout the literature. All indicators are coded in a way that high values represent good/better working conditions than lower values (except for low pay). Even though the coding changed over time items are comparable as long as they are asked in the same manner. The range of scales differs across indicators due to the original question asked.

Objective: Low Pay

Low pay is indicated if the hourly wage is below two thirds of median of hourly wage per country (following OECD definition). Hourly wages are calculated based on net earnings per month (and imputed mean if only answers within categories are available) and usual working time per week (times 4 weeks per month).

Subjective: Career opportunities (scale changed)

In 2010 all employed persons are asked to agree or disagree to the following item: *“My job offers good prospects for career advancement”* with the original scale: 1 *“strongly disagree”* to 5 *“strongly agree”*. In 2015 the coding of values is reversed: 1 *“strongly agree”* to 5 *“strongly disagree”*. The scale in 2015 was recoded, indicating better career opportunities with higher values: 1 *“strongly disagree”* to 5 *“strongly agree”*.

Subjective: Job security (scale changed)

In 2010 all employed persons are asked to agree or disagree to the following item: *“I might lose my job in the next 6 months”* with the original scale: 1 *“strongly disagree”* to 5 *“strongly agree”*. In 2015 the coding of values is reversed: 1 *“strongly agree”* to 5 *“strongly disagree”*. Since the wording of the items is negative regarding job security, the scale in 2010 was recoded, indicating higher job security with higher values: 1 *“strongly agree”* to 5 *“strongly disagree”*.

Subjective: Satisfaction with Payment (wording and scale changed)

In 2010 all employed persons are asked to agree or disagree to the following item: *“I am well paid for the work I do”* with the original scale: 1 *“strongly disagree”* to 5 *“strongly agree”*. In 2015 this item has changed to: *“Considering all my efforts and achievements in my job, I feel I get paid appropriately”* with a reversed coding of values: 1 *“strongly agree”* to 5 *“strongly disagree”*. The scale in 2015 was recoded, indicating higher satisfaction with higher values: 1 *“strongly disagree”* to 5 *“strongly agree”*.

Note: The wording in 2015 has changed and seems to be more strongly related to the concept of effort and reward compared to the wording in 2010. Therefore changes over time may be also due to the change of wording regarding the question.

Subjective: Satisfaction with working conditions

All employed persons are asked the following question in both years: *“On the whole, are you very satisfied, satisfied, not very satisfied or not at all satisfied with working conditions in your main paid job?”* with the original scale: 1 *“very satisfied”* to 4 *“not at all satisfied”*. The scale of this indicator was recoded, indicating higher satisfaction with higher values: 1 *“not at all satisfied”* to 4 *“very satisfied”*.

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- ¹ Indicators used to measure quality of work are mainly subjective (career opportunities, job security, satisfaction with pay, satisfaction with overall working conditions) followed by one objective measure (low pay). *Low pay* is the share of employees earning less than two thirds of median net hourly wage per country. *Career opportunities* are given by respondents whether they think their job offers good prospects for career advancement – from strongly disagree to strongly agree. The values of this indicator range from low (1) to high (5). *Job security* indicates whether respondents fear that they will lose their job within the next six months – from strongly agree to strongly disagree. The values of this indicator range from low (1) to high (5). *Satisfaction with pay* (average) reflects whether employed persons feel they are paid well/ appropriately – from strongly disagree to strongly agree. The values of this indicator range from low (1) to high (5). Comparability over time may be influenced by the change of wording in 2015. *Satisfaction with working conditions* (average) is given by the respondents – from not at all satisfied to very satisfied. The values of this indicator range from low (1) to high (4). See ANNEX: DEFINITIONS, POPULATION AND INDICATORS USED for more detailed information.
- ² Yearly averages are given for total dependent employment (incl. apprenticeships and trainees). Differences between sectors, type of employment and changes over time are not tested for statistical significance.

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