1. The growth of contingent labor

A firm's decision to contract out for business support services may be influenced by the wage and benefit savings it could realize, the volatility of its output demand, and the availability of specialized skills possessed by the outside contractor. Analysis of newly available establishment-level data shows that all three of these factors help to explain observed contracting behavior. The reported empirical findings are relevant both for understanding the recent growth in business support service contracting and for understanding firms' relationships with their own employees.

Good background on how temp employment has grown historically in the U.S., and how technology and management strategy come into play.

Examines the extent to which women participate in alternative work schedules and the relation of such arrangements to the implementation and diffusion of computer-based technologies. The paper attempts to identify how changing technologies have impacted work schedules.

This book contends that contingent work represents a profound deviation from the employment relations model that dominated most of this century's labor relations. It delineates essential features of contingent work from both the worker's and the organization's point of view. Articulating a variety of perspectives from various disciplines, the contributors examine the business forces driving contingent work and assess the consequences of working contingently for the individual, family, and community, taking into account issues of race, class, and gender. They ask how current labor and employment laws need to be rewritten to provide contingent workers with the same comprehensive protections offered to permanent employees. In the final chapter, the editors comment on the status of research on contingent work and chart future research directions.

Belous asserts that increased competitive pressure during the 1980's has forced corporations to lower labor costs by adopting flexible labor-management strategies, including the use of contingent workers. These workers lack an implicit contract for long-term employment and thus have a limited stake in their firms. Examples of contingent work arrangements used by Belous include part-time and temporary work, as well as subcontracting. The author believes that contingent employment now represents at least a quarter of the U.S. employment total and accounted for nearly half of the net increase in employment during the 1980's. Belous describes a number of benefits that can result from contingent work arrangements. Readers unacquainted with the concept of the contingent work force will find all of the major issues touched on in the book.


Contingent workers are those employed in jobs that do not fit the traditional description of a full-time, permanent job with benefits. Contingent work takes the form of part-time, temporary, and contract employment. The number of contingent workers in 1988 has been estimated at between 29.9 and 36.6 million, representing 25-30 percent of the civilian work force. Reasons to be disturbed about the growth and magnitude of contingent employment include the following: the potential negative effects on the overall economy; inequities in pay and health benefits and lack of workplace protections that many contingent workers experience; and potential burdens these inequities may place on the welfare system. Those employed in part-time work are disproportionately female, younger (16-24), or older (65+), and those employed in temporary work are disproportionately female, minority, and young. Growth in contingent employment has been motivated by structural shifts, avoidance of fringe benefits costs, and short-and long-run flexibility. Policy options include direct regulation of the quantity of contingent work, reduction of contingent workers by use of other forms of work arrangements to provide flexibility, and reporting by users of contingent workers to a regulatory agency.


Few industries have grown faster in recent years than the temporary help supply industry. Although still small in overall terms, with 735,000 workers representing less than one percent of total wage and salary employment in nonagricultural establishments in December 1985, the industry almost doubled in employment size in the 3 years since the trough of the recession in 1982 and accounted for 3 percent of the total job growth. Indications are that rapid growth of employment in the industry will continue through the mid-1990's. As part of an ongoing Bureau of Labor Statistics study of the service-sector portion of the economy, this article documents the job gains recently experienced in the industry, and discusses reasons for the increase in demand for temporary workers and factors leading to the growth in supply of workers for temporary jobs. It also discusses differences in the occupational segments of the temporary help market. The article primarily uses data from the Current Employment Statistics survey and data from reports covered by unemployment insurance programs. It also is based on information obtained through interviews with temporary help supply firms and their customers.


Detailing the rise in temporary employment throughout the 1980s.

This chapter first reviews the peculiarities of the US institutional framework, which clearly differentiate it from other countries of the industrialized North. We then examine several categories of employment that require particular attention if we are to understand the dimensions and characteristics of precarious employment in the US context. Section three reviews forces contributing to employment precariousness in the US context. The chapter concludes by raising salient issues requiring analysis because of their policy implications.


[Summary of full book] From a fashionable fad of the 80s, "flexibility" is now at the centre of the debate on the nature of contemporary restructuring. On the one hand, there are those who view flexibility as the key to management and union discontentment. On the other hand, there are those who emphasize that the most striking features of industrial and employment relations in the 1980s were continuity and stability. This volume is a contribution to that process of change. Comprising original research and theoretical contributions from a multi-disciplinary range of leading contributors, it re-evaluates key controversies surrounding the nature of employment patterns, production relations and work organization. The book asks: has the concept of "flexibility" helped or hindered analysis?; should the policies based on the term be pursued or rejected?; and what sort of language and framework might be more useful? This book should be of interest to all those concerned with current and future employment and production issues, in particular, students of industrial relations, industrial sociology, management, politics, social geography and labour economics.


Arguing that a new form of industrial organization is generating new patterns of inequality, the authors explore the relationship between growth in the high-tech sector and trends in inequality. While considering the promise of high-tech industries in light of the realities of high-tech work, the authors report considerable unevenness in the high-tech sector. Some high-tech industries fulfill optimistic expectations, but others are in decline. In some high-tech industries, work is organized in ways that generate inequality along gender, racial, and ethnic lines. The authors link these contrasts to different strategies of flexible production. Building upon the distinction between static flexibility, in which harsh measures are taken to control costs, and dynamic flexibility, in which production processes are constantly adapted to market conditions, they conclude that the most innovative and successful high-tech industries are those employing dynamic flexibility. Expansion of dynamically flexible production strategies is essential if high-tech industries are to fulfill their promise.


Our aim in this article is to determine the extent to which changes have taken, or are taking, place in the traditional model of employment relationships. In trying to assess their impact, we shall need first to discuss their causes, their spread, the controversies they have created and their possible repercussions on individual and collective labour relations and on social security.

General discussion of contingent work.


This study examines the sociolegal underpinnings of the temporary help relationship as one kind of contingent work arrangement and explores how it became institutionalized in the post-World War II United States. While the American literature on contingent work suggests its tremendous growth has been merely a result of changing human resource strategies on the part of business managers, the focus here is on the specific role played by courts, state legislatures, and government administrative bodies in ratifying the temporary help arrangement as legal and legitimate. The article details the obscure history of the campaign waged by temporary help firms to win their claim as the legal employers of workers they send out to client firms, a central premise of the arrangement. It shows that statutory and policy changes supporting the increased use of temporary work were in place by the early 1970s, in time for its expanded use to play a key role in the restructuring of U.S. employment relations since that time.


Everyone knows that work in the west is not what it used to be. Layoffs, outsourcing, contingent work, disappearing career ladders--these are the new workplace realities for an increasing number of people. But why? In The Temp Economy, Erin Hatton takes one of the best-known icons of the new economy--the temp industry--and finds that it is more than just a symbol of this degradation of work. The temp industry itself played an active role in this decline and not just for temps. Industry leaders started by inventing the "Kelly Girl," exploiting 1950s gender stereotypes to justify low wages, minimal benefits, and chronic job insecurity. But they did not stop with Kelly Girls. From selling human "business machines" in the 1970s to "permatemps" in the 1990s, the temp industry relentlessly portrayed workers as profit-busting liabilities that hurt companies' bottom lines even in boom times. These campaigns not only legitimized the widespread use of temps, they also laid the cultural groundwork for a new corporate ethos of ruthless cost cutting and mass layoffs. Succinct, highly readable, and drawn from a vast historical record of industry documents, The Temp Economy is a one-stop resource for anyone interested in the temp industry or the degradation of work in the west.


[From summary report] This summary report highlights the findings from a nationwide survey of employers on their flexible staffing policies. In July and August of 1996 the W.E. Upjohn Institute for Employment Research sponsored a nationwide telephone survey of 550 employers regarding their use of five flexible staffing arrangements: temporary agency workers, short-term hires, regular part-time workers, on-call workers, and contract workers. The Institute contracted with the Kercher Center for Social Research at Western Michigan University to conduct the telephone survey. The U.S. Department of Labor funded the data analysis for this study.


Found that the common reasons for employers using different types of flexible staffing arrangements are the need to adjust workload fluctuations, staff absences and to gain savings on benefits and costs.
General summary of the rise of contingent work.

This report examines the Contingent Work Supplement to the Current Population Survey (CPS), compiled by the Bureau of Labor Statistics in 1997. This survey was first fielded in 1995 and provided the first nationally representative examination of contingent and nonstandard work. Those data were examined in the Economic Policy Institute studies Nonstandard Work, Substandard Jobs (1997) and Managing Work and Family (1997). The CPS collected this data again in 1997 and 1999. This report examines the 1997 data and updates much of the analyses presented in Nonstandard Work, Substandard Jobs. (Additional information and updates to the tables from Nonstandard Work, Substandard Jobs not explicitly referenced here can be found at the Economic Policy Institute Web site at www.epinet.org.)

Nonstandard employment relations—such as part-time work, temporary help agency and contract company employment, short-term and contingent work, and independent contracting—have become increasingly prominent ways of organizing work in recent years. Our understanding of these nonstandard work arrangements has been hampered by inconsistent definitions, often inadequate measures, and the paucity of comparative research. This chapter reviews the emerging research on these nonstandard work arrangements. The review emphasizes the multidisciplinary nature of contributions to this field, including research by a variety of sociologists, economists, and psychologists. It also focuses on cross-national research, which is needed to investigate how macroeconomic, political, and institutional factors affect the nature of employment relations. Areas for future research are suggested.

This paper provides a broad overview of some important correlates of part-time work and workers in the United States. Consistent with general practice, we define part-time work as any job that regularly employs a person less than 35 hours per week. "The analysis is based upon data from the General Social Survey (GSS), a multi-topic survey of the U.S. population that has been conducted almost every year since 1972 by the University of Chicago's National Opinion Research Center.' These surveys are useful for studying part-time employment both because they contain information on work rewards and attitudes for a representative sample of the employed U.S. population - including both part-time and full-time workers - and because such data are currently unavailable from the larger Current Population Surveys. The first four sections of this paper summarize differences between part-time and full-time work and workers. Part I describes who works part time. Part II compares the work motivations of part-time and full-time workers. Part III compares the nature of part-time and full-time work with regard to various economic and noneconomic job rewards. Part IV compares part-time and full-time workers' attitudes toward job satisfaction and organizational commitment and their feelings about union representation. Finally, Part V discusses policy and regulatory issues raised by the differences between part-time and full-time workers.

Detailing the “triangular” relationship between U.S. temp workers, staffing agencies, and client firms.

Early look at part-time working arrangements.

Examines differences between voluntary and involuntary part-time employees. Part-time employees can be categorized into three different groups, based on their reasons for working part-time.

This volume contributes to a large literature on job stability and job security by offering a set of closely related papers that attempt to measure recent trends in the United States. Most earlier literature found little change in job stability and job security during the 1980s, seeming to contradict public and media perceptions of a sharp decline in both. The present volume traces its origins to a conference at the Federal Reserve Bank of New York in fall 1996, at which conflicting evidence on trends in the early 1990s was presented. A follow-up conference sponsored by the Russell Sage Foundation encouraged the authors to update their findings through the mid-1990s and to reconcile differences across data sets and methodologies. After review by anonymous referees, 12 papers were collected in this volume. All of them are written by distinguished authors who have contributed previously to this literature.

Lack of an established definition has hindered estimates of this segment of the labor force. Factors in defining contingency should include job security and work hours, and measurement may require a combined household-establishment survey. This article examines several issues surrounding contingent work, including its definition, reasons for its existence, and methods for measuring the number of contingent jobs.

Sociological discussion of expansion in services employment has been unnecessarily limited. An examination of developments in under-explored sectors such as personal services and ‘low-level’ producer services demonstrates the fruitfulness of analysis in terms of the social and technical divisions of labour, especially with respect to the growth of subcontracting. However, contrary to theories of the ‘flexible firm’, this restructuring is complex, reflecting the specificities of particular industries and even firms. These arguments are developed through an empirical analysis of contract catering and contract cleaning, based on case studies of two major companies, ‘Contract Cleaning Services’ and ‘Global Catering’. Both industries have traditionally had strongly gendered occupational hierarchies, with women concentrated into the highly exploited operative grades. Contemporary restructuring has increased demand for such services through the expansion of subcontracting. However, the two industries have responded in *divergent* ways, with cleaning adopting a strategy of intensification, whilst catering has moved some way toward improving employment conditions through, for example, enhanced training and promotion possibilities.

Temporary services employment grew rapidly over the past several decades and now accounts for a sizable fraction of aggregate employment. The authors use Current Population Survey data to examine the changing nature of temporary work and discuss explanations for its growth. Temps are no longer overwhelmingly female or limited to clerical occupations. They have less labor market security than permanent workers, being prone to more unemployment and more underemployment. Few, however, are in temp positions a year later and the majority transition to permanent employment. Temp wages are approximately 20 percent below permanent workers, but individual and job characteristics explain approximately two-thirds of the gap.


General summary of contingent work in the U.S.

2. **Impact of contingent work: labor markets**


Prompted by the growing internationalization of the U.S. labor market since the 1970s, contributors to Immigration, Trade, and the Labor Market provide an analysis of the labor market impact of the international movements of people, goods, and capital. Their provocative findings are brought into perspective by studies of two other major immigrant-recipient countries, Canada and Australia. The differing experiences of each nation stress the degree to which labor market institutions and economic policies can condition the effect of immigration and trade on economic outcomes. Contributors trace the flow of immigrants by comparing the labor market and migration behavior of individual immigrants, explore the effects of immigration on wages and employment by comparing the composition of the work force in local labor markets, and analyze the impact of trade on labor markets in different industries. A unique data set was developed especially for this study—ranging from an effort to link exports/imports with wages and employment in manufacturing industries, to a survey of illegal Mexican immigrants in the San Diego area—which will prove enormously valuable for future research.


The building cleaning industry has been identified, in the hierarchy of producer services growth, as integral to the economy of the global city. Sassen (1991), for example, argues that this industry is not a remnant from a previous, slowly disappearing capitalist stage of development. Instead, it is an industry with a purpose in the “new economy” of the city. But, beyond this kind of assessment, little work is being done on investigating the industry. This is the case in the United States and Canada. This paper, therefore, seeks to investigate the industry in Toronto and examine the extent to which it is changing in correspondence with the global city apparatus. In addition, this paper discusses the nature of the changes and their impact on building cleaners.


Indications that the cleaning industry draws its labor force from the most vulnerable members of society.

This chapter discusses the changing use of contingent work in the U.S. labor market over time, and the extent to which contingent jobs are “bad jobs” that create problems for the workers who hold them. Particular attention is paid to the overlap of this phenomenon with changes in labor market opportunities for less skilled workers. The final part of the chapter discusses policy issues related to the use of contingent work and outlines some key unanswered research questions.


The aim of this chapter is to profile and document the extent of worker misclassification in New York, relying on audit data provided over a four-year period, from 2002 to 2005, and focusing on the costs of this practice to three groups: employers, employees, and taxpayers. Misclassification affects each of these groups in a number of different ways. Employees are harmed by lost benefits and rights, particularly in terms of workers’ compensation allowances if they are injured during the course of their employment. Employers are affected as companies that are engaging in misclassification are able to undercut the established market pay rates for labour, thereby lowering their production costs and gaining a competitive advantage over firms obeying the law. This creates an incentive for employers to misclassify in order to remain competitive. Finally, the public interest is harmed in that it loses a substantial amount of payroll and other taxes that would be collected if the company’s workers were correctly classified as employees.


Analysis of how the SoCal construction and short-haul trucking industries were transformed from secure, union jobs to precarious, non-union jobs. De-regulation and effective efforts by employers to convert the work to contract work allowed for deunionization and lowered workplace standards. Immigrants ended up filling many of these jobs, but immigration was not the cause of the decline in standards.


This article examines the duration to reemployment after displacement. We use partial likelihood estimation of proportional hazard models to examine effects on the duration to reemployment. Using the Current Population Survey: Displaced Workers Survey(1992), we assess the relative utility of theories of reindustrialization and develop an alternative theory of hyperexploitability. In general, the analyses provide greater support for our hyperexploitability, rather than the reindustrialization, explanation for reemployment dynamics.

3. Impact of contingent work: legal issues


This book contends that contingent work represents a profound deviation from the employment relations model that dominated most of this century’s labor relations. It delineates essential
features of contingent work from both the worker's and the organization's point of view. Articulating a variety of perspectives from various disciplines, the contributors examine the business forces driving contingent work and assess the consequences of working contingently for the individual, family, and community, taking into account issues of race, class, and gender. They ask how current labor and employment laws need to be rewritten to provide contingent workers with the same comprehensive protections offered to permanent employees. In the final chapter, the editors comment on the status of research on contingent work and chart future research directions.


California Department of Labor. 2010. “Misclassification of workers as ‘independent contractors’ rebuffed by the California Court of Appeal.” Department of Industrial Relations, Division of Labor Standards Enforcement. In recent years many employers have reclassified their workers as “independent contractors” to avoid the costs of workers compensation and overtime pay associated with employment of workers classified as employees. This agency and responsible advisors to business have counseled against this practice. Yet a sizeable number of consultants and some attorneys have worked at enticing employers to attempt this risky maneuver. A recently issued opinion of the California Court of Appeal, Sixth District, has once again highlighted the dangers faced by employers that improperly designate workers as independent contractors. This brief details the findings of the opinion.


Freeman, Harris and George Gonos. 2011. “The Challenge of Temporary Work in Twenty-First Century Labor Markets: Flexibility with Fairness for the Low-Wage Temporary Workforce.” Working Paper, Labor Relations Research Center, University of Massachusetts, Amherst. This report provides policy-makers an assessment of temporary low-wage work in Massachusetts as it affects workers, businesses, and the growth of the Massachusetts economy. Each day, about 25,000 temporary staffing agency workers toil in low-wage industrial and service jobs in the Commonwealth. The report finds that low-wage temporary staffing agency workers comprise a rapidly growing and vulnerable segment of an unregulated labor market. The report also finds, the triangular employment relationship, a hallmark of the temporary industry, presents unique challenges for the enforcement of wage and hour laws in the low-wage economy. An additional finding is that blurred lines of employer responsibility and widespread malfeasance of low-road temporary agencies and their client businesses have resulted in the under-enforcement of safety
standards for temp workers. The final finding is, taxpayers and government are burdened by temporary agency fraud that is amounting to tens of millions of dollars in lost revenue.


The article presents an argument for reclassifying and regulating commercial staffing agencies, most importantly the temporary help staffing agency. We conclude that a new legal status for profit-driven labor market intermediaries (LMIs) is essential to building a regulatory regime that can end the super-exploitation and second class status of the millions of workers deployed by profit-driven LMIs. The current legal classification of for-profit LMIs - as employers under federal and state laws - is dubious and, at best, incomplete. We argue that the legal status of commercial LMIs is a major factor contributing to the exploitation and second class status of workers deployed in labor markets through profit-driven intermediaries. First, we recount the legal history of profit-driven labor market intermediaries. This begins with the successful labor struggles and legislative efforts that first led to their regulation in the Progressive Era and closes with the campaign by the nascent temporary help service industry to place itself outside state laws which regulated the exploitative fees charged workers for access to the labor market through commercial intermediaries. Second, we contrast the unregulated legal environment for commercial staffing agencies with the extensive federal regulatory regime governing union hiring halls, labor's answer to the temporary staffing agency and the regulated structure of state-supported LMIs representing home health care aides. Based on this, we propose a new legal status for commercial LMIs that can serve as a statutory foundation for the regulation of the job-brokering functions of commercial LMIs by introducing transparency for its deployment functions and creating a legal limit on the 'hidden fees' that commercial staffing agencies charge to deployed temporary workers.


Article examines the experience of immigrant Latinos in the U.S. economy, with particular attention paid to the intersection of immigration policy and workplace standards for undocumented workers.


Explores definitions of worker v. contractor.


Part V discusses policy and regulatory issues raised by the differences between part-time and full-time workers.


This article discusses the definitions of contingent workers and alternative work arrangements used by the Bureau of Labor Statistics to analyze data from a special supplement to the Current Population Survey (CPS), and presents aggregate estimates of the number of workers in each group thus identified. This analysis is supplemented with data on workers in alternative employment arrangements from the 1994 National Longitudinal Survey of Youth (NLSY). The
article concludes with a discussion of the overlap between contingent workers and workers in alternative arrangements.


Examining the nature and purposes of the different types of part-time employment, this up-to-date and in-depth analysis explores the roots of part-time jobs in the organization of work, and the inadequacies of existing public policies on part-time employment.

4. **Impact of contingent work: tax revenue**


Report detailing specific costs of employee misclassification in Connecticut.


With this study, a cross disciplinary team of the Center for Construction Policy Research has taken a first and significant step in documenting employee misclassification in the Massachusetts construction industry. This report documents the dimensions of misclassification and its implications for tax collection and worker compensation insurance.


With this study, a cross disciplinary team of the Center for Construction Policy Research has taken a first and significant step in documenting employee misclassification in the Maine construction industry. This report documents the dimensions of misclassification and its implications for tax collection and worker compensation insurance.


Employee misclassification is a growing problem throughout Michigan and the nation. The federal Government Accountability Office recently estimated that employee misclassification resulted in the underpayment of an estimated $2.72 billion in Social Security taxes, unemployment insurance (UI) taxes and income taxes in 2006. While such estimates are not available for Michigan, the state’s UI Trust Fund has suffered significant losses due to unpaid UI taxes arising from employee misclassification. In response to the problem, Governor Jennifer Granholm issued Executive Order 2008-1, establishing the Interagency Task on Employee Misclassification. The task force is comprised of three agencies from within the Department of Labor & Economic Growth – Unemployment Insurance Agency, Wage & Hour Division, and Workers’ Compensation Agency – as well as the Departments of Treasury and Management & Budget. The task force has been directed to study the problem of employee misclassification, develop ways of improving communication and public awareness of the problem, coordinate and strengthen enforcement mechanisms in the state and other jurisdictions and make recommendations for legislative action where needed.

Until now, Ohio has not conducted any broad study of the extent of the worker misclassification problem to date. The Ohio Attorney General has prepared and is now issuing this report in an effort to gauge the likely extent of the problem in Ohio, based on extrapolations from studies that have recently been conducted elsewhere. The conclusion we reach is that worker misclassification very likely imposes direct costs to state and local governments in Ohio costing hundreds of millions of dollars in lost revenues annually to state and federal government.

This report presents the results of a study on independent contractors (ICs) conducted in 1998-99. It begins with a description of ICs in the alternative workforce and definitions and tests used by federal and state agencies to classify them. Next, the motivations of employers to use ICs, the motivations of workers to become ICs, and selected industries where they predominate are described. Profiles of employees misclassified as independent contractors are described, and the results of an attempt to determine the extent of misclassification of employees as ICs and its effects on Unemployment Insurance (UI) trust funds are presented. Then the efforts of state administrators in dealing with ICs and other significant workforce issues related to ICs are described. Finally, the report presents the findings and recommendations of the study.

The study covers key industries in New York State for the years 2002-2005. Audits performed by the Department of Labor Unemployment Insurance Division indicate approximately 10% of private-sector employers did not comply with state regulations when classifying new hires; construction industry employers accounted for an estimated 14.9% of this group. The data also show that approximately 10.3% of private-sector workers are misclassified as independent contractors and about 14.8% of this cohort works in construction. In addition, the study offers several solutions to address the problem, including clarifying the guidelines used to determine the proper classification, ramping up enforcement, presuming employee status, bringing independent contractors under the protective labor law umbrella, and expanding education and outreach to workers and employers. Although the data used here are specific to New York State, its conclusions are consistent with similar studies conducted in other states and by the federal government.

This report provides policy-makers an assessment of temporary low-wage work in Massachusetts as it affects workers, businesses, and the growth of the Massachusetts economy. Each day, about 25,000 temporary staffing agency workers toil in low-wage industrial and service jobs in the Commonwealth. The report finds that low-wage temporary staffing agency workers comprise a rapidly growing and vulnerable segment of an unregulated labor market. The report also finds, the triangular employment relationship, a hallmark of the temporary industry, presents unique challenges for the enforcement of wage and hour laws in the low-wage economy. An additional finding is that blurred lines of employer responsibility and widespread malfeasance of low-road temporary agencies and their client businesses have resulted in the under-enforcement of safety standards for temp workers. The final finding is, taxpayers and government are burdened by temporary agency fraud that is amounting to tens of millions of dollars in lost revenue.

This report is a first step in analyzing the economic implications of employee misclassification for both the public and private sectors in the State of Indiana. It is based upon 1) aggregate audit data for the five year period 2004-2008 and 2) detailed audit data for the two-year period 2007-2008, both provided by the Indiana Department of Workforce Development (IDWD). It also utilizes the results of similar studies on misclassification previously developed in other states. In this report, we analyze the scope and trends of misclassification in Indiana. We provide estimates of the impact of misclassification in Indiana for state and local tax revenues, the unemployment insurance fund, and worker’s compensation.


The aim of this chapter is to profile and document the extent of worker misclassification in New York, relying on audit data provided over a four-year period, from 2002 to 2005, and focusing on the costs of this practice to three groups: employers, employees, and taxpayers. Misclassification affects each of these groups in a number of different ways. Employees are harmed by lost benefits and rights, particularly in terms of workers’ compensation allowances if they are injured during the course of their employment. Employers are affected as companies that are engaging in misclassification are able to undercut the established market pay rates for labour, thereby lowering their production costs and gaining a competitive advantage over firms obeying the law. This creates an incentive for employers to misclassify in order to remain competitive. Finally, the public interest is harmed in that it loses a substantial amount of payroll and other taxes that would be collected if the company’s workers were correctly classified as employees.

5. **Impact of contingent work: wages and working conditions**


This paper presents an analysis of workers who persistently have low earnings in the labor market over a period of three or more years. Some of these workers manage to escape from this low-earning status over subsequent years, while many do not. Using data from the Longitudinal Employer Household Dynamics (LEHD) program at the U.S. Census Bureau, we analyze the characteristics of persons and especially of their firms and jobs that enable some to improve their earnings status over time.


Based on data from hundreds of establishments in 25 industries—including manufacturing, retail sales, telecommunications, hospitality, and health care—the case studies presented in this volume document how firms’ responses to economic restructuring often results in harsh working conditions, reduced benefits, and fewer opportunities for advancement.

This book contends that contingent work represents a profound deviation from the employment relations model that dominated most of this century's labor relations. It delineates essential features of contingent work from both the worker's and the organization's point of view. Articulating a variety of perspectives from various disciplines, the contributors examine the business forces driving contingent work and assess the consequences of working contingently for the individual, family, and community, taking into account issues of race, class, and gender. They ask how current labor and employment laws need to be rewritten to provide contingent workers with the same comprehensive protections offered to permanent employees. In the final chapter, the editors comment on the status of research on contingent work and chart future research directions.


Callaghan, Polly, and Heidi Hartmann. 1991. Contingent Work: A Chart Book on Part-Time and Temporary Employment. Washington, D.C.: Economic Policy Institute. Contingent workers are those employed in jobs that do not fit the traditional description of a full-time, permanent job with benefits. Contingent work takes the form of part-time, temporary, and contract employment. The number of contingent workers in 1988 has been estimated at between 29.9 and 36.6 million, representing 25-30 percent of the civilian work force. Reasons to be disturbed about the growth and magnitude of contingent employment include the following: the potential negative effects on the overall economy; inequities in pay and health benefits and lack of workplace protections that many contingent workers experience; and potential burdens these inequities may place on the welfare system. Those employed in part-time work are disproportionately female, younger (16-24), or older (65+), and those employed in temporary work are disproportionately female, minority, and young. Growth in contingent employment has been motivated by structural shifts, avoidance of fringe benefits costs, and short-and long-run flexibility. Policy options include direct regulation of the quantity of contingent work, reduction of contingent workers by use of other forms of work arrangements to provide flexibility, and reporting by users of contingent workers to a regulatory agency.

Cho, Eunice et al. 2012. “Chain of Greed: How Walmart’s Domestic Outsourcing Produces Everyday Low Wages and Poor Working Conditions for Warehouse Workers,” National Employment Law Project, June. A report that exposes how Walmart’s supply chain model suppresses wages and leads to unsafe working conditions among its subcontractors in warehousing (focus on Southern California). In this model of domestic outsourcing, Walmart is able to set standards while dodging responsibility for the poor labor practices of its warehouse contractors and the temp agencies they hire.

Spalter-Roth, Roberta, and Heidi Hartmann. 1995. “Contingent Work: Its Consequences for Economic Well-Being, Gender Division of Labor, and the Welfare State.” Washington, DC: Institute for Women's Policy Research. The most striking finding across these post-TANF studies is that women on public assistance who manage to find jobs cannot earn enough or find enough work to lift their families out of poverty. Welfare mothers’ jobs typically pay minimum wage, are unstable, are unlikely to provide health benefits, and are concentrated in low-paying service industries such as restaurants, bars, nursing homes, home child care, and temporary help service firms. These businesses employ two fifths of mothers previously on public assistance, as compared to 19% of all women. Only 7% of work/welfare clients obtain jobs covered by union contracts.

Data on workplace injuries, safety concerns, and provisions for safety equipment and job training suggest that workers supplied by temporary staffing agencies to building and construction contractors in the Atlanta metro area work in substandard safety conditions. Agency-supplied temps cite inadequate job training and insufficient provisions for safety equipment as reasons for their safety concerns. Temporary agency workers in Atlanta’s building and construction industry experience substandard safety conditions in part because non-standard employment arrangements between building contractors and temp agencies undermine the efficacy of regulatory forces designed to improve workplace safety standards.


The evidence from this paper suggests that contingent jobs do not offer pay, fringe benefits, or opportunity for advancement comparable to those on regular jobs.

-------------------. 1996. “‘Contingent’ Work: Good, Bad, or Indifferent?” Cambridge, MA: Radcliffe Public Policy Institute. [as cited in McCall 2000]

General discussion of contingent work.


Nonstandard work arrangements (independent contracting, working for a temporary help agency, contract or on-call work, day labor, self-employment, and regular part-time employment) are growing more common in the United States. In 1995, more than 29 percent of all jobs were in nonstandard work arrangements. A study of these jobs and the characteristics of the workers who hold them was conducted through analysis of the 1995 Current Population Survey. The study found that nonstandard workers are disadvantaged by their work arrangement and the preponderance of low-quality jobs because they are more likely than regular full-time workers to be employed in low-quality jobs. In addition to paying lower wages, all types of nonstandard jobs are much less likely to provide health insurance or a pension than is regular full-time employment, are more likely to be of limited duration, and are poor ways to move to regular full-time employment, at least within a particular firm. More women than men, and both genders in minority groups, are more likely to hold low-quality, nonstandard jobs. The study concluded that public policies are needed to improve job quality and provide greater workplace protection for workers in nonstandard work arrangements.


The prevalence of nonstandard jobs is a matter of concern if as many assume, such jobs are bad. We examine the relationship between nonstandard employment (on-call work and day labor, temporary-help agency employment, employment with contract companies, independent contracting, other self-employment, and part-time employment in "conventional" jobs) and exposure to "bad" job characteristics, using data from the 1995 Current Population Survey. Of workers age 18 and over, 31 percent are in some type of nonstandard employment. To assess the link between type of employment and bad jobs, we conceptualize "bad jobs" as those with low pay and without access to health insurance and pension benefits. About one in seven jobs in the
United States is bad on these three dimensions. Nonstandard employment strongly increases workers' exposure to bad job characteristics, net of controls for workers' personal characteristics, family status, occupation, and industry.

A growing body of social science literature has examined the organizational innovations and staffing practices comprising new flexible forms of work. Researchers have investigated the depth and scope of these changes and questioned how they affect diverse groups of workers in the United States. Reviewing the research on this transformation reveals a model of combined and uneven flexibility, characterized by the opening of opportunities that are differentially distributed across different groups of American workers, emerging under conditions in which effort is intensified, control is decentered, and employment is destabilized. The essay concludes by suggesting additional areas of inquiry for sociologists concerned with new forms of work organization.

This article uses in-depth case study research to examine one set of organizational and staffing arrangements designed to facilitate flexible service delivery. “Institutionalized flexibility” incorporated multiple contingent bases of employment and concealed hidden hierarchies in workplaces within and across organizations. It also relied on the combined efforts of permanent, moderately skilled workers and temporary, deskilled workers. The article analyzes how these multitiered organizational settings created unique opportunities and costs for the individuals working within them, and introduced new intraorganizational and interorganizational complexities.

An assessment of the working conditions for DC area day laborers, based on survey interviews from 16 sites.

General discussion of the reasons for, and consequences of, part-time employment in the U.S.

6. Analysis of policy or organizing strategies

Because contingent workers are not attached to a single employer, the most successful organizing campaigns have been multiemployer approaches that take (low) wages out of competition.

Carré, Françoise and Pamela Joshi. 2000. "Looking for Leverage in a Fluid World: Innovative Responses to Temporary and Contract Work." In Françoise Carré, Marianne

Detailing that policy has been developed through partnership arrangements with employers’ organizations, economic development agencies and community groups. In this case, unions seek to build a coalition from stakeholders interested in maintaining the stock of skills in contingent labour markets; a stock that would diminish if left solely to the action of individual workers and employers.


Examines how labor and government have responded the challenges of contingent work, and what a more systematic response might look like. Reviews the shortcomings of labor law with regard to nonstandard workers.


The case study data, by highlighting the fracture lines among temporary workers, and the alliances between temporaries and their managers, hint at the difficulties of mobilizing and organizing this particular category of employee, a dilemma with which these authors grapple in their chapter. In large part the dilemma emerges because new participative work arrangements, albeit organized on a temporary basis, have opened opportunities for individuals who have been marginalized in the workforce.


Stories of unpleasant jobs, and details of state and government responses to make better policies for these workers.


This article argues that regulation of profit-driven job brokering – particularly the so-called markup, i.e. the difference between the wages paid to a temp worker and the contract price a user firm pays the temp agency for “use” of a temp – is essential to rectify the second-class status of the ever-growing workforce being deployed by commercial LMIs. Such regulation requires construction of a distinct legal status for profit-driven LMIs that encapsulates an LMI’s dual role in triangular employment relationships, i.e. as the employer of record for temporary workers and its fundamental institutional role as a job broker that negotiates the terms under which labor is deployed to the employer’s locus of production or service provision.

This article presents a historical and legal argument for reclassifying and regulating commercial staffing agencies as labor market intermediaries. Their current legal classification as employers is a major factor contributing to the exploitation of temps. The article contrasts the deregulated environment for commercial staffing agencies with the extensive federal regulation of union hiring halls. Because these two institutions serve a similar function—providing access to the job market for short-term employees both should be subject to comparable regulatory regimes in order to restore parity in the legal treatment of temporary employees by all parties to the employment relationship. A regulatory regime should impose on temporary help and staffing agencies a level of transparency and fiduciary obligations analogous to the duty of fair representation imposed on union hiring halls by federal labor law. Absent such legal reclassification, the staffing industry will remain unfairly privileged in the marketplace in a way that prevents fair treatment and representation for temps.


In recent decades, alternative organizations and movements —‘quasi-unions’— have emerged to fill gaps in the US system of representation caused by union decline. We examine the record of quasi-unions and find that although they have sometimes helped workers who lack other means of representation, they have significant limitations and are unlikely to replace unions as the primary means of representation. But networks, consisting of sets of diverse actors including unions and quasi-unions, are more promising. They have already shown power in specific campaigns, but they have yet to do so for more sustained strategies. By looking at analogous cases, we identify institutional bases for sustained networks, including shared information platforms, behavioural norms, common mission and governance mechanisms that go well beyond what now exists in labour alliances and campaigns. There are substantial resistances to these network institutions because of the history of fragmentation and autonomy among both unions and quasi-unions; yet we also identify positive potential for network formation.


General discussion of various policy issues relating to contingent work.


Case study of the successful organizing effort by subcontracted janitors at the University of Miami.


This Act will establish clear definitions of an employee and an independent contractor for purposes workers’ compensation benefits. The model sets a nine-point test to define an independent contractor; mandates workers’ compensation coverage in the construction industry, with certain exemptions; establishes insurer application and auditing procedures; provides penalties for employee misclassification and insurance fraud; and provides strict enforcement powers.

Employer misclassification of employees as “independent contractors” in many sectors has arisen as a top priority in several states in 2005. Several states recently enacted provisions aimed at employer misclassification of employees as independent contractors in the 2004-2005 legislative sessions. The new laws vary from establishing a commission to study the impact of misclassification and to recommend remedies, to creating uniform definitions of “employee” that apply across several labor and employment laws, to crafting sector-specific “fixes” to rampant misclassification that occurs in construction and day labor, to name two categories. The state’s interest in stemming these abuses is primarily in upholding the benefits and protections afforded by its minimum wage and overtime, workers compensation, unemployment insurance, and discrimination laws for the workers in IL. It also stands to lose the tax withholding revenues that otherwise would have been paid had the workers been on the payroll. These unpaid taxes and premiums for state benefits can run into the billions per year. This Policy Update is a summary compilation of some of the “best practices” for combating independent contractor abuses in existing state law, with some proposed legislative provisions and supporting language, where available.


The Office of the Legislative Auditor (OLA) examined the extent to which employers misclassify employees as independent contractors. We also evaluated state government’s efforts to enforce laws related to worker classification. We found that misclassification is a problem in Minnesota, which negatively affects employees, government, and employers that correctly classify their workers. We also found that state government’s enforcement efforts are limited and uncoordinated. In addition to recommending a coordinated approach to enforcement, we also recommend greater standardization of the criteria used to determine the status of workers.

Sugimori, Amy. 2008. “State and Local Policy Models Promoting Immigrant Workers Justice,” in the edited volume, *The Gloves-off Economy: Workplace Standards at the Bottom of America’s Labor Market*, Labor and Employment Relations Association Series. An analysis the various policy interventions (‘Hoffman fix’, targeted enforcement, etc) that have attempted to address poor working conditions for immigrant (and often undocumented) workers. Focusing on industry-based solutions (such as day labor or domestic work) has been an effective way to build power for immigrant workers.


General summary of the growing problem of misclassification, and solutions to the problem.


General summary of the growing problem of misclassification, and solutions to the problem.


General summary of the growing problem of misclassification, and solutions to the problem.

Analysis of the ways in which labor and employment laws fail to reach or protect contingent or other vulnerable workers, along with an account of some of the policy interventions used to extend protections to this workforce.

7. **International comparisons**


Comparative study of nonstandard work across two countries.


This chapter first reviews the peculiarities of the US institutional framework, which clearly differentiate it from other countries of the industrialized North. We then examine several categories of employment that require particular attention if we are to understand the dimensions and characteristics of precarious employment in the US context. Section three reviews forces contributing to employment precariousness in the US context. The chapter concludes by raising salient issues requiring analysis because of their policy implications.


Comparison of part-time work in Europe, Japan, and the U.S., review of legislation in the countries, and reasons for increase in part-time work in Europe and Japan, focusing largely on policy related issues.


Comparative analysis of part-time work, looking at Canada, U.K., U.S. and other countries from a variety of angles.