

**Danish Flexicurity - A Role Model, but what is there to Copy?**  
*- The Case of Fixed-term, Agency, and Visiting Workers*

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**Abstract:**

*In recent years, the Danish flexicurity model has become a role model for Europe and individual countries due to its ability to unite high levels of numerical flexibility with generous social security and extensive labour market policies. This paper examines the extent to which the model covers all employees, particularly the most flexible workers on the Danish Labour market such as fixed-term, agency and visiting workers. It argues that such groups of employees working conditions in terms of 1) wages 2) working time 3) quality of jobs 4) access to further training, and 5) social security often lack behind their peers in permanent positions. These findings do indeed question the attractiveness of the Danish flexicurity model, even if it in a comparative perspective in some instance appears to perform better in terms of offering higher levels of security for fixed-term, agency and visiting workers than other European member states.*

**Introduction**

In recent years, the Danish flexicurity model has received increased recognition internationally. Political institutions including the OECD, EU, national governments, research units and social partners have repeatedly referred to the Danish flexicurity model as a role model for Europe and individual countries due to its ability to combine high external numerical flexibility with relatively comprehensive social security and extensive active labour market policies (Bredgaard et al, 2007). However, a central question is whether the Danish flexicurity model is so attractive after all, and for all types of workers. More specifically, to what extent does the model cover employees working on the outskirts of the labour market in both the public and private sector, who in many aspects represent the most flexible workforce due to their atypical employment contracts, insecure jobs and lower levels of employment protection. This article addresses these questions by examining the working conditions of atypical workers such as fixed-term-, agency and visiting workers in the Danish labour market.

The article argues that although fixed-term workers, agency workers and visiting workers to a varying degree are covered by Danish rules and regulations, their *de facto* working conditions in terms of 1) wages 2) working time 3) quality of jobs 4) access to further training, and 5) social security often lack behind those of employees with open-ended contracts working in similar jobs. The Danish flexicurity model appears therefore to deliver a combination of high flexibility with high levels of security for core workers, but seems to offer mainly a high external numerical flexibility for an increasing number of peripheral groups in the labour market. Indeed, this segmentation and the rising numbers of atypical workers appear puzzling when flexicurity in principle *should* provide ample flexibility for employers and employees alike. Drawing on segmentation theory we seek to explain this paradox, but nonetheless the findings question the coverage of the Danish flexicurity model and its ability to secure high levels of social security and further training for the most flexible workforce in the labour market.

In the following, contemporary literature on flexicurity and segmentation theory is first briefly reviewed to develop a framework for analysis. We then present the used methods and data-sets. Afterwards we examine and compare the working conditions of fixed-term, agency and migrant workers with core workers in Denmark, respectively. Finally, we compare the empirical findings to the working conditions of atypical workers in other European countries and discuss them in relation to segmentation theory.

### **Danish Flexicurity and its coverage rate– A Framework for Analysis:**

Flexicurity is a concept, which frequently is used to describe distinct combinations of flexibility and security in the labour market. It assumes that often incompatible interests and concerns can be united, as they in some instances appear complementary and even mutually supportive (Bredgaard et al, 2007). The main flexicurity thesis is that economic growth and competitiveness depends on high levels of flexibility in the labour market combined with high levels of security, particularly for the most vulnerable groups, in the labour market (Muffels et al, 2008: 9; Wilthagen and Tros, 2004). Security - is considered a precondition for sustaining high levels of flexibility; whilst a flexible labour market allows countries to afford high levels of security (Muffels et al, 2008: 9). In the ideal or theoretical world, the trade offs between flexibility and security can be positive for all groups involved when trying to strike a balance between different forms of flexibility and security (Muffels et al, 2008: 10). However, in reality the situation is often somewhat different. Negotiating distinct trade offs between flexibility and security policies at EU, national, sectoral or company can indeed result in some groups ending up as losers and others winners. The crucial element here is, though, to minimise the group of losers and thereby implicitly ensure that flexibility is accompanied by adequate security policies at macro and micro-level, respectively. Some commentators even stress that only policies which simultaneously increase flexibility and social security for vulnerable groups *should be considered* flexicurity policies (Klammer, 2004: 294; Wilthagen and Tros, 2004: 170). Nevertheless, different studies, segmentation research in particular, typically imply that migrants, fixed-term- and agency workers face greater risks of lower wages and unemployment, have limited access to further training schemes and lower unemployment benefits (Conley, 2008: 734; Picchio, 2008; Dolado et al., 2002: 291; Bryson, 2004: 202). Indeed, empirical findings from single-country and comparative studies suggest that most countries' flexicurity arrangement, including the Danish, has its winners and losers (Lescke, 2007; Häuserman, 2009). We thus need to develop an approach that will allow us to study *if, how and why* atypical workers come to have unfavourable conditions compared with core workers. To do so, we need first to look at the flexicurity litterateur, to understand its claims and shortcomings.

#### *Flexicurity – distinct combinations of flexibility and security*

When analysing the combinations of flexibility and security in the labour market, commentators often draw on Wilthagen and Tros' (2004: 171) flexicurity matrix. Their flexicurity matrix treats different forms of flexibility and security policies as trade offs – defined as plus- and zero-sum outcomes - between employers and employees (Wilthagen and Tros, 2007). Tros and Wilthagen (2004:171) distinguish between four distinct types of flexibility (external and internal, functional and wage flexibility) and security (job-, employment-, income- and combination-security). Hence, the two concepts are considered multi-dimensional.

The different types of flexibility and security have been defined, combined and subject to analysis in different ways. Most flexicurity studies concentrate on the interplay between internal and external flexibility vis a vis income-, job- and employment security (Viebrock and Clasen, 2009: 307; Madsen, 2005: 330). In this context, the Danish labour market has been seen as a model, which combines high levels of *external flexibility* (in terms of relatively liberal hire and fire rules and high levels of labour mobility) with relatively generous *income security* and high levels of *active labour market and further training policies*. It is often referred to as *the so-called golden triangle*,

where the active labour market policies and life-long learning schemes along with the comprehensive social security schemes support the employees' mobility within the labour market and continued employability due to improved skills. The liberal hire/fire rules ensure adequate flexibility for employers and employees, respectively and allow employers more freely to hire and fire employees according to the economic cycle (Bredgaard, 2007: 10-11). This trade off between flexibility and security is often considered beneficial to both employers and employees and according to some commentators an important reason for the Danish economic success in recent years (Madsen, 2004: 188; Ilsøe, 2010: 35). While this may be an adequate description of the Danish flexicurity model in some respects, a number of objections can be raised.

*Firstly*, a series of flexicurity studies rarely differentiate between public and private sector, although other research imply that the rules and procedures regarding redundancies and recruitment are less flexible in the public sector (Dell' Aringa, 2001: 17-18). Also the levels of social security in terms of job security and accrued rights vary significantly across the public and private sectors, questioning the extent to which the Danish flexicurity model also deliver in the public sector.

*Secondly*, while various descriptions of the Danish flexicurity model emphasise the high levels of external flexibility a number of other forms of flexibility are also characteristic for the Danish labour market (Andersen and Mailand, 2005). In fact, internal-, functional- and wage flexibility appears crucial, to the operation of the Danish labour market, but are often overlooked aspects in the flexicurity literature, (Chung, 2007: 246; Ilsøe, 2010: 41).

*Thirdly*, many flexicurity studies often draw on large scale quantitative data-sets to capture the economic situation at macro level. Indeed, the early flexicurity research rarely moved beyond the macro-orientated variables and formal rules and procedures when analysing flexicurity constellations. However, more recent studies have to varying degrees examined the practical application of flexicurity, and thereby the coverage rate of different flexicurity arrangements by concentrating on the employment relations of distinct types of atypical workers such as migrants, fixed-term, part-time and agency workers. While this is an advancement in the understanding of how flexicurity operate in practice, such studies typically focus on the atypical workers' transition from unemployment to paid work, move between jobs and their legal rights (Leschke, 2007; GASH, 2008).

In sum, when exploring the extent to which the Danish flexicurity model delivers high flexibility and security for all groups in the labour market, this requires an analytical framework, which moves beyond the macro-orientated variables, take note of differences between public and private sectors and encompasses the *de facto* combinations of flexibility and security for core workers and peripheral groups at individual workplaces. Rather than looking at the transition between jobs; this article examines the *actual working conditions* of fixed-term, agency and visiting workers and their access to various work-related benefits in the public and private sector. Such a micro-level analysis allow us to assess the extent to which flexibility policies are accompanied by adequate security policies (Klammer, 2004: 284).

### *Segmentation theory*

For this purpose it may prove fruitful to draw on the extensive segmentation literature. These studies offer ways of identifying potential winners and losers of flexicurity as well as theoretical frameworks, which, among others, stress the importance of local employers and trade unions at the workplace when explaining the working conditions of atypical workers. In their efforts to classify losers and winners in a flexicurity context, segmentation theories identify a wide range of characteristics for such groups. However, such definitions typically vary depending on the theoretical and methodological approach. Segmentation theorists tend to differentiate along the lines of employees' job security, occupational position, wage levels, access to social benefits, job quality, possibilities for career advancements, political influence and nature of their employment

contract (Leonaritidi, 1998; Rueda, 2005; Doeringer and Piore, 1971). In this paper, we distinguish core and peripheral workers according to their wage levels, working time, job quality, access further training and social security in terms of income and employment security. We thereby exclude job security, which segmentation theories would often include. We choose so, because the flexicurity literature claims that employment security rather than job security is a crucial factor to ensure high levels of security within the labour market. If this claim is correct, core workers within the flexicurity model are not assumed to be identified by their job security, but by other factors. By modifying segmentation theory according to the claims of the flexicurity thesis, core workers are instead characterised by their wages, working hours, job quality, access to further training, income and employment security, all of which will help them in case of redundancy. By contrast, peripheral workers are characterised by lower wages, odd working hours, low status jobs as well as limited access to training, income security and pension schemes.

Returning to the questions of *if*, *how* and *why* atypical workers come to have unfavourable conditions compared with core workers, this micro-level analysis will allow us to answer both *if* and *how*. To advance our understanding of the coverage of the Danish flexicurity model, however, we need to address the question of *why*, by identifying the mechanisms behind the potential mismatches between the flexicurity thesis and the *de facto* working conditions of distinct groups of employees within the labour market. Well-knowing that other factors may influence the working conditions of such workers, this paper primarily examine the role of employers and trade unions, as they are to varying degrees directly involved in the day to day treatment of fixed-term, agency and visiting workers, and thereby decisive when transposing Danish flexicurity into practice at workplace level. Segmentation studies stress that employers seek a flexible workforce to manage business cycles and remain competitive, since employees on such contracts seem easier to hire and fire (Muffels et al, 2008: 9; Atkinson, 1987: 87; Chung, 2007, 243). The literature also emphasise that employers often tend to invest less in this kind of temporary employees (Leschke, 2007; Polavieja, 2006: 68; Rosenberg, 1989: 384; Mcinnity et al, 2005: 362). In the literature on unions' role in terms of ensuring the coverage of the Danish flexicurity model at company level, some segmentation scholars argue that the presence of unions may prevent or reduce discrimination between peripheral and core workers while other studies reveal that unions to varying degrees accept or even promote differential treatment.(Doeringer and Piore, 1971: 174; Atkinson 1987: p.101; Rubery, 1978).

In sum, from the brief literature review, we develop a hypothesis stating that even within a strong flexicurity model, very flexible workers such as fixed-term workers, visiting and agency workers often become peripheral workers, as defined above due to the lack of adequate levels of social security for this group of workers. If the empirical findings confirm this, it indicates that the Danish flexicurity model to some degree fail to cover the most flexible workers in the labour market. This hypothesis is explored in the following by examining the treatment of such workers, using the methods and data-sets presented below.

### **Used Methods and data-sets**

The empirical analysis draws on two distinct data-set as well as secondary literature.

The first data-set is centred on the usage and working conditions of fixed-term workers in Danish municipalities. It is based on interviews with 259 individual workplaces, 27 trade union representatives and local authorities in 14 randomly selected Danish municipalities, conducted in Spring 2007. The selected municipalities varied with respect to the number of inhabitants and their geography, where an equal number of municipalities from different regions and of different sizes were randomly selected. The interviews with the 259 randomly selected employers at individual

workplaces were conducted as phone interviews in 9 of the 14 municipalities, since these municipalities were unable to deliver data regarding the number of fixed-term workers. The workplaces were randomly selected from a list of the individual municipalities' local institutions. They represent approximately 20 per cent of local schools, elder care services, childcare facilities, administrative bodies and traffic/recycling institutions in each of the nine municipalities. The response rate was 70 per cent, and a questionnaire with a specific set of questions was used in each phone interview, which also allowed the interviewee to add own comments. Afterwards, the interviews were coded in SPSS and statistical tests were conducted to examine for statistical significance. A further 27 interviews were conducted with central management and local trade union representatives in the 14 municipalities. These interviews were face-to-face and recorded and then transcribed. They were analysed using a common coding scheme using the principles of grounded theory, where the coding is done according to the various themes that appear across the interview (Strauss and Corbin, 1990). In the following, the main features of fixed-term workers and the rules and procedures relevant to this group are first briefly described before analysing the effects of decentralisation for fixed-term workers' working conditions in the selected Danish municipalities.

The second data-set is centred on the labour market conditions of Polish migrant workers in the greater Copenhagen area. It is based on interviews with 500 polish workers who have come to Denmark in recent years. All interviews were conducted in Polish by Polish speaking interviewers, using a tightly structured interview guide. The interviewees were sampled by Respondent Driven Sampling (Heckathorn 2007; Salganik & Heckathorn 2004) – a snow-ball method in which the Polish migrants' own networks were used to recruit interviewing subjects for the survey. The method develops valid estimations of the population proportions (PPA - in this case Polish migrant workers in the Greater Copenhagen area) based on information about network size and cross group connections, using the following formula:

$$PP_A = \frac{D_B \cdot C_{B,A}}{D_A \cdot C_{A,B} + D_B \cdot C_{B,A}}$$

where  $D_B$  and  $D_A$  is the average number of contacts of the interviewees from the groups of A and B respectively and where  $C_{A,B}$  and  $C_{B,A}$  is the possibility of cross-group connection from A to B and B to A respectively. By using this approach, the analysis of the living and working conditions of the Poles is based on estimates that consider the difficulties in accessing certain groups within the population. All interviews were conducted during a period of three months in the fall 2008. The Polish migrant group in the Copenhagen area was chosen as it is presently the largest post-enlargement migrant group in Denmark, primarily concentrated in the Copenhagen area. However, by uniquely focussing on a city area the Poles who might be working in agriculture has been excluded. Therefore, the data gives no evidence of the larger groups of migrant labour found in agriculture in Denmark.

## Working Conditions of Fixed-term Workers

### *Labour Market Position*

Fixed-term workers (employees with short or long-term contract rather than an open ended) amount to approximately 10 per cent of the Danish workforce in 2009- a number that is slightly higher in the local government sector. In fact, some local government workplaces– primarily schools, day-care and elder care institutions - rely extensively on fixed-term contracts and more than one in five employees at such workplaces are reportedly fixed-term workers.

Danish fixed-term workers are typically recruited when permanent staff falls ill, takes vacation, maternity leave, sabbaticals or when individual workplaces experience changes in budgets and service demands. Their work tasks primarily consist of teaching, child and elder care, mainly because it is difficult, if not impossible, to postpone such work tasks. Hence, a small group of fixed-term workers is also recruited to do office-work, cleaning and various service-oriented tasks. The length of fixed-term workers' contract often vary from a few days to several years, and many circulate in and out of different fixed-term positions and experience shorter or longer spells of unemployment then to be re-employed typically at the same workplace rather than being offered a permanent position. In fact, several of the workplaces interviewed stated that they had a relatively stable network of fixed-term workers which they regularly draw on when needs arises, often with a relatively short notice period. Other research also suggest that the movement from temporary positions to unemployment and then other fixed-term positions are relatively common among Danish fixed-term workers (Lescke, 2007: 19-21; Eriksson and Jensen, 2003: 18). This implies that Danish fixed-term workers are a highly flexible group within the labour market, who with their flexibility offer a high level of external flexibility. Despite such relatively insecure employment conditions, the general statistics imply that less than 40 per cent of Danish fixed-term workers, are involuntary employed on such contracts (Eurostat, 2010b). One could argue that the reason why many Danish fixed-term workers appear relatively satisfied with their current situation is that being highly flexible in the Danish labour market is at least in principle accompanied with relatively high levels of security. The law and collective agreements grant fixed-term workers similar rights and working conditions as comparable permanent staff. The extent to which the high levels of external flexibility produced by fixed-term workers in the Danish labour market are *de facto* accompanied by high levels of security as assumed in much flexicurity literature is examined below (Wilthagen and Tros, 2004: 174; Madsen, 2004).

### *Wage levels and Working Time*

Danish fixed-term workers are typically recruited to full-time positions, although around 20 per cent also work part-time (Leschke, 2007: 31). However, their earnings are often comparatively lower than permanent staff, where they typically earn 12 per cent less than their colleagues in permanent positions according to recent research (Eriksson and Jensen, 2003: 12). Other studies also suggest that Danish fixed-term workers are exposed to lower wages than their peers in permanent positions, even when controlling for educational attainments, occupational group and demographic characteristics (Gash, 2005, 15). The interviews with individual workplaces, HR managers and union representatives within the Danish local government sector also reveal that fixed-term workers often receive only the minimum wage, even when they have several years of relevant work experience. They also seldom gain access to local wage negotiations and rarely receive pay increases during their employment within the local government sector. This form of differentiation appears to be common across all the sampled municipalities, and often it is not only caused by the employers. In fact, the interviews reveal that such local practices typically takes place with the acceptance of trade unions, who also in some instances even promote differentiation between permanent and fixed-term staff, as they oppose to grant fixed-term workers wage supplements.

Budget constraints, fixed-term workers' lack of qualifications and them being no investment for the workplace due to their employment contract, were common arguments used by both sides of industry to explain this differentiation. Therefore, being a highly flexible workforce comes at a cost. Not only do the findings suggest that fixed-term workers are victims of wage flexibility, as employers have access to a relatively flexible, but also cheap labour. They also reveal that fixed-term workers to some degree experience lower levels of income security than their colleagues in similar permanent positions as their wages are often comparatively lower. Indeed, this questions the flexicurity thesis. This group of employees, although they have income security in terms of a wage, they have no guarantee that their wages will match their qualifications as well as in some instances ensure a reasonable living standard due to fixed-term workers' increased risk of low paid jobs and lower wages (Gash, 2005).

#### *Quality of Job and Further training*

The type of jobs fixed-term workers are recruited to vary across the Danish local government sector. Whilst some fixed-term workers are recruited to manage and conduct highly advanced projects, others work as teachers, cleaners, office clerks or carers for children and older people. Indeed, fixed-term workers cover a wide spectrum of low and high paid jobs within the local government sector. The quality of the job vary therefore substantially from one fixed-term worker to another. Other research also implies that Danish fixed-term workers are recruited to various jobs, where some appear more attractive than others (Gash, 2005: 15). However, generally speaking working on a fixed-term contract affect job satisfaction negatively and various elements such as weekly working hours, the individuals' economic situation, feeling of job security etc. are also negatively affected, although such findings are not statistical significant (Eriksson and Jensen, 2003: 15). However, the job position of fixed-term workers' rarely influence their access to further training, where the interviewees reveal that only 41 per cent of fixed-term workers have access to such work-related benefits.

Indeed a common practice across the local government sector irrespectively of fixed-term workers length of contract and type of work appear to be that fixed-term workers are only invited along to short-term training courses that are required for them to carry out their various job tasks such as health and safety courses, hygiene or accounting courses. Courses that improve employees' qualifications and thereby make them more employable were indeed restricted to permanent staff according to the interviewees, although the law and collective agreements *explicitly* stipulate that that employers *should* facilitate further training for fixed-term workers as far as possible to improve their employability and career options (KL et al, 2002: § 7 stk 2). Such findings also indicate that being a group of labour that meets employers' flexibility demands have negative implications for such employees' possibilities to improve their skills whilst working – a crucial parameter in a flexicurity context. Therefore, high levels of flexibility is rarely accompanied by high levels of security in terms of further training at the workplace which ensure fixed-term workers' future employability and career advancement.

#### *Access to income and employment security*

Danish legislation and social partners' collective agreements stipulate that fixed-term workers with more than eight weekly working hours in one month enjoy similar rights and working conditions as comparable permanent staff (KL et al, 2002). This means that fixed-term workers similar to comparable permanent staff can only accrue various basic rights such as access to pensions, if they work more than eight hours per week in one month and fulfil the various legal criteria. In addition, fixed-term workers with contracts of less than three months, or if their contract is terminated based on the occurrence of a specific event rather than a specific date, are subject to lower levels of employment protection. Unlike permanent and fixed-term staff with long-term contracts, they can be dismissed without further notice. Danish case law has indeed manifested this through various rulings and imply (along with the so-called eight hour rule) that Danish law and collective agreements exclude fixed-term workers with relatively few weekly working hours and

short-term contracts (Faglig Voldgift, 2008). Fixed-term workers have also to varying degrees restricted access to the mentioned rights and entitlements. For example, the collective agreement covering municipal child care workers stipulate that only employees aged 21 +, including fixed-term workers who have been employed at least one year within the local government sector have rights to accrue pensions. Other collective agreements' pension schemes include shorter periods of employment. Also the interviews reveal that fixed-term workers have restricted access to pension schemes and other sorts of income protection such as maternity leave, short-term leave and work-related benefits (see table 1).

**Table 1: Fixed-term workers access to various rights according to their employer in per cent**

	Fixed-term workers access to	Don't know/missing
<b>Pension schemes</b>	56	23
<b>Paid maternity leave (</b>	49	25
<b>Short-term leave</b>	76	13
<b>Teleworking</b>	3	12
<b>Laptops</b>	8	12
<b>Other work-related benefits</b>	3	12

**Note:** N= 259

According to their employers, only one in two fixed-term workers have access to pensions schemes, paid maternity leave in a manner that is similar to permanent staff in comparable positions, whilst 76 per cent state that fixed-term workers have rights to paid short-term leave. Other research also reveals that more than one in two fixed-term workers have no unemployment insurance and therefore no income security in case of unemployment (Larsen et al, forthcoming). Likewise, the various restrictions regarding employees' access to unemployment benefits, where the current rules and regulations demand that a person has been a member of an unemployment insurance for at least one year and worked a specific number of hours during the last two years in order to qualify for unemployment benefits, may affect fixed-term workers' entitlements to such benefits. Indeed, some fixed-term workers often work for relatively short periods and few hours. They will therefore have difficulties to accrue rights to the various social benefits despite being covered in principle. As a result, a relatively large group of Danish fixed-term workers' access to various types of income security including unemployment benefits appear restricted. To varying degrees they appear too flexible for the Danish model, as they face a greater risk of never meeting the various criteria outlined in the law and collective agreement due to their short-term contracts, longer or shorter spells of unemployment and sometimes reduced working hours.

### **Working Conditions of Visiting Workers – The Case of Polish Migrants**

Another highly flexible group in the Danish labour market is the East European workers. Recent figures reveal that more than 63.000 "visiting" workers from the new EU member states have come to Denmark between 2004 and 2009. They amount to approx. 2.2 per cent of the Danish workforce and among this group Polish workers are the single largest national group, accounting for more than 60 per cent<sup>1</sup>. What distinguishes this group in terms of flexibility is that they are expected to adjust to market fluctuations by entering and leaving the country – only to stay for a while and then return home. They are therefore considered to only be visiting, and thus not part of the core group of workers in the labour market. Indeed, this assumption appears central to how public authorities, unions and employers' treat this group whilst working in Denmark. However, the assumption that they will return to their home country when they no longer are needed can be disputed, as 72 per cent of the sampled Polish workers consider themselves Danish residents and only travel to

<sup>1</sup> Data accessible at <http://www.jobindsats.dk/sw9795.asp>.



Poland for vacation purposes. However, some Polish visiting workers are without doubt highly mobile, and they do indeed frequently move to and from Poland or other European countries for work purposes.<sup>2</sup>

*Polish visiting workers' labour market position*

73 per cent of the sampled Polish visiting workers are in paid work – a number which is slightly higher than the employment rate of other ethnic groups (57 per cent) but lower than the general employment rate of employee with Danish origins (79,9- Danish Statistics, 2009). They typically work for shorter or longer periods within the private service sector where they distribute news papers, offer kitchen assistance or do cleaning jobs (44 per cent). Another 14 per cent work in low skilled industry or storage jobs and 27 per cent work within the construction sector. Relatively few of the sampled Polish visiting workers are employed within administration, banking and other skilled work, respectively. Indeed, these findings point to classic segmentation tendencies in terms of representing both “bad” and “good” jobs (Doring & Piore 1971/1980; Piore 1980; Reich 2008: ix-x). Visiting workers’ contractual arrangements also appear to vary, where only 57 per cent are employed on an open-ended contract. Another 12 per cent work as agency workers and 31 per cent hold a fixed-term contract, which is a comparatively higher number than among Danish employees. Whilst the contractual arrangement has no significant influence on the wage and working conditions of the Polish workers with fixed-term or open-ended contracts, it appears that the Polish agency workers often have less attractive working conditions (see also the next section on agency workers). Indeed, these findings imply that many of the sampled Polish workers can be said to offer a high level of external flexibility due to the nature of their employment contract. Other research shows that visiting workers typically stay with the same employer for less than a year, which supports the notion that they are a highly flexible workforce on the Danish labour market (Hansen and Andersen, 2008: 24). To dig deeper into how this highly flexible group of employees are covered by the Danish flexicurity model, we need to scrutinize wage levels, working conditions and security measures across the group of Polish visiting workers.

*Wage level of jobs and working time*

The Polish workers are generally speaking paid less than their Danish peers in comparable positions. When comparing the hourly wage of Danish and Polish workers in newspaper distribution, construction, industry and cleaning it appears that the wage gap vary significantly between sectors (see table 2).

**Table 2: Wage difference between Polish workers in the Copenhagen area and Danish workers within certain job types seen in relation to variation between collective minimum wage and average wage in per cent**

	Newspaper distribution	Cleaning and kitchen assistance	Manual factory and storage work	Construction	Other Jobs
Wage difference between Danish and Polish workers within this type of job	5 %	11 %	12 %	31 %	34 %
Difference between the collective minimum wage and the average wage in jobtype	23 %	17 %	25 %	35 %	38 %
Polish workers statistical overrepresentation in job type	70,5	6,1	2,9	5,0	0,2

The Polish visiting workers are on average paid 30 per cent less than Danes when working in construction or other jobs. However, the wage gap is comparatively smaller when the job

<sup>2</sup> Among the Poles in the Copenhagen area 45 % have worked in another country outside Poland prior to coming to Denmark. About 20 % work as posted workers, but even among this group quite a few consider themselves resident in Denmark.

descriptions are news paper distribution, cleaning, kitchen assistance, manual factory and storage work. It appears that local bargaining and the market forces increase the wage gap between Polish and Danish workers in comparable jobs: The wider the gap between collectively agreed minimum wages and average wages in a specific type of job is, the larger wage gap between Poles and Danes at the workplace. Such findings suggest that social partners at local level play a part in differentiating between *visiting workers* and their Danish peers in permanent positions. It seems that mainly employers cause the differentiation, as the presence of a union representative at the workplace has a positive effect on the wage levels of Polish visiting workers. In fact, their salary was on average 11 per cent higher if working on a workplace with a shop steward (Hansen and Hansen, 2009: 94). However, Polish visiting workers' hourly wage still lags behind their Danish peers, indicating that trade unions to some degree accept that the Polish visiting workers receive a lower wage. Other studies have also revealed that differences in wage determination produce segments within the labour market (Rosenberg, 1989). The institutional arrangements seem however to limit internal wage flexibility and thus have a positive effect, on reducing segmentation mechanisms within the labour market; whilst local wage setting allow social partners to differentiate between segments. If newspaper distribution deviates slightly from this correlation, it may be due to the vast overrepresentation of Poles in this type of jobs. In fact, the quite substantial share of Polish workers in this job area makes it central for unions to secure them equal pay to avoid dumping of wages for the whole group. In other words, the Poles are part of the core workers in newspaper distribution. Nevertheless, the findings imply that the flexibility of Polish visiting workers is rarely compensated by a generous wage and thereby implicitly a high income security. In some instances, their wage hardly ensures a reasonable living standard nor does it match their qualifications. This being said, their Danish wage is significantly higher compared to their previously earnings in Poland (Hansen and Hansen, 2009: 35),

Also the weekly working hours of the sampled Polish workers seem to differ from Danish employees in general, although their average weekly working hours of 37,6 is close to the norm for full-time employment in Denmark. However, Polish visiting workers working time arrangement deviate significantly from the norm. Although one may expect that the majority of Polish visiting workers will be willing to take on extra hours to make the most of their stay in Denmark or to compensate for their relatively low wages, it appears that 44 per cent - often involuntary - work part-time, and another 16 per cent work more than 49 hours per week (Hansen and Hansen, 2009: 78). It is particularly at workplaces without a union representatives that Polish workers work long hours, whilst the presence of a union representative have limited if no effect on the number of Polish part-time workers (Hansen and Hansen, 2009: 94). This imply that employers, and to some degree union representatives, accept that Polish visiting workers often have far less working hours than their Danish colleagues, which may affect their ability to bring home a wage allowing them to sustain a reasonable living standard.

#### *Quality of jobs and further training*

Many Poles experience a job quality that is in the lower end of the job hierarchy regarding indicators of physical and the psycho-social working environment. Not only do they work in the low paid sector and often in less attractive jobs as mentioned earlier. They are also more likely than Danes to work odd hours (see table 3).

**Table 3: Polish visiting workers and Danish employees' weekly working schedule, job quality and access to further training in per cent**

	<b>Polish Visiting Workers</b>	<b>Danish Employees in general</b>
<b>Nightshifts</b>	25 %	11 %
<b>Working on Saturdays</b>	64 %	18 %
<b>Working on Sundays</b>	36 %	16 %
<b>Lack influence on work tasks</b>	48 %	22 %

<b>Rarely take the initiatives</b>	37 %	9 %
<b>Unable to use their qualifications</b>	71 %	3,7 %
<b>Access to further training</b>	9 %	38-40 %

**Source:** Data FAOS survey- Polonia (N=462); The National Research Centre for the Working Environment (2005)

Nightshifts and working during weekends are more common among Polish than Danish employees, where 64 per cent work Saturdays compared to 18 per cent of Danish workers. Their work tasks are also typically very physically challenging. 60 per cent reportedly stand up most of the workday and their job involves some lifting, and another 24 per cent report to have heavy physical work that also requires high speed. Having to work odd hours, along with their physical hard work tasks, suggest that Polish visiting workers often hold less attractive jobs. This is also reflected when looking at psycho-social indicators. For example, 37 per cent of the Polish visiting workers have limited influence on their own job, 71 percent per cent feel they are unable to use their core skills – numbers which are comparatively higher than their Danish colleagues. Also their access to further training appears limited, although they according to the law have similar rights to further training courses.. It is primarily at workplaces with a union representative that Polish interviewees report that they are unable to use their skills, take initiative, and where they feel the work is unfairly distributed and they lack influence on their work tasks. Indeed, such findings could suggest that unions to varying degrees accept or may even in some instances promote poorer working conditions for visiting workers. Another possibility is that the presence of a union representative simply increases the Poles' awareness of their conditions. However, the job quality of the Poles, in terms of odd working hours and relatively poor working conditions are not necessarily at odds with the Danish labour market regulation. In fact, these working conditions appear closely related to the type of jobs the Poles hold. Distributing newspapers, cleaning, kitchen assistance, low skilled manufacturing and storage work are all areas of work, where Danish workers also reportedly experience limited possibilities influencing own work (The National Research Centre for the Working Environment, 2005). These jobs are known for unilateral tasks and holding few future prospects. The one job area where the situation for the Poles differs significantly from this picture is within construction. Here the Poles appear to experience physical challenging work tasks and long working hours. However, at the same time, they report to have better psycho-social work environment than any of the other Poles in other job types. This being said, all Poles have equally poor chances of improving their skills in terms of opportunities for further training and thereby their ability to continue to be employable is considerably impaired. The interviews reveal that less than 9 per cent have participated in further training courses compared to 38-40 % of the Danish workforce.

#### *Access to income and employment security*

Since May 2009, the same rules and procedures regarding income and employment security apply to Danish and Polish employees on the Danish labour market. Prior to this date, Polish visiting workers' access to social security and unemployment insurance was limited and depended on their residence permit which they only could qualify for if holding a job. However, the Polish visiting workers benefit very little from these services, irrespective of their employment situation in Denmark and whether they are formally registered. At the time of the survey in late 2008, 18 % of the sampled Poles experienced unemployment, but none had received incapacity or unemployment benefits. Moreover, only 1 per cent had received help from the Danish Job centres, indicating that the Polish employees are by large excluded from the active labour market policies, which Denmark is so famous for in a flexicurity context. Also when it comes to joining an unemployment insurance and pensions schemes do the interviews with Polish employees question their coverage by the Danish flexicurity model (see table 4).

**Table 4: Polish visiting workers access to work-related benefits and unemployment insurance in per cent**

	<b>Polish visiting workers who are...</b>
<b>...covered by a pension schemes in Denmark</b>	45 %
<b>...covered by a pension schemes in Poland</b>	15 %
<b>...members of an unemployment insurance fund</b>	10 %

Note: N=466

Around 45 per cent of the Polish interviewees are covered by a Danish pension scheme, whilst less than 10 per cent are members of an unemployment insurance fund. They are therefore relatively poorly covered in terms of income security should they loose their job and when it comes to securing an income in old age. In addition, it is highly questionable, if these workers will qualify for unemployment benefits in case of unemployment due to their relatively short stay in Denmark, their few working hours and different spells of unemployment, which rarely allow them to meet the criteria outlined in the law despite being a member of an unemployment insurance fund. Indeed, such findings imply that the Danish flexicurity model fails some of the most flexible workers on the labour market. In fact, one could argue that the Polish visiting workers are too flexible for the Danish flexicurity model, as the nature of their employment contract prevent them from accruing pension rights, rights to unemployment insurance and allow them to upgrade their skills.

### **Agency Workers – a small group of Atypical Workers**

#### *Labour Market Positioning*

Approximately 0.8 per cent of the Danish workforce is employed as agency workers (defined as workers employed by an agency and contracted out to a third party for a specific short-term assignment). Denmark is thereby one of the European countries with the lowest number of agency workers. Hence, their number has more than doubled since the mid 1990's (Cieltt, 2009: 23). They are typically assigned to jobs in sectors such as health and social care; industry and construction; storage, logistics and road carriage. The largest consumer of agency workers is the health and social care sector, accounting for 38 per cent of the total number of working hours sold by Danish temporary agencies in 2008 (Statistic Denmark, 2009). However, agency workers cover a broad spectrum of occupational groups and are indeed a highly mixed group of employees. That around 12 per cent of the sampled Polish workers stated that they worked as agency workers whilst staying in Denmark reflect this.

Most agency workers have typically worked for an agency for less than a year, and are often recruited on a day-to-day basis within the local government sector, usually as the last resort in acute situations when the permanent staff suddenly falls ill, during holidays, weekends and night shifts, and it proves impossible to find other alternatives (Adecco, 2006; Interviews: Local government managers and union representatives). In fact, some municipalities have reportedly agreements with specific agencies, where the same agency workers resume to the same workplace for new assignments. It is primarily the sampled workplaces within the elder care sector which recruit agency workers, whilst this practice is less widespread in other local government sectors. Recent statistics also reveal that social care workers are the single largest occupational group of agency workers in Denmark (Danish Statistics, 2009). It is often agency workers skills combined their flexibility, where they can arrive at the workplace with a relatively short-notice, which make them so attractive to the sampled workplaces. The interviews also reveal that agency workers often enable the sampled workplaces, particularly in the elder care sector, to meet service demands during periods of staff shortage. In fact some workplaces would reportedly be unable to operate without the assistance of agency workers.

Other research also reveal that agency workers typically are recruited due to their flexibility, where private and public employers to varying degrees rely on this type of employees to reduce red tape and adjust their workforce according to sudden changes in service and production demands (Kudsk and Andersen, 2006: 10). Agency workers appear therefore to be a highly flexible group of labour - able to meet employers' demands with a relatively short notice. Their flexibility seem though to varying degrees to come at a cost, which also the fact that nearly one in two agency workers state that it unlikely or highly unlikely that they will continue as a temp for another year (Adecco, 2006: 4). The de facto working conditions of agency workers may account for their low interest in continuing as a temp.

### *Wage Levels and Working Time*

Agency workers are known for being as a highly expensive form of labour. In fact, several of the sampled local government workplaces, HR managers and union representatives stated that the flexibility of agency workers comes at a high price, as they often costs up to three times as much as comparable permanent staff.

The interviews also reveal that some workplaces experience that their nurses and social care workers, who previously were among the municipalities' permanent staff, have opted for agency jobs due to the higher salaries offered by the agencies. Other research also reveals that Danish agency workers such as nurses and social care workers often earn more than their peers in permanent positions and have indeed for this reason left their permanent position for an agency job (Adecco, 2006: question 7; Jacobsen and Rasmussen, 2009). However, many agency workers also state that the flexibility involved, particularly the option to chose their working hours and decline a specific assignment were important factors as to why to why they work as an agency workers (Adecco, 2006: question 7). Also the study by Jacobsen and Rasmussen (2009) suggests that nurses working as a temp feel that their job allow them to organize their working hours around for example care-giving, which typically ease their work/life balance. This suggests Danish agency workers' production of high levels of external flexibility is to some degree compensated by higher levels of social security in terms of a higher wage and flexible working hours. However, the same study also reveals that the insecurity of what the next day brings of assignments was a constant worry among some nurses as they face the risk of not having enough working hours to secure their current living standard (Jacobsen and Rasmussen, 2009). Also a recent non-representative survey by the Trade Union Federation Denmark (2007) implies that nearly one in two of the 134 interviewed agency workers find this problematic. Such worries about income security are also common among the sampled Polish agency workers. In fact, 57 per cent stated they worked too few hours and often for a relatively low salary. Their number of weekly working hours and their hourly wage were also comparatively lower not only to their Danish peers working as a temp and Danish employees in general, but also to other Polish visiting workers (see table 5).

**Table 5: The hourly wage and number of weekly working hours of Danish and Polish agency workers and Danish and Polish employees in general**

	<b>Polish Agency Workers</b>	<b>Danish Agency Workers</b>	<b>Polish employees in permanent positions</b>	<b>Danish employees in general</b>
<b>Working part-time</b>	37 %	25 %	16 %	24 %
<b>Working too few hours/ want longer work hours</b>	57 %	:	30 %	5 %
<b>Hourly wage</b>	112 kr.	138,42 kr. * 160,24 kr. **	119 kr.	128,02* kr. 134,17** kr,

**Source:** Adecco (2006: Question 4); Statistics Denmark (2009); Data from Polonia; FOA (2010); Dansk Erhvervs Arbejdsgiver et al.,(2010) FASID and FOA (2007:§ 23). Note \* Basic hourly wage for Skilled Day-care assistant without work related experience in the

local government sector, \*\*Basic hourly wage for skilled social care worker without work-related experience in a local government sector.

These differences in the treatment of agency workers compared to permanent staff and Danish employees in general question the attractiveness of being a temp, particularly for some groups of employees. Hence, other groups of agency workers find that working for an agency include various benefits such as a higher salary, greater working time flexibility and the ability to decline a particular assignment. This suggests that being a temp is perceived differently from one agency worker to another, where particularly Polish agency workers appear to face a greater risk of a low wage, working too few hours and thereby implicitly lower levels of security than their peers in permanent position and other Danish agency workers. The findings imply therefore that high levels of flexibility only in some instances are accompanied with high levels of security. Also agency workers access to further training along with the quality of the job question the basic assumptions within the flexicurity thesis.

### *Job Quality and Further Training*

The type of assignments agency workers are recruited for vary, but typically assignments are within sectors such as health and social care; industry and construction; storage, logistics and road carriage as mentioned earlier. The interviews with local government officials and union representatives reveal that the work tasks of most agency workers in the social care sector are restricted to care-giving, as such employees often refuse to clean and carry out other work tasks than care-giving. Other research also suggests that agency workers to varying degrees feel they are able to use their skills more effectively than when they had a permanent position as no longer have to do administrative tasks or other work-related tasks (Jacobsen and Rasmussen, 2009). However, far from all agency workers have such experiences, which also the remarks by the sampled Policy agency workers imply (see table 6).

**Table 6: The Experiences of Polish and Danish Agency Workers and Employees in general in per cent:**

	<b>Polish Agency Workers</b>	<b>Danish Agency Workers</b>	<b>Polish employees in permanent positions</b>	<b>Danish employees in general</b>
<b>Lack influence on work tasks</b>	53	:	49	22
<b>Unable to use their qualifications</b>	91	:	69	4
<b>Rarely take the initiatives</b>	48	:	37	9

**Source:** Data-set from Polonia; National Centre for Working Environment, 2005

More than 90 per cent of the sampled Polish agency workers are unable to use their skills, 46 per cent lack influence on their work tasks and 44 per cent feel that the allocation of work tasks is unfair –numbers that are comparatively higher than their Polish peers in permanent positions Such findings reveal that the high levels of flexibility offered by agency workers only in some instances are accompanied with high levels of job quality.

It is not only with respect to their work tasks that agency workers experience a slightly different treatment than other employees. The interviews with local government managers and union representatives also reveal that agency workers, particularly those with relatively short-term assignments are often excluded from work meetings, seminars etc due to the nature of their short-term contract. An interview with one of Denmark’s largest temporary agencies confirms this practice, but stated as well that some agency workers employed at the same workplace for more than six months tend to get involved in workplace activities. Also their possibilities for further training appear restricted. Nearly 30 per cent of agency workers participating in the study by LO (2007) reveal, that they find the lack of opportunities for further training a major disadvantage when working as a temp. Different collective agreements signed by Danish temporary agencies, trade unions and employers associations confirm that agency workers have limited access to work-

related further training schemes. They rarely include specific statements regarding agency workers' access to further training and those which do are relatively unspecific on how agency workers gain access to such funds ( see for example: Danish Chamber of Commerce and 3F, 2007; Danish Chamber of Commerce et al, 2007; Danish Chamber of Commerce and FOA, 2007). In fact one of the leading Danish temporary agencies confirmed this, and further stated that they had an internal system for further training, where the individual agency worker collect points per hour they work to accrue rights to further training courses. However, such courses were primarily restricted to agency workers staying long-term with the agency rather than those with relatively short-term contracts Therefore unlike core workers, agency workers rarely have access to further training which ensures their future employability and possibilities for career advancement. These findings indicate not only that agency workers' possibilities for upgrading their skills - a precondition for a flexible labour market in a flexicurity context – are limited if not almost non-existent despite EU's recent directive, which clearly state that agency workers enjoy similar rights to further training as comparable permanent staff (EC, 2008/104 § 5). They also imply that trade unions and employers for different reasons support and agree on such a differentiation between agency workers and core workers in the Danish labour market, which is more marked in some collective agreements than others. Nevertheless, the limited rights of agency workers to further training

#### *Income and Employment Protection*

The EU's directive on temporary agency workers includes a principle of equal treatment, stating that similar working and employment conditions apply to agency workers and permanent staff carrying out the same job (EC 2008: 104- §5). However, the directive allows for exemptions from this principle, if social partners agree on the terms and conditions (EC 2008: 104- §5 clause 2). At the time of writing the directive has not yet been implemented, but some Danish temporary agencies and labour market experts anticipate that the directive will have limited effect for those Danish agency workers already covered by a collective agreement, as social partners already to varying degrees agree on common terms and conditions for agency workers. However, the directive is expected to improve the working conditions of Danish agency workers employed at workplaces and agencies without collective agreements. At the time of writing, the different collective agreements stipulate that agency workers have access to paid vacation, paid sickness leave, paid caring days, paid maternity/paternity/parental leave and pensions. However, the specific clauses in terms of rights differ significantly from one collective agreement to another and restrict to varying degrees agency workers access to these work-related benefits.

Whilst some collective agreements stipulate that agency workers have a right to request paid caring days and can accrue rights to extra holiday entitlements if meeting the criteria that also apply to comparable permanent staff; others specifically state that agency workers have no such rights (Danish Chamber of Commerce and Danish Nurses Union, Danish Chamber of Commerce et al, 2007; ) However, some collective agreements have slightly different regulations and grant agency workers rights to paid caring days, but not extra holiday entitlements and others require that the agency workers has been employed for a specific number of hours before qualifying for such benefits and set a threshold for the payments (A. B Consult Aps and Danish Social Worker Union, 2008; Danish Chamber of Commerce and 3F, 2007; § 9-10). Likewise, the rules and regulations regarding agency workers rights to pensions and the contribution rate vary significantly from one collective agreement to another. Some agreements apply the same rules and procedures to agency workers and permanent staff, whilst others require that the agency workers are 20+ years and have worked at least 1443 hours over a three year period for the same agency (FASID and FOA, 2007; Danish Chamber of Commerce and Danish Nurses Union, 2007). Also agency workers' level of employment protection differs to varying degrees from their peers in permanent positions. For example, some agency workers have to work at the same agency for at least five months before they have accrued rights to a notice period of 3 months. Others follow the criteria outlined in the Act for White collar workers whilst a third group of agency workers have a notice

period of two weeks and others can be dismissed without a warning (A.B. Consult APS and Union of Social Workers, 2010; Danish Chamber of Commerce et.al, 2007; Danish Chamber of Commerce and 3F, 2007).

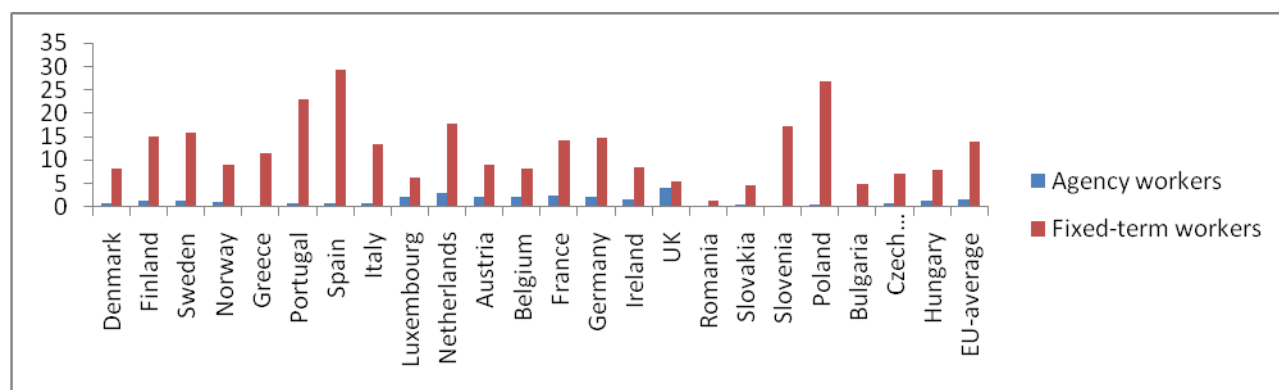
These findings indicate that slightly different rules and regulations apply to agency workers compared to workplaces' permanent staff. Indeed, the levels of income and employment security are considerably lower when it comes to agency workers, as this type of employees' legal rights appear weaker when compared to the rights of core workers and even fixed-term- and visiting workers, which questions the attractiveness of Danish flexicurity.

### Danish Flexicurity – A Comparative Perspective

Danish agency-, fixed-term- and visiting workers account only for a small fraction of the Danish workforce. They do however, to varying degrees experience discrimination on a day to day basis. The group of employees having the poorest working conditions among the three groups are without question the Polish agency workers, followed by their peers in permanent and fixed-term positions and then Danish fixed-term- and agency workers. Polish visiting workers face indeed a greater risk of lower wages, less attractive jobs, limited access to further training and low levels of unemployment protection than the other groups included in this article. However, when compared to the working conditions of their European colleagues in a similar situation, it appears that Danish atypical workers in some instances experience poorer working conditions, whilst in others their situation appear comparatively more attractive when looking across Europe.

In a comparative perspective, Denmark has relatively few employees working as agency, fixed-term and visiting workers than other European countries with slightly different flexicurity combinations (Muffels et al, 2008). For example, countries such as Ireland, Norway and the UK have experienced a larger influx of visiting workers from Eastern Europe than for instance Denmark (Døvik and Eldring, 2008: 25-6). Likewise, agency work and fixed-term contracts appear more widespread in Southern and Central European countries than Denmark (see figure 1).

Figure 1: Number of on Agency- and fixed-term workers across Europe in 2008 in per cent



Source: Eurostat (2009: LFSA\_ETPGA); Cielt (2010: 23)

Fixed-term workers account for approximately a third of the workforce in countries such as Spain and 20 per cent in Portugal - countries, which in a flexicurity context are considered to have a relatively rigid employment laws, low levels of labour market flexibility and poorly developed labour market policies (OECD, 2004: 72). Also in the other Nordic countries such as Sweden and Finland, which have less flexible labour market rules and higher employment protection is the usage of agency workers and fixed-term contracts more widespread than in Denmark (OECD, 2004: 72; The



World Bank, 2004). In fact, recent research suggests that agency work and fixed-term contracts are more widespread in countries dominated by more rigid employment laws, relatively inflexible hire/fire rules and low levels of active labour market policies and thereby slightly different flexicurity arrangements (OECD, 2004: 72; Polavieja, 2006: 69). However, the comparatively higher numbers of visiting workers from Eastern Europe in countries such as Ireland, the UK and Norway are reportedly down to their limited or more relaxed transitional rules, higher wages and particularly the language advantage of English speaking countries rather than these countries' flexicurity arrangements (Doyle et al, 2006: 9-10). Indeed, these findings imply that the national flexicurity arrangements may influence the usage of more atypical employment contracts. In fact, the comparatively liberal Danish hire/fire rules and low levels of employment protection may account for the relatively low numbers of particularly agency- and fixed-term contracts. The extent to which the Danish flexicurity model also is comparatively different to other European countries' flexicurity arrangements in terms of compensation agency-, fixed-term- and visiting workers' for their flexibility is examined below.

### *Wages and Working hours*

EU's directives and regulations on fixed-term work, temporary agency work and visiting workers apply to all European member states and state that these groups of employees are covered by EU's principle of non-discrimination. They enjoy therefore similar rights as their peers in permanent positions. However, recent research reveals that agency, fixed-term and visiting workers often experience less favourable wage and working conditions than their peers in permanent position. For example, pay gaps between fixed-term workers and their colleagues in permanent position exist everywhere across Europe. On average, fixed-term workers earn less than 15 per cent in the UK, 5 per cent in Sweden, 10-15 per cent less in Spain than permanent staff in comparable positions (Houwing, 2010: 127; Dolado et al, 2002: 284; Eriksson and Jensen, 2002: 12). Likewise, recent studies reveal that Polish visiting workers in the UK and Norway also earn comparatively less than core workers, where the wage gaps can vary up to 50 per cent in some sectors, whilst they on average in the UK and Norway earn approximately 30 per cent less than their British and Norwegian peers on open-ended contracts (Riberg and Tyldum, 2007: 72; Dølvik and Eldring, 2008: 34). In addition, a British study on agency workers suggests that one in four often feel that their wages are insecure (Houwing, 2010: 127). By comparing these findings to the situation among Danish atypical workers, it appears that they experience relatively similar wage discrimination as their European colleagues. Hence, the earnings of Swedish fixed-term workers appear more attractive and the pay gap between Polish visiting workers and Danish employees seem less marked than in for example Norway and the UK.

With respect to working time arrangements, agency-, fixed-term and visiting workers' weekly working hours also appear to be slightly different compared to European employees in general. For example, agency workers tend to work less hours than employees on full-time open ended contracts- except for Sweden, where agency workers and full-time permanent employees work nearly the same number of hours (Ciett, 2010: 26). Likewise, Polish visiting workers in Norway tend similar to such employees in Denmark to work part-time, whilst around 18 per cent of German employees on fixed-term contracts, 12 per cent of such workers in Spain and 32 per cent in the UK work part-time compared to 20 per cent of Danish fixed-term workers (Leschke, 2007: 31; Friberg and Tyldum, 2007: 72). Indeed, this suggests that fixed-term workers are more likely to hold a full-time position than their colleagues working in agencies or who classify as visiting workers. These findings, along with the pay gaps among permanent and atypical workers, imply that Danish atypical workers, similar to their European colleagues, experience that their flexibility rarely is compensated by high levels of security, in terms of a higher wage and adequate numbers of weekly working hours. They are instead increasingly exposed to lower wages and often shorter working hours, which may affect their ability to sustain a reasonable living, irrespectively of the national flexicurity arrangements and EU's principle of non-discrimination. Therefore, the Danish flexicurity model does not appear more attractive than other European countries' flexicurity

arrangements when comparing the wage levels and working time arrangements of atypical workers. In fact in some instances it seems to perform worse when it comes to fixed-term- and agency workers, but offers Polish visiting workers more attractive working conditions than elsewhere in Europe.

#### *Job quality and access to further training compared*

Agency-, fixed-term - and visiting workers work within a wide spectrum of occupations. However, European agency workers are typically concentrated in sectors such services, manufacturing, construction and less so public administration (Cieett, 2010: 33). Recent research also reveals that visiting workers from Eastern Europe work within specific sectors. In Norway, Ireland and the UK, the concentration of visiting workers has, similar to Denmark, mainly taken place within construction, cleaning, agriculture and un-skilled industrial work (Dølvik & Elding 2008: 31; Friberg & Tyldum 2007; Hansen & Hansen 2009; Burrell 2009; Pollard et al. 2008; Dundon et al. 2007). However, in Sweden such visiting seem to have had greater success in entering jobs within the healthcare sector that are less labour intensive and requires specific skills personnel and language proficiency (Doyle et al. 2006). Fixed-term workers are also primarily concentrated in the service sector in Denmark, Sweden, Norway, Spain and the UK, but many also work as professionals, technicians and office clerks (Eurostat, 2010). This indicates that fixed-term workers often hold more skilled and better paid jobs than many European agency- and visiting workers. Although fixed-term workers tend to hold more skilled and higher paid jobs than many agency- and visiting workers, their access to further training schemes appear similar to agency- and visiting workers appear limited everywhere. In fact, research reveals that relatively few European agencies invest in offering their employees further training (Cieett,2010: 53) . Likewise, Irish fixed-term workers appear, similar to their Danish colleagues, less likely to receive further training than permanent staff, whilst British fixed-term workers to a lesser extent experience such forms of discrimination (Gash, 2005: 21; Houwing, 2010: 127). Indeed, these findings reveal that Danish atypical workers face, similar to their peers in other European countries, a greater risk of working in less attractive jobs with relatively few options for career development, particularly as their access to further training is limited- the only exception being the UK. Therefore, the Danish flexicurity model do not seem offer better coverage than other European countries when moving beyond the macro-orientated variables and looking at the de facto working conditions of some of the most flexible workers on the labour market.

#### *Income and employment protection*

Also agency-, fixed-term and visiting workers access to income and employment protection appear relatively similar across Europe when moving beyond the formal rules and regulations. in the UK, Agency and fixed-term workers typically have similar to such workers in Denmark limited access to pensions schemes, which may be down to their relatively short-term contracts or assignments (Houwing, 2010: 127). A recent Norwegian study also shows that 46 per cent of Polish visiting workers in Norway have access to a pensions scheme, which almost the same number as found in Denmark 45 per cent – Friberg and Tyldum, 2007: 54). In addition, the rules and procedures regarding employment protection appear comparatively more liberal than those applying to employees on open ended contracts regardless of the country of origin (Houwing, 2010: 142-4). Other findings also reveal that these groups to a greater extent are exposed to shorter or longer spells of unemployment, indicating that their flexibility seldom are accompanied with high levels of security, not only in terms of employability, but also when it comes to various types of to income security (Leschke, 2007; Chalmers, 2007).

## Discussion – Too Flexible for the Danish model?

The analysis of the wage and working conditions of Danish fixed term, visiting and agency workers respectively – indicates that the Danish flexicurity model leaves quite some room for flexibility in terms of wages, quality of jobs, access to further training as well as income and employment security. All the cases point to significant deviances in terms and conditions when compared to core workers on the Danish labour market. In addition, the comparative perspective indicated that the treatment such groups experience on the Danish labour market is hardly the exception. In fact agency-, fixed-term and visiting workers face the risks of lower wages, less attractive jobs, limited access to social security and further training across Europe. Indeed, such findings imply that Denmark is no worse nor any better than other European countries when it comes to the treatment of atypical workers, irrespective of the differences in these countries' flexicurity arrangements.

Having addressed the “if” segmentation and then “how” segmentation questions in the Danish labour market by including three in depth case studies of some of the most flexible workers on the Danish labour market, the next step is to discuss why segmentation occurs even within a strong flexicurity model as the Danish. Hence, they – although their numbers continue to rise – amount to a relatively small fraction of the Danish workforce compared to other European countries. To address such questions we turn to segmentation literature, which offers various explanations including the role of employers and unions in the day to day treatment of atypical workers.

### *The Role of Employers*

Literature on flexicurity and segmentation stress that employers seek a flexible workforce to match budget changes, market or service demands which may vary depending on the industry or sector (Atkinson, 1987: 87; Chung, 2007). They therefore see fixed-term contracts and temporary agencies as a leeway to manage business cycles and remain competitive, since employees on such contracts seem easier to hire and fire (Muffels et al, 2008: 9).

Fixed-term workers as well as agency workers are in Denmark found within a variety of jobs and are represented both in the private and public sector. A clear-cut segment according to job types does not exist for these groups of employees. The case of fixed term workers is particularly interesting as they seem to defy the flexicurity logics across the public sector, as their numbers are comparatively higher in the public than the private sector which may be a result of the more rigid employment protection laws dominating the Danish public sector.

The position of “visiting” foreign workers is, however, highly dependable on their jobs and they tend to concentrate in the lower end of the job hierarchy within the private sector. The only exception is visiting workers within the construction sector - a job type which in Denmark cannot be classified as belonging to the secondary labour market, but which is highly sensitive to economic fluctuations. The positioning of the visiting workers within the construction sector corresponds, however, well with the assumptions outlined in much segmentation theory, where the company size and production of services and goods are crucial for the strategies employed by employers. Indeed, small companies are often particularly prone to economic changes, which also appeared to be the case in our study (Doeringer and Priori, 1971: 170; Peck, 1996: 62-3). Although the Polish men working within Danish construction cannot be said to belong to a clear secondary labour market, many of them are occupying subordinate positions within the primary labour market, where the pay is lower and the chances for further education and professional career development is limited (Reich et al. 1973). This would suggest a possibility of a continual interest in this type of labour in the future as is also confirmed by research as well as the increasing numbers of migrant workers in the Danish labour market (Hansen & Andersen, 2008: 79).

Research also suggests that employers have an incentive to discriminate atypical workers. Due to their relatively short-term employment contracts such workers are considered less of an investment

for employers (Lescke, 2007). Moreover, employers often recruit visiting workers, fixed-term workers and agency workers to cut costs and avoid red tape, since they are regarded as cheap labour, easier to dismiss and in some instances enjoy less legal rights than permanent staff (Polavieja, 2006: 68; Rosenberg, 1989: 384; Mcinnity et al, 2005: 362). This tendency can be confirmed when looking at the case of fixed-term workers and visiting migrant workers in Denmark. However, if we turn to the case of agency workers, we no longer deal with a uniquely cheap group of labour. Thus, within certain job types it has – as demonstrated - become increasingly beneficial to opt for a position as a temp as opposed to fixed employment as wages are higher and working time flexibility greater. This might account for the limited extension of this sort of employment in the Danish labour market.

### *The Role of Trade Unions*

Trade unions play a significant role in terms of ensuring the coverage rate of Danish flexicurity at company level, even for those working on the outskirts of the labour market in both the public and private sector. The presence of trade unions at the workplace may prevent or reduce discrimination of peripheral workers and ensure they are treated as comparable permanent staff due to union pressures (Rubery, 1978: X; 2006: X; Doirin, 1995: 282). However, other segmentation theory and studies have also argued that trade unions to varying degrees accept or even promote that some workers' have wages lower than union standards, are prevented from accessing permanent positions and further training courses (Doeringer and Piore, 1917: 174; Atkinson 1987: p.101). Their incentive in doing so is arguably to control the competition of labour and thereby ensure that core workers stay in paid work and receive relatively high wages and reasonable working conditions (Peck 1996). Trade unions strategies often vary and can include various restrictions, where only permanent staff or skilled workers have access to wage supplements, permanent positions and further training (Atkinson 1987: p.101). Within the literature, trade unions' various demands are perceived as a contributing factor to fixed-term workers, migrants and agency workers' experiences of discrimination on a daily basis and thereby implicitly the coverage rate of the Danish flexicurity model (Rueda, 2005: 4; Atkinson, 1987). As the case of fixed-termed workers illustrated the exclusion from security measures seems to be quietly accepted by trade unions. The same can be said for some agency workers though skilled agency workers in certain jobs maintain high levels of wage and working conditions. However, the case of the visiting workers does seem to cause trade unions quite a bit of concern especially within the construction sector where wage dumping is an ongoing issue (Hansen and Andersen, 2008).

### *Some can be too flexible!*

Although the role of employers and trade unions differ between job sectors and employee groups, the findings reveal that high levels external numerical flexibility foster to some degree exclusion from social security benefits. In fact, the shorter the duration of an employment contract and thereby implicitly high levels of external numerical flexibility, the worse the working conditions. Likewise, the temporariness – or rather the perceived temporariness – of the Polish visiting workers matches them perfectly with the secondary job market, where the incentive for trade unions to be rigid on protecting working conditions is low. Thus, the Poles must be said to be one of the most disadvantaged groups of Danish flexicurity in practically all aspects, regardless of whether the regulation is a collective agreement or legislation. Indeed, a wide range of flexicurity studies suggest a close link between the flexibility in national rules and procedures for recruitment and dismissals and employers' recruitment practices of non-standard employment contracts (Gash, 2008: 654; Bredgaard et al, 2005; 2007: 16).

## **Conclusion**

The classic dual labour market thesis is about how certain processes - driven by market forces and further strengthened by the strategic action of trade unions - creates segmentation, whereby some groups are allocated into certain segments of the labour market and are more or less restricted

from entering others. In this paper, we have modified the segmentation theory according to the claims of the flexicurity thesis by distinguishing core and peripheral workers according to their wage level & working time, job quality, access to further training and social security. Using the three cases of fixed-term workers, agency workers and visiting migrant workers – the most flexible groups in the Danish labour market – we have argued that segmentation is not only about restricted mobility across job types or differences in wage determination. Rather, one must include a security perspective across employment types in order to understand the full extent of the segmentation mechanisms and be able to explain why some groups fall short of the flexicurity model and others not. In stating this, we moved beyond classic segmentation theory in terms of an internal/external labour market and point to the importance of the institutional setups in the labour markets of modern welfare states that structures the limits to the rewards of flexibility.

The analysis has shown that even within a strong flexicurity model as the Danish, where flexibility is encouraged through various security mechanisms, the hyper flexible groups, such as fixed term workers, agency workers and visiting workers, do loose out on the security. The more numerical flexible the less security is provided among these groups the greater the risk of loosing out in terms of low levels of social security. Indeed, such findings question the attractiveness of the Danish flexicurity model, particularly as it is based on the assumption that high levels of external numerical flexibility is compensated through high levels of social security in terms of further training and social benefits.

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