



Does Temporary Employment Increase Length of Commuting?

Longitudinal Evidence from Australia and Germany

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Inga Laß¹, Thomas Skora¹, Heiko Rüger¹, Mark Wooden², Martin Bujard¹

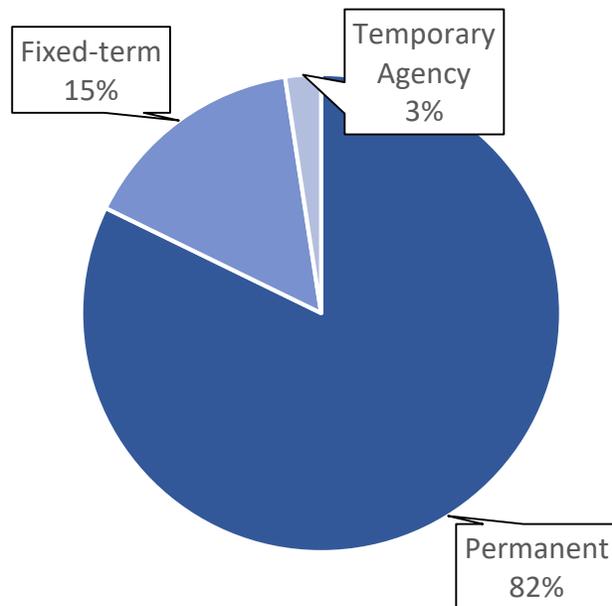
¹ Federal Institute for Population Research (BiB), Germany

² Melbourne Institute of Applied Economic and Social Research, University of Melbourne

Motivation

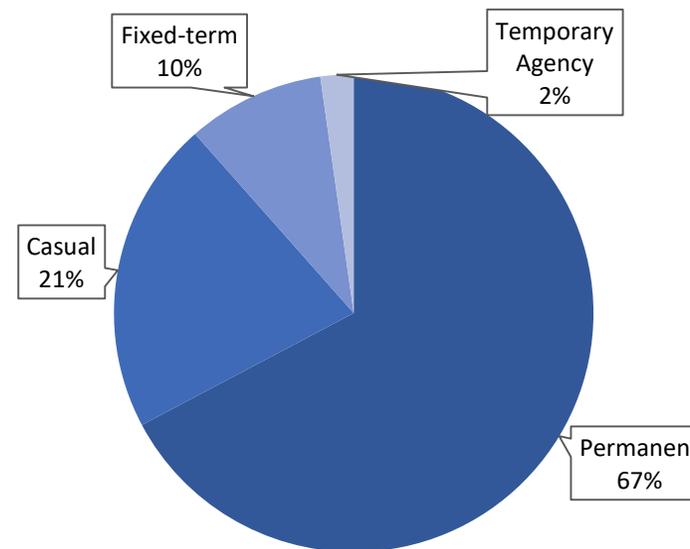
- Temporary forms of employment are an entrenched feature of many Western labour markets

Germany (2018)



Source: SOEP v.35

Australia (2018)



Source: HILDA Survey Release 18

Fixed-term contracts

- End at specific date or with completion of specific tasks

Temporary agency work

- Tripartite relationship between agency, employee and host company

Casual work

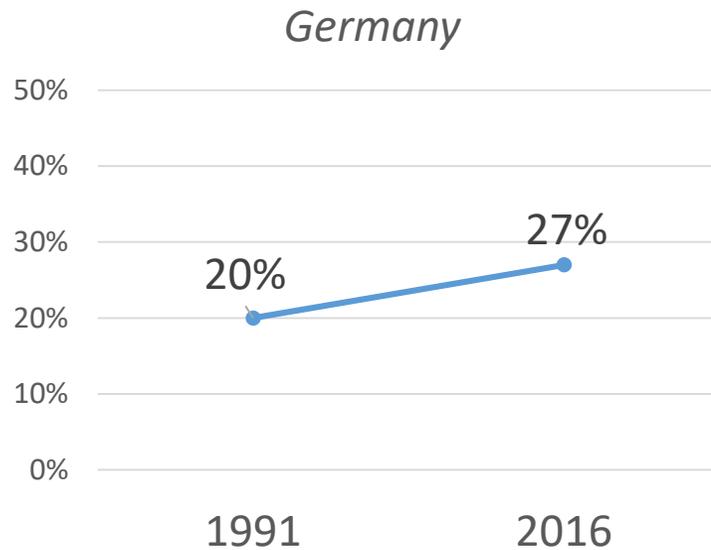
- No employer commitment to ongoing employment or specific days/hours
- No entitlements to paid leave (e.g. annual leave, sick leave)

Motivation

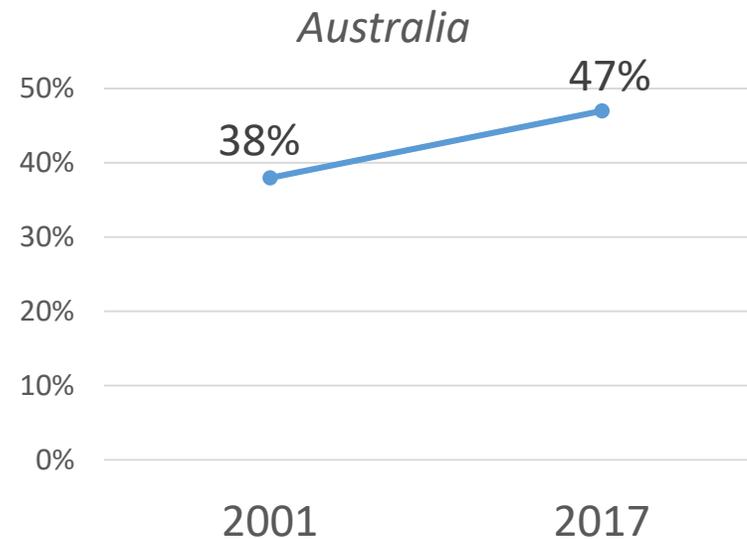


- Work commutes (distance & times) have increased in many industrialised countries over recent decades

Proportion of workers commuting 60 minutes or longer (round trip)



Source: Federal Institute for Population Research
2018



Source: Wilkins et al. 2019

Motivation



- Research has paid little attention to the relationship between temporary employment and long commutes
- Main hypothesis: job insecurity is positively associated with commuting length
 - Workers with temporary contracts may not only suffer from the direct adverse effects of occupational insecurity (e.g. lower job satisfaction), but also from adverse effects of lengthy commutes on health and subjective well-being

Aim of the study:

- Investigating the link between temporary employment and length of commuting in Australia and Germany
- Country comparison allows assessing whether results depend on the macro-structural context

Theory and hypotheses



Theoretical framework: rational choice approach

- Rational actors accept a job if the benefits (e.g. wage) outweigh the costs (e.g. mobility costs)
- They opt for the mobility alternative (commuting vs. moving) that entails the lowest costs

Basic Hypothesis

- Commuting length will be reduced by moving closer to work if costs of moving $<$ costs of commuting
- Job instability increases the risk of having to search for a new job after the move \rightarrow reduces the benefits of the move

H1: Temporary employment will be associated with longer commutes than permanent employment.

Theory and hypotheses



Contract type hypothesis

- Agency work: very frequent changes of workplaces
 - Relocating closer to work often not an option
- Fixed-term contracts: same workplace at least for duration of contract; option of conversion to permanent
 - May consider relocation if expected tenure is long enough
- Casual work: often short-term, relatively unattractive, widely available
 - Neither relocating nor lengthy commutes considered

H2: Among the group of temporary workers, agency workers will have the longest commute, followed by fixed-term contract workers and then casual workers.

Theory and hypotheses



Country-context hypothesis

- Gap in employment protection between temporary and permanent workers larger in Germany

Average OECD EPL Index over the period 2001-2018

	1) Regular contracts	2) Temporary employment	Gap 1) – 2)
Germany	2.6	1.2	1.4
Australia	1.5	0.9	0.6

Source: OECD (2020): Strictness of employment protection – individual and collective dismissals (regular contracts);
OECD (2020): Strictness of employment protection legislation: temporary employment

- Fixed-term contracts on average longer in Australia than in Germany because demand for short-term labour is primarily met by casual work in Australia

H3: The relationship between fixed-term contracts and agency work on the one hand, and commuting length on the other, will be stronger in Germany than in Australia.

Data and methods



- Data:
 - German Socio-Economic Panel (SOEP) (2001-2017)
 - Household, Income and Labour Dynamics in Australia (HILDA) Survey (2002-2018)
- Sample:
 - workers aged 18-64
 - SOEP: Men: 79,100 obs. (13,934 individuals); women: 78,694 obs. (14,140 individuals)
 - HILDA: Men: 56,086 obs. (7,522 individuals); women: 50,205 obs. (7,263 Individuals)
- Method: fixed effects regression
- Separate models by gender
- Outcome: log of commuting distance (DE) or time (AU)
(Correlation between distance and time: 0.68)

Data and methods



Independent variables

- Employment type:
 - Permanent (reference category)
 - Fixed-term
 - Temporary Agency (regardless of type of contract)
 - Casual (AU)
 - No contract (DE)
 - Self-employment
- Controls:
 - Sociodemographics: age², educational level, full-time student, relationship status, age youngest child, severe health condition, rural area, state/territory, year
 - Work-related: working hours + working hours² tenure less than four months, industry, multiple job holder (AU)

Main Results



Association between employment type and commuting length – results from linear FE Regression

Variable	Germany		Australia	
	Men	Women	Men	Women
<i>Employment type</i> (ref. = permanent contract)				
Fixed-term contract	0.062**	0.036*	0.010	0.006
Casual contract	--	--	-0.025	-0.020
No contract	-0.073*	-0.101**	--	--
Temporary agency work	0.155**	0.060*	0.080*	0.126**
Self-employed	-0.792**	-0.726**	-0.291**	-0.843**
N(observations)	79100	78694	56086	50205

Notes: Models include controls (coefficients omitted); * $p < 0.05$, ** $p < 0.01$

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Additional analyses (robustness checks)



- Several additional analyses to test the robustness of our results
 - e.g.
 - alternative sample restrictions (e.g. inclusion of people who are in training)
 - more parsimonious modelling (checking for overcontrol bias)
 - adding further controls (checking for confounding bias)
 - Mostly no substantial difference to our main findings
- However: exclusion of workers who reported having no commute at all (SOEP: 0 km; Hilda: 0 minutes) reduced the coefficients for fixed-term contracts, especially for the women in the German sample
(main specification: 0.036*; only commutes > 0 km/minutes: 0.015)
 - Permanent jobs are more often being pursued from home than temporary jobs
(complimentary explanation for the association)

Summary and conclusion



- For Germany:
 - Fixed-term contracts and temporary agency work are associated with longer commutes
 - Temporary agency work shows the stronger association
 - For Australia:
 - Only temporary agency work can be confirmed to involve longer commutes
- There is no general effect of temporary employment on length of commute.
Rather, the association varies significantly with the employment type and the country context

Theoretical implications

- Workplace stability seems to matter: high(er) instability involves long(er) commutes
- But also complementary mechanism: higher propensity of permanent employees to work from home



Thank you!

Dr. Thomas Skora

Federal Institute for Population Research
Friedrich-Ebert-Allee 4
65185 Wiesbaden
Germany

thomas.skora@bib.bund.de