

Vast increase in “zero-hours” labor contracts in the UK

Edwin Wills
28 April 2016

A new report from the Office for National Statistics (ONS) reveals that the official number of workers on “zero-hours” contracts in Britain has soared to 801,000, amounting to 2.5 percent of the workforce.

Workers on zero-hours contracts have to be ready to work any time they are required. The majority are on minimum wage with no guaranteed hours or income and suffer irregular pay. They are forced to work intensively, often with unpaid meal breaks or none at all. As a result, the majority struggle to pay bills, to save money and to get access to loans, rent or mortgages. Many do not get enough income (£5,772 a year) to qualify for the state pension.

According to the ONS, the number of workers on zero-hours contracts in 2005 stood at 100,000, but by December 2015 it had increased to its now-record levels. It also revealed that zero-hours contracts have risen by 15 percent in the last three months.

The ONS figures may substantially undercount the real levels. In 2013, the ONS said the use of such contracts had risen from 189,000 to 250,000. However, in an extensive survey at the time, the Chartered Institute of Personnel and Development (CIPD) said there were approximately 1 million (four times the ONS’s calculation) workers on these types of contracts.

The ONS reports that those on zero-hours contracts work an average of 25 hours per week. More than a third of these would like to work more hours, compared to 10 percent of workers on normal contracts. The CIPD warned that businesses are giving fewer hours, none at all or firing those who object to their treatment.

The Trades Union Congress (TUC) reported that, on average, zero-hours workers earn £188 per week, in contrast to £479 for those workers with fixed contracts. However, 39 percent of zero-hours contract workers earn below £111 a week.

The TUC report is an indictment of the disastrous impact on workers of the TUC’s own pro-capitalist policies. The growth of zero-hours contracts is a direct outcome of the collaboration of the trade unions with the Conservative government’s austerity measures and the destruction of well-paid, previously secure jobs.

As a result, zero-hours contracts have spread throughout the public and private sector, from agriculture, hotels, catering, education and health, social care, the National Health Service, and advertising, to high street food chains and major retailers, supermarkets and manufacturing. Thirty-eight percent of those on zero-hours contracts are 16 to 24 years old, and 23 percent are in full-time education.

Jon Ingham of Glassdoor recruitment explained, “There is now a significant proportion of the young workforce without guaranteed incomes.”

Zero-hours and similar contracts are having a severe impact on workers and their families. A number of organisations describe what they have defined as “income shock” when reduced hours or none at all result in desperate moments of poverty and hunger.

StepChange, a debt charity, issued a report showing 14 million people suffered “income shock” in the last year. It said the growth in zero-hours contracts, self-employment and similar contracts created conditions for “sudden” income falls. StepChange reported that up to two thirds of people on zero-hours contracts suffered income shocks in 2015. It added that those without permanent jobs were twice as likely to suffer, resulting in higher debt through high-interest loans, credit cards and overdrafts, creating further dependence on the use of food banks.

An added problem for those on zero-hours and similar contracts was highlighted in March by the charity Citizens Advice. In 2015, around 380,000

workers contacted them concerning workplace situations. Of these, 67,000 were related to abuses of pay and work-related benefits. At the same time, they recorded a near doubling of demands for redress of unauthorised deductions from wages, from 4,900 in 2014 to 9,000 in 2015. This is only the tip of the iceberg.

Gillian Guy, the chief executive of Citizens Advice, said for workers in such “casual and insecure work, it’s particularly concerning that there’s an emerging trend of pay errors and wage theft that can further undermine people’s financial security.”

Tania Weber, an employment caseworker with Citizens Advice in Kent, explained, “Many of the clients we see don’t work set hours and their employer doesn’t record their hours or work out their entitlements properly. ... People don’t get paid for all the hours they’ve worked, don’t get holiday pay, or don’t get paid at all. We’ve seen cases where employees who’ve asked for their wages get sacked, or where people have tried to pursue their employer and the business has simply gone insolvent without paying up.”

A report by Alex Wood and Brendan Burchell at the Cambridge University Department of Sociology into work practices at a large supermarket drew attention to the impact on the well-being of workers on such contracts. The report has been sent to the Conservative government’s review of zero-hours contracts being conducted by the Department for Business, Innovation and Skills. The department is dedicated to smashing up workers’ employment rights and working conditions. It is headed by Business Secretary Sajid Javid, a former senior banker, who is the author of the Trade Union Bill criminalising strikes and protests that is currently being legislated.

Wood noted, “People and their families are suffering enormous levels of anxiety, and even mental illness, because of what is fast becoming common practice. ... High unemployment and tough economic times, combined with ever-increasing flexible working practices that favour big business, is creating a culture of servitude, trapping people in vicious cycles of instability, stress and a struggle to make ends meet. It’s affecting psychological well-being to an extent that no one is grasping.”

Such contracts are the British manifestation of an

international phenomenon. In 2015, the Organisation for Economic Cooperation and Development (OECD) explained that a factor in the growth of poverty is what they call “non-standard” work. The OECD added that since 1995-1996 more than half of all jobs created amongst its member states are in the category of “non-standard” work. The report adds that families living on such contracts suffer significantly higher poverty.

In March, Seamus Nevin, the Institute of Directors’ head of employment and skills summed up how these intolerable conditions have been deliberately cultivated by business, successive Labour and Conservative governments and the trade unions. He said, “One of the reasons that UK employment figures remained so impressive despite the financial crisis is because employers have been able to adopt zero-hours contracts instead of having to make redundancies.”



To contact the WSWs and the
Socialist Equality Party visit:

wsws.org/contact