

Zero hours and the spread of precarious employment

Europe is experiencing a concerning increase of precarious work arrangements that already began in the 1990s and early 2000s with demands for more flexibility, the promise of job growth, and the reduction of unemployment.

One particularly disturbing development is taking place in the UK where the number of so called zero-hour contracts has increased in recent years. Under these contracts workers are not guaranteed a minimum number of working hours making their income uncertain and subject to fluctuations or failure to receive pay at all.

Spread of zero-hours contracts

However, despite these unfavourable conditions it was not widely perceived as a concern, until [research](#) published by the Work Foundation in August 2013 revealed that an estimated 1 million workers in the UK are employed on zero-hour contracts. The number stood in sharp contrast to the 250.000 estimated by the UK's Office for National Statistics (ONS), provoking a public debate on the topic.

The reason for the ONS's low estimate may be the notoriously vague concept of zero-hour contracts, indeed many workers are actually unaware of their situation as they work the same amount of hours as if they were on regular contracts. Further confusion stems from the fact that these contracts are not limited to the low wage sector as is commonly perceived. Nonetheless, they provide employers with the leverage to reduce hours arbitrarily or effectively terminate employment by reducing hours to zero.

Precarious working conditions

Although, atypical work arrangements can accommodate the requirements of some employees, more often than not zero-hour contracts put workers in a continuous state of on call alert, without the guarantee of regular hours or a steady income. Not seldom the practice entails workers waking up in the morning, getting ready for work, and waiting for a call to go to work for an undefined number of hours at the

discretion of the employer. Often enough that call never comes.

Further, they foreclose the option of taking on alternative employment to bolster the number of working hours to a desirable level when those offered on zero-hour contracts are insufficient. In addition workers on zero-hour contracts are not paid for downtime between jobs, and are not entitled to claim any type of benefits such as redundancy pay or pensions. Last but not least they are exposed to the constant fear of being zeroed down when this suits the need of the employer effectively terminating the employment by reducing working hours to zero without formal notice or legal termination of the contract.

An International Labour Organisation (ILO) [fact sheet about on-call work and zero hour contracts](#) published in 2004 found that approximately 7% of workers in four EU countries (UK, Spain, Finland, Netherlands) and Switzerland were affected.

Recently, public attention was drawn to some high profile cases in large companies such as the Sports Direct retail chain in the UK, which used zero-hour contracts on a massive scale to cut labour costs. This practice, however, is not limited to private enterprise.

Zero hours in public services

An estimated 200000 to 300000 public sector workers in the UK are currently on zero-hour contracts. They are predominately concentrated in health, education, and community services with some also in public administration. A large number are actually highly trained employees, often in union work places.

The trade union-backed Labour Research Department published an article, ["Zero-hours contracts on the increase across all sectors"](#) in its February 2013 edition of *Workplace Report* magazine scrutinizing the latest developments in the UK, and the summary of developments in the public sector below largely draws on their findings.

Part of the debate about zero-hour contracts has also become the suspicion that the numbers have increased due to the climate of economic uncertainty in Europe. Employers appear to be using this pretext to hire employees on cost-cutting and less-binding temporary, or zero-hour contracts even when regular employment would be better suited. This is particularly the case in care services, where the UK's largest public service union UNISON estimates that 60% of care workers are

employed under zero-hour contracts.

The number of National Health Service staff on zero-hour contracts rose from 57000 to 67000 between 2009-10 and 2012-13, and a majority of hospital trusts in England were using such contracts, even in clinical areas such as cardiology and psychiatry. Precarious employment and the lack of guaranteed minimum hours lead to low motivation and high staff turnover. Unions already responded to the high turnover rate due to zero-hour contracts in health care workplaces, warning that it undermines the quality of services provided.

Likewise, schools and universities increasingly rely on zero-hour contracts among others for their support staff, teaching assistants, cleaners, school dinner ladies, and even teaching staff. In the instance of Hackney Community College one third of teaching staff are employed on zero-hour contracts. Calling them “hourly paid lecturers” (HPLs), in contrast to the regular “main grade lecturers” (MGLs), a representative of the University and College Union UCU said: “Most of the HPLs carry out exactly the same duties as the MGLs, but are paid much less and have worse conditions, less job security,” this is particularly true when it comes to working time. Accordingly, minimum guaranteed hours have been at the heart of union action in the field of education.

The FBU firefighters' union highlighted the controversy over zero-hour contracts in community services, by which fire and rescue services were affected. Devon and Somerset attempted to hire firefighters to provide water rescue services to harbour construction workers on a zero-hour basis, without them being covered by the negotiated national conditions and agreements of the “grey book.”

Meanwhile, Norfolk Fire and Rescue Services hired firefighters in “training positions” subject to zero-hour terms and Essex County and Surrey the services are relying on zero-hour contracts to reduce the overtime of their understaffed fire fighters.

Union responses

The implementation of precarious work including zero-hour contracts tends to be more difficult for employers in union workplaces. In some instances unions have been successful in preventing, reversing or limiting the impact of the advances by management. For example, on the Global Labour University website, Steven Davies writes of [strikes at the defence contractor Serco](#) against the introduction of zero-hour contracts by management.

The University and College Union (UCU) has been particularly active in a number of institutions often elevating the status and increasing the protection of staff previously on zero hour contracts, leading to a guaranteed minimum number of hours. Other examples in the UK stem from community and health care services, where zero-hour contracts were often reduced to a minimum thanks to union intervention.

Zero-hours contracts in the Netherlands

Zero-hour contracts are most commonly used in the UK, but they have also become part of a public debate in the [Netherlands](#). Here two types of on-call contracts are used, on the one hand zero-hour contracts similar to the ones in the UK and secondly so called min/max contracts that set minimum and maximum working hours albeit under highly flexible terms.

Data from the Dutch Office of Statistics (CBS) shows that, in 2012, there were 346000 workers on on-call contracts, while up to 860000 were working under contracts covering less than 12 hours of work per week. Similar to the UK many of these workers are concentrated in care services, where there are instances of workers coming in twice a day to work only a few hours during the meal breaks.

The FNV (Federation of Dutch Trade Unions) published a [report](#) (Dutch) that assessed the individual impact of zero-hour contracts, stating that many people in this kind of employment don't know how many hours they will be working in the week ahead, they often feel desperate and exploited. The situation appears to be particularly hard for families with small children due to the unpredictability of working hours and pay.

Other forms of precarious employment

In other European countries zero-hour contracts don't seem to be a concern in the

public services. However, other atypical contractual relations that vary from zero-hour contracts more in degree than in nature raise similar concerns.

In **Sweden** for example on-call contracts have been promoted as a springboard for young workers to help them enter the job market. However, the Kommunal municipal workers' union [reports](#) (Swedish) that the average age of municipal workers employed on on-call contracts and similar precarious work arrangements is 35. The union also found that women are disproportionately affected while many Kommunal members in health care and education take longer than three years to enter full-time employment. Likewise, they earn on average 12% less for the same amount of work and, taking the fewer working hours into account, about 56% less than their full-time counterparts. In many instances workers are looking for full-time employment and remain in their current positions due to lack of alternatives.

The European Working Conditions Observatory reports that the [Greek education system](#) features a large share of part-time contracts of typically less than 10 hours a week for its teaching staff. One type of part-time contract is on an hourly basis for teachers in public schools that are hired through a competition process with a maximum weekly working time of 12 hours. Of course this is only one aspect in the [rising rate of underemployment](#) in Greece that rose from 80.000 in 2009 to 170.000 in 2012 for those aged 25 and over.

Working time is also an issue for other atypical work arrangements. One example is **Germany's** mini-job scheme that the [IG Metall engineering union](#) (German) has denounced as a tool to reduce labour costs and side-line collective wage agreements. Mini-jobs are currently limited to a wage cap of €450 a month and employers are exempt from paying social security contributions. Usually the low pay cap corresponds with a low level of working hours but which rarely correlate with workers' actual preferences, as they are often forced to take on mini-jobs in the absence of full-time employment. A total of 7.4 million work in mini-jobs either as an additional source of income or main employment.

Such mini-jobs are rarely taken as a preferred choice and effectively constitute underemployment on a large scale. However, this has not deterred the [Spanish government](#) (Spanish) from introducing similar arrangements following a European Central Bank recommendation, and [current employment data](#) (Spanish) suggests that up to four in 10 contracts in Spain are part-time.

Spain was not alone as the [UK Treasury](#) also floated the idea of introducing a copy cat version of the German mini-job in 2012.

Work Contracts that do not provide workers with an adequate amount of working hours, are increasingly affecting European workers in the private and public sector. The kind of contractual relationship facilitated by these arrangements shifts the balance of power in favour of employers.

Zero-hour contracts in particular demand the highest degree of flexibility without offering any sort of security for employees. The constant state of on call alert makes a proper work-life balance impossible, even when no hours are worked at all by making it impossible to make plans in advance.

Underemployment is also a constant danger for workers under zero-hour contracts and recognized by the [American Psychological Association](#) as a cause for psychological problems such as depression, anxiety, psychosomatic symptoms, low subjective well-being and poor self-esteem.

Zero-hour contracts have brought back some of the grievances collective agreements were thought to have alleviated in the past. This is especially true with regard to working time, provoking images of labourers waiting day in day out to pick up a few hours of work, and as recent examples in the UK suggest, union action is the best hope to challenge these working conditions.

See also:

[Flexibility or insecurity? Exploring the rise in zero hours contracts](#) by Ian Brinkley, Work Foundation

["Zero-hours contracts on the increase across all sectors,"](#) *Workplace Report*, published by the Labour Research Department

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