Reducing Precarious Work

Protective gaps and the role of social dialogue in Europe

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OUTLINE

• UK coordinating team, but collaborative effort across six country teams
• Background/aims of research
• Analytical approach to precarious work
• Social dialogue and public procurement
• French and UK case studies of home care sector
  • UK case of UNISON’s ethical care charter
  • French case of regional training initiative in south of France (PACA region)
    • French team led by Philippe Méhaut at Aix-Marseille University
RESEARCH AIMS

• Mapping precarious work across Europe
  • Standard employment, part-time/variable hours, temporary, sub-contracted
• Comparing standards and ‘protective gaps’
  • Employment rights, social protection, representation, enforcement
• Understanding what contributes to reducing precarious work in six countries:
  • Alternative policy frameworks
  • Industrial relations activities/innovations
• Evidence of dualism, inclusion and exclusion
• Scale and sustainability of positive examples of social dialogue
RESEARCH DESIGN: MULTI-LEVEL, MIXED METHODS

<table>
<thead>
<tr>
<th>Quantitative analysis of EU-level labour market statistics</th>
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<tbody>
<tr>
<td>Institutional regimes/ cluster analysis</td>
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<td>Patterns/trends in standard &amp; non standard employment forms</td>
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<thead>
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<th>Interviews with expert informants (6-12 per country)</th>
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<td>Senior policy-makers</td>
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<td>Employer associations &amp; trade unions</td>
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<td>Civil society organisations</td>
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<thead>
<tr>
<th>Critical analysis of ‘Protective Gaps’ (policy, expert and secondary data)</th>
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<tr>
<td>Employment rights gaps</td>
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<tr>
<td>Social protection gaps</td>
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<td>Representation gaps</td>
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<td>Enforcement gaps</td>
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<th>Original case studies (144 manager &amp; worker interviews)</th>
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<td>Denmark x 3</td>
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<td>France x 4</td>
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<td>Germany x 4</td>
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<td>Slovenia x 3</td>
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<td>Spain x 3</td>
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<td>UK x 4</td>
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Table 3.1. Locating six countries across institutional types – Pre-crisis

<table>
<thead>
<tr>
<th>Country</th>
<th>Variety of capitalism</th>
<th>Industrial relations regime</th>
<th>Welfare state regime</th>
<th>Gender regime and dominant household forms</th>
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</thead>
<tbody>
<tr>
<td>Denmark</td>
<td>CME</td>
<td>Nordic corporatism</td>
<td>Social democratic</td>
<td>Dual-earner model/ Weak MBW</td>
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<tr>
<td>France</td>
<td>CME/state-led</td>
<td>Polarised/state-centred</td>
<td>Conservative</td>
<td>One-and-three-quarters-earner/ Modified MBW</td>
</tr>
<tr>
<td>Germany</td>
<td>CME</td>
<td>Social partnership</td>
<td>Conservative</td>
<td>One-and-a-half earner/ Strong MBW</td>
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<td>Slovenia</td>
<td>Post-transition</td>
<td>Social partnership</td>
<td>Conservative/Social democratic</td>
<td>Dual-earner model/ Weak MBW</td>
</tr>
<tr>
<td>Spain</td>
<td>CME</td>
<td>Polarised/state-centred</td>
<td>Familialist</td>
<td>Dual-earner/ Strong MBW</td>
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<tr>
<td>UK</td>
<td>LME</td>
<td>Liberal pluralism</td>
<td>Residual</td>
<td>One-and-a-half earner/ Modified MBW</td>
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PRECARIOUS WORK

• Common definition of precarious work is problematic
  • Protective gaps – rights, social protection, representation, enforcement
• The standard employment relationship (SER) is still a valuable benchmark for well protected employment
  • Full-time, permanent, reasonably well paid, with social wage
  • Anchor for economic and social systems (Bosch 2004)
  • Not necessarily in ‘terminal decline’ (Stone & Arthurs 2013)
• Precarious work can extend across all employment forms including public sector
REDUCING PRECARITY

• Prevent employers from creating more precarious work (e.g. SER is re-normalised), or impose costs on precarity (e.g. redundancy payments or alternative job offers)

• Offer routes into ‘standard’ open-ended contract – non-standard work operates as a stepping stone

• Improve standards for those in precarious work
  • Higher minimum wages, increase/stabilise working hours
  • Strengthen social protection, increase union representation

• Shine a light on working conditions throughout the supply chain – particularly in public sector contracts (e.g. lobby politicians, organise workers, use media campaigns)

• Important not to separate work and workers – weakening of compensating mechanisms such as welfare and family resources

• Efforts needed to make labour markets inclusive for all rather than levelling down (Rubery 2015)
Social dialogue and policy reforms are needed to reduce precarious work

• Multiple roles of social dialogue in making labour markets more inclusive (e.g. improving rights and enforcement, broadening social protection, increasing representation) (e.g. Ebisui 2012, Keune 2013, Vosko and Thomas 2014)

• Narrow and wide forms of social dialogue (e.g. Heery 2011), importance of the firm
CASE STUDIES: THE POWER OF SOCIAL DIALOGUE

• Social dialogue can be versatile and adaptable

• Limited evidence of vested interests defending fixed positions – e.g. unions do not necessarily perpetuate ‘dualism’

• Effective union strategies involved:
  • Traditional union-employer channels and novel networks of collaboration (informal mobilisation – unions and employers acting ‘outside their standard frames of bargaining’ – Kornig et al 2016)
  • Alternative mechanisms for regulation (join with employers against clients; cross-class coalitions)
  • Targeted strategies (mobilise migrants; work with local politicians; access training grants/funds)
  • Fix new standards in response to experience of workers in precarious work (housing conditions)
CASE STUDIES: SOCIAL DIALOGUE AT MULTIPLE LEVELS

• Not simply a patchwork of local, workplace level gains (contrary to Stone & Arthurs 2013)
  • National, inter-sectoral, sector level and local actions, supported by task forces/joint initiatives
  • Cleaning, catering, construction, retail, care work, food processing, media, higher education
  • Posted workers, migrant workers, seasonal workers, part-time, temporary agency as well as permanent/open ended contracts
PUBLIC PROCUREMENT

- Regulation of ‘value chains’ – increasingly long and complex networks/webs of organisations including posted workers and sub-contractors: wage undercutting; contingent on employer demand

- Labour clauses - the state as a socially responsible customer (Jaehrling 2015) although complicated by Rüffert ECJ
  - Setting specific standards (e.g. wages and working time)
  - Promote worker representation, formalise negotiations contractors – choosing reputable suppliers and ‘flushing out’ rogue firms

- Denmark – Cleaning services in Copenhagen municipality, chain liability for following sector CBA, independent audit

- Germany – hybridised minimum wage setting in Bremen municipality (cleaning and construction) to prevent wage dumping
  - Local politics is important
  - Useful complement to existing mechanisms of social dialogue/collective bargaining
  - Monitoring and enforcement an issue when reliant on external market to provide services
COMPARING CONTEXT
OF FRANCE AND UK

- Different institutional constellations of IR and protective gaps
  - France higher MW bite (for now), stronger employment protections and social protections for (single persons), higher CB coverage
  - State a reasonably good employer in France, UK less so - extensive outsourcing and falling real wages (2010+)
  - But both low union density in private sector
  - Growing problem of involuntary part-time work in France
- Social dialogue in France generally more coordinated than UK, even in home care e.g. sector CBA, local employer and union agreements
- In UK there is sector level CBA for local authority employees but not private sector contractors, limited local union recognition means public procurement is important
  - In France state is a facilitator of social dialogue initiative, in UK state has direct role as employer and ‘buyer’
PRECAIRIOUS WORK IN HOME CARE

• Personal services sector (residential and home care) – provided by or on behalf of the state through fragmented supply chains
  • Large and expanding sectors (ageing population), pressure on hospital budgets
• Job quality
  • Highly personal and demanding work, limited choice/autonomy, turnover and burnout a significant problem
  • Clear and hidden precarity - low wages, insecure contracts, short working hours, limited career prospects
  • Female dominated = undervaluation of ‘women’s work’
• Specific projects/campaigns to raise standards – pragmatic recognition of problems facing the sector, impact of recession/cutbacks alongside issues of ‘social justice’
  • Wide social dialogue (‘tripartism’ or ‘quadripartism’)
  • Regional/local level (rather than national/sectoral)
• Importance of political will
  • Between institutions/organisations working to achieve common goals, but also key actors as ‘champions’
• Business case for employers – manage economic turbulence, develop staff, improve retention
FRENCH CASE STUDY

• IRIS SAP (Intervention régionale pour l’investissement social dans les services à la personne) initiated in 2009
  • Provence-Alpes-Côte-d’Azur region (PACA) region
• Home care mixed market of private, public, associations and individuals (although with significant state funding) – around 32,000 workers in total, almost all women
• Home care workers generally open ended contracts, but part-time with low wages (300-500 euro per month), unpaid travel time means long working day
• Regional social dialogue built around training and workforce development, job quality and work organisation, funded largely by regional council
  • Not for profit sector only, focus on employees most threatened by job loss, particularly the low-skilled; employees on precarious contracts; employees with limited access to training; and the unemployed
• Relatively high ambitions to:
  • Professionalise the workforce
  • Upskill and build career paths (in home care and medical sectors through ‘bridging’)
  • Support businesses struggling as a result of the recession
  • Create quality job opportunities and support vulnerable groups
SOCIAL DIALOGUE

• Complex web of organisations and institutions
  • PACA regional council, Commission Régionale Paritaire Emploi Formation Professionnelle (CPREFP de Provence-Alpes-Côte-d’Azur Corse), Pôle régional d’innovation et de développement économique solidaire (PRIDES), Joint collecting agencies….
  • Unions (CFDT, CFTC, UNSA-SNAPAD, CGT-FO, CGT)
  • Employer’s associations (UNA, ADESSA, ADMR, A DOMICILE, FNAAFP-CSF)
  • Regional cooperation agreement signed in 2011, building on existing work around training and workforce development (training levy for employers)
    1. Reducing forced part-time work (e.g. FT work where possible)
    2. Training rather than unemployment (e.g. support for those made redundant)
    3. Professionalisation and qualification of job-seekers (e.g. support local labour market)
    4. Securing career paths by building bridges to related sectors (e.g. move into health care, residential care)
  • Firms must also abide by CBA and work with regional economic development organisation (PRIDES PSP PACA)
  • Regional union collaboration important to avoid national ‘posturing’; might have struggled to get agreement across multiple unions at national level
SUCCESS AND LIMITATIONS

- 70 firms, 3,000 workers, increase in qualifications
  - Process of job redesign less clear
- Pressure on employers to convert part time work led to increase in hours
  - But around 20% of workers reverted back to part time (much to frustration of training providers)
- Depended on ‘business support’ angle, explicitly linked to recession
  - Not for profit only, smaller firms excluded need to extend more broadly across private sector
- Political vulnerability - key regional councillor who was ‘champion’ is no longer involved
- Balance between collaboration and ownership – wide range of parties gave the initiative dynamism and legitimacy but perhaps not enough clear leadership
- Regional union collaboration was a pragmatic step, but highlights problem of low wages set through CBA
UK CASE STUDY

• Domiciliary care in the client’s own home
  • Washing/dressing, making meals, help with medicines, general wellbeing, from 30-45 minute visits to as little as five

• Generally sub-contracted workforce – market model of public services ‘bought in’ by local/municipal authorities, some not for profit but most private sector (from MNCs to hyper-local)
  • Huge pressure on budgets since 2010, growing demand and declining resources, changing eligibility criteria

• Union membership density around 45% and around 60% of directly employed workforce covered by CBA
  • More fragmented at local level, very low union membership in outsourced services (some firms strongly anti-union)
  • Gaps between public and private sector a source of cost savings
  • Wages close to UK NMW (£7.20 at the time), extensive use of ZHC, non-payment for travel time, limited training opportunities
SOCIAL DIALOGUE

• **UNISON (public sector union) ethical care charter launched in 2012**
  • Explicit link between procurement strategies of local authorities and low standards of care and employment
  • Concerns about workforce development
  • Achievable aims:
    • Living wage, no zero hours contracts, payment for travel time

• **National campaign, local implementation**
  • Approaching sympathetic councils/councillors
  • Building relations with commissioners
  • A ‘foot in the door’ among private sector contractors

• **Business case approach for providers – increase resources, reduce turnover, improve quality**
SOCIAL DIALOGUE

• Local authority introduced UNISON charter in 2015 (although a two year consultation exercise)
• Important role of Labour politicians to secure extra funding, persistence of UNISON representatives
• £2.5m additional annual cost (on contracts of £27m)
• Work with commissioners to design contracts with higher fees, guaranteed volumes of work
  • Previous model was spot contract for as little as 10 or 20 hours care for a single client, ‘give us your best price’
• Funded by local taxation and reduced management overheads (fewer larger providers, more efficient)
SUCCESSES AND LIMITATIONS

• **Concrete gains**
  - Local living wage of £8.01 per hour (short of full living wage £8.25)
  - Payment for travel time and costs
  - No ZHC unless ‘worker chooses’
  - 30 minute visits is default
  - Support for training and staff development

• **Monitoring and enforcement an issue (‘have to trust’ providers)**
  - ZHC (personal choice), 30 minute visits, work schedules

• **No formal links with providers yet or clear recruitment gains**
  - Hard to organise when no fixed work base, training offer is weak

• **Difficult to replicate across councils**
  - 13 local authorities signed up (out of 370), no data on providers/workers covered
  - Also not seen as a model for other local contracts (e.g. cleaning)

• **Underlines weakness of CBA**
CONCLUDING THOUGHTS

• Despite different IR context in France and UK there are similar problems of precarity in homecare – issues of productivity or social bias?
• Growing recognition that tight public budgets and competitive pressures facing the sector are eroding standards of care and employment
  • Sector level social dialogue has struggled to contain ‘market forces’
• Local level initiatives have delivered success in terms of working hours, wages, job security, and training
• France
  • Public procurement a complement to existing forms of social dialogue, broader ambitions for IRIS SAP but with mixed outcomes, puts responsibility on workers to upskill and increase hours, regional multi-unionism but questions of sustainability
• UK
  • Public procurement increasingly important for public services and social dialogue, modest ambitions of UNISON’s ethical care charter which delivered concrete gains not directly linked to productivity, questions of scale
• Identifying ‘the employer’, establishing principle of chain liability is difficult
• How to replicate and embed such initiatives? Pressure back on CBA to deliver better wages, slow down outsourcing
• Problem of policy making which pushes services out to private sector
Project team

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Further details

The Comparative Research Report, six National Reports and six National Research Briefings are all available on the EWERC website at:

http://www.research.mbs.ac.uk/ewerc/Our-research/Current-projects/Reducing-Precarious-Work-in-Europe-through-Social