

One million UK workers on zero-hour contracts

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7 August 2013

There are up to one million workers on “zero-hour” contracts in the UK, according to the Chartered Institute of Personnel and Development (CIPD).

In zero-hour contracts a worker can be called in by an employer whenever the latter sees fit, but has no guarantee of work. In addition to leaving workers without any guaranteed pay, these contracts make it difficult to get a tenancy agreement, credit card or loan because it is impossible to prove that one has a regular income.

The CIPD estimates are based on a nationally representative survey of over 1,000 employers. A fifth of them said they employed at least one person on a zero-hour contract. The industries where employers said they were most likely to report they employed at least one person on such contracts were hotels, catering and leisure (48 percent), education (35 percent) and health care (27 percent). In addition, employers in the voluntary sector (34 percent) and the public sector (24 percent) were more likely to use zero-hour contracts than private sector employers (17 percent).

The latest figures are four times those revealed last week by the Office for National Statistics (ONS), which reported that the use of such contracts in the UK has risen by 32 percent in the last year, from 189,000 to 250,000, and 75 percent since 2008.

The CIPD data found that the average hours worked on a zero-hour contract are 19.5. Those primarily employed in this way are twice as likely to come from either younger (18 to 24 years old) or older (55 plus) segments of the working population.

Officially the use of such contracts accounts for 0.84 percent of people employed in 2012, but a better estimate would be closer to 3 percent using the CIPD data.

These contracts first appeared in low-skilled

industries, such as leisure and hospitality, where workforce demand fluctuates. In recent years they have become more prevalent in skilled sectors, such as continuing education.

Figures cited by Ian Brinkley, director of The Work Foundation, a research group affiliated with Lancaster University, indicate that at least 400,000 are employed on zero-hour contracts by the public sector alone.

Over the last week it has emerged that many London councils (13 out of 32 boroughs) are employing workers on zero-hour contracts.

McDonald’s, Britain’s biggest food chain, ties nine out of ten of its staff to zero-hour contracts, or 83,000 workers. Other retailers that do the same include Sports Direct, the UK’s biggest sports retailer, which employs their entire 20,000 part-time workforce on zero-hour contracts.

The UK’s largest pub chain, JD Wetherspoon, employs 24,000 workers (80 percent of its workforce) on the same basis. The Boots chemist chain employs 4,000 workers on zero-hour contracts. All part-time multiplex staff at the Cineworld cinema chain are on the contracts, as are the entire catering staff employed by Tate Galleries.

Subway, the fast-food restaurant, also employs hundreds of staff on zero-hour contracts. The National Trust employs many of its seasonal workers on zero-hour contracts, and Buckingham Palace, the main London residence of the Queen, uses the contracts to employ hundreds of summer staff.

Many of these workers, as in the case of Buckingham Palace, are not allowed to work for anyone else. The *Guardian* quotes a staff contract that states, “You are employed to work exclusively for Royal Collection Enterprises Limited [a Palace subsidiary] and if you wish to seek secondary employment you must first

obtain the written consent of your Head of Department.”

Channel 4 News spoke to former workers at an Amazon warehouse in Rugeley. The giant retailer also employs some people on zero-hour contracts. The interviewed employees stated that their movements were monitored by GPS trackers and that they were only given 30 minutes for lunch in a 10-hour shift—20 minutes of which was spent walking to and from the canteen. When they got there they were subject to searches for stolen goods at airport-style security checkpoints.

Using the “three strikes and you’re out” principle, the employer allegedly issued penalty points to workers for talking to colleagues, taking sick leave, or even spending too long in the bathroom.

An editorial in the *Financial Times* extolled the widespread use of such contracts, stating they “allow employers to pay for work only when they need it.”

Feigning shock, the FT added, “Regrettably, what should have been an avenue for greater flexibility has at times become a dead-end road to exploitation. Under some arrangements, employers may demand that their staffers are permanently on call even though they pay them only for the hours they actually work. Staff may be denied holiday and sick pay even though they work regularly for the same employer.”

It concluded, “The UK should not ban contracts but crack down on abuse.”

In response to the growing list of firms acknowledging use of zero-hour contracts, the Institute of Directors, representing 38,000 directors, defended their use as essential to the competitiveness of the UK economy. According to the *Daily Mirror*, the IoD also employs some staff on this basis.

Alexander Ehmann, the IoD’s head of regulatory policy, said, “Calls to ban zero-hour contracts are deeply misguided and any such action would have extremely damaging results. It would hurt thousands of employees who rely on the flexibility such contracts allow and employers, especially small and medium-sized firms, would struggle to hire the staff they need to meet varying demand.”

The Trades Union Congress (TUC) and Labour Party have feigned outrage over the growing use of zero-hour contracts. Last month the government acknowledged that there were 307,000 workers in the care sector in

England employed on this basis. Frances O’Grady, the TUC general secretary, said, “These updated figures from the ONS still underestimate the true scale of zero-hour working, which has spread like wildfire throughout our economy.”

But O’Grady and the unions are fully aware of the erosion of workers’ rights throughout the public and private sector, which find expression in zero-hour contracts. That such contracts are now endemic is an indictment of the unions, which have not lifted a finger to oppose the massive onslaught against workers’ jobs, pay and working conditions that has been carried out under both Labour and Conservative governments.



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