Huge growth in “precarious employment” in the UK

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28 November 2016

A new study reveals that one in five UK workers—over 7 million people—are in “precarious employment.” This includes self-employment, temporary work and zero-hours contracts.

The total number has increased by nearly 2 million over the past decade, rising from 18.1 percent of the workforce to 22.2 percent.

The figures reveal a vast network of highly exploited workers, occupying positions throughout the British economy and held at the beck and call of multi-million and multi-billion pound corporations.

According to the *Guardian*, the number of self-employed reached 4.7 million this year, with over half on low-pay as compared to 30 percent of employees. Over a quarter of these live in low-income households (compared to 19 percent of employees) and over 60 percent have no pensions, savings or investments. Across the country, 80 percent of self-employed workers live in poverty.

Among the 4.7 million are 460,000 who could be falsely classified as “self-employed”—costing as much as £314 million a year in lost tax and employer National Insurance Contributions, according to the charity Citizens Advice. Businesses classify workers who are, to all intents and purposes, full or part-time employees as self-employed so they can avoid paying sick pay, holiday pay and pensions. Self-employed workers also have far fewer employment rights than employees.

The *World Socialist Web Site* has reported on a number of companies accused of having falsely classified workers in this way, including Sports Direct, Hermes, Uber and Deliveroo. Many workers have engaged in strikes and protests to demand fair wages and recognition as employees, with attendant protections. Those on zero-hours earn 50 percent less per hour than the average worker. The number of workers on zero-hours contracts in their main job rose 20 percent this past year, to 930,000. The number of zero-hours contracts, however, was in the region of 1.7 million last November, suggesting many people hold more than one job on these terms.

Despite this, 30 percent of zero-hours workers are underemployed—that is they would work more hours if they could. This is three times the percentage of those in other forms of employment. Contrary to the claims that such employment is often temporary, the Resolution Foundation reported this September that 70 percent of over-25s on zero-hours contracts had been with their employer for more than a year.

According to the Office for National Statistics, zero-hours workers are more likely to work for large employers and are concentrated in the hotel and leisure industries, followed by the health and education sectors.

In health, the proportion of care workers on zero-hours contracts rose from one-in-ten to one-in-seven this past year. There are currently 130 care firms being investigated for paying workers on these contracts below the minimum wage. Over the last two years, HM Revenue & Customs found almost £1 million worth of unpaid wages in the sector.

In education, precarious employment extends even to the teaching staff, with more than half of university academics at elite Russell Group universities on some form of insecure, non-permanent contract. These include short, generally nine month, contracts and per-hour contracts to teach classes or mark essays and exams.

Fully 1.8 million people nationally are in temporary work—207,000 more than in 2006—in fields as diverse as supermarket warehouses, schools and construction. In

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2012, when the number stood at roughly 1.6 million, well over a third were in temporary jobs because they couldn't find permanent work, according to the Trades Union Congress.

Recently, it was revealed that several agencies have been forcing their workers to sign up with "umbrella companies" before giving them any placements. Under these arrangements, temporary workers are paid marginally higher hourly rates, but are required to pay both employee and employer National Insurance Contributions as if self-employed. The increased wages, moreover, are supposed to cover holiday pay and pensions. To rub salt in the wound, the umbrella company then charges an administrative fee for its services.

Such agencies are engaged in tax dodging and business fraud to the tune of hundreds of millions of pounds. An agency employing 1,000 workers receives a £3,000 employment allowance every year, designed to help small businesses. That agency will then split those 1,000 workers into 500 companies with two employees. Each "company" can then receive £3,000 and is allowed to charge VAT sales tax to customers at 20 percent, while paying it back to the government at 12 percent.

Between them, these business and employment agencies account for nearly one quarter of the UK workforce. The 7.1 million people employed in this way are faced with poverty wages, perpetual financial insecurity and little hope of a pension.

Gillian Guy, chief executive of Citizens Advice, described the day to day difficulties workers face: "Not knowing what hours you're working from one week to the next, or how much money you will lose to travel costs, can make it very difficult to manage household finances. It can also cause problems with other aspects of money management, such as whether you can get a mortgage or even commit to a mobile phone contract."

These are the grim realities of work in the "globally competitive" economy demanded by contemporary capitalist governments. Damian Green, the Conservative Work and Pensions Secretary, recently stated "Just a few years ago the idea of a proper job meant a job that brings in a fixed monthly salary, with fixed hours, paid holidays, sick pay, a pension scheme and other contractual benefits. But the gig economy has changed all that…"

Making a cynical pretense at this being liberating for the worker, he added, "People now own their time and control who receives their services and when. They can pick and mix their employers, their hours, their offices, their holiday patterns... The potential is huge and the change is exciting."

His comments expose the fraudulent nature of the Taylor Review, set up by Prime Minister Theresa May, to investigate working practices. Whatever the results of the investigation, the government will do nothing to infringe on the profits of their paymasters in boardrooms across the country.

The primary responsibility for the appalling situation facing millions of workers and youth lies with the trade unions and Labour Party, whose refusal to defend the working class is the root cause of the catastrophic decline in living standards since the 2008 financial crash, including a 10 percent real wage drop across the board.

So successful has been their sabotage of the resistance of workers to attacks on their living and working conditions that employers have been emboldened to pursue ever more extreme forms of exploitation. Recent promises by the Labour Party and the Trades Union Congress to campaign against zero-hours contracts and umbrella companies, and for the extension of workers' rights to cover the self-employed, should be understood for what they are: a cynical attempt to control rising militancy among this section of the labour force.

Trade unions already have a poor hold on private-sector workers, only 18 percent of whom are unionised. Among young workers, just 4 percent belong to trade unions. The unions are intervening among the self-employed, temporary and zero-hours sectors workers only in order to police them more effectively on behalf of management.

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