Zero-sum game

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Zero hours contracts, where staff must be available for work but employers don't have to provide any, are becoming more common. We should all be worried says BERNARD HARBOR.

BACK IN the 1980s I worked as a 'casual' for the British removals company Pickfords, called in as and when I was needed. But most of the staff were full-time and permanent. And casuals, hired mainly during the busy summer months, had some hope of joining the mainstream workforce in time.

In any case, I got a lot of work and I was just out of college with no dependents or real financial commitments. I wasn't planning on a career in the industry either.

Things are different these days, with workers in entire sectors witnessing the widespread casualisation of working time. Most young journalists and PR staff can only expect to enter a career by working for nothing in exploitative unpaid internships, before enduring years of casual 'freelance' work on route to the holy grail of a permanent post.

Even in the public service, many new teachers and lecturers have to scrape together a portfolio of posts as employers offer a few teaching hours here and there, rather than the full-time jobs of yore.

Now zero hours contracts, where staff have to be available for work but employers don't have to provide any – and only pay for time actually worked – are creeping into a growing number of Irish workplaces.

Serving

It's not easy to find figures on the prevalence of zero hours arrangements in Ireland. But an official survey in Britain recently revealed that 23% of employers with more than 100 staff used at least some zero hour arrangements in 2011 – up from 11% just seven years earlier.

Sectors like fast food, hospitality and retail have tended to dominate the headlines. It was recently revealed that 90% of staff in UK retailer Sports Direct have zero hours arrangements. But the practice is also becoming endemic in universities, pubs, agriculture, cinemas, food processing and a range of other sectors.

The UK-based Rowntree Foundation has reported that large numbers of workers in health and social care now work on a zero hours basis – including eight out of ten employed by private care agencies. The contracts have popped up across a range of privatised public services from domiciliary care to security.

Widespread

There's no reason to assume that they are much less widespread in Ireland. It was recently reported that a majority of staff in Irish outlets of McDonalds and Dominos Pizzas are on zero hours contracts. In the public service, IMPACT and SIPTU recently won a Labour Court case on the issue, which means HSE-employed home helps – formerly on zero hours arrangements – will in future have a guaranteed minimum of hours.

And a membership survey by retail union Mandate recently found that, while 70% had worked in retail for over five years, less than a third had full-time contracts. Half said their hours were changed at least once a month and only a third had stable working time arrangements.

For workers, money is the obvious problem with zero hours contracts. How can you live if you can't get enough work? What chance of planning a family or buying a home when you've no idea what hours you'll be working from week to week? And how can you supplement your income with other jobs when you must be available to your zero hours employer?

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But there are scores of other disadvantages too. No paid holidays or sick leave. The impossibility of arranging childcare or even guaranteeing you can make it to your kid's school play. The near certainty that falling out of favour with your employer will leave you open to losing hours and income. The facility for employers to manipulate hours to avoid or minimise redundancy payments.

It's bad news for the taxpayer too because workers who can't get enough hours to earn a living fall back on welfare benefits to make ends meet. Some 17% of Mandate survey respondents said they claim a social welfare payment. So, in a country characterised by benign business taxes, labour costs are effectively being passed from profitable employers to an empty exchequer and struggling taxpayers.

The protection provided under Irish working time legislation is better than in the UK, but it's still far too limited. The Organisation of Working Time Act says staff must be paid for at least 25% of the time they are required to be available for work, or 15 hours, whichever is less. This means you could be available for 48 hours with only the guarantee of 12 or 15 hours' pay.

Right now, all the advantages lie with the bad employer, particularly as unemployment has left workers – especially the young – desperate for any work they can get. In the absence of more jobs, it seems inevitable that more and more of us will end up in this zero sum game unless there is tighter regulation of what employers can demand