

A SPERI report for GMB

Tackling insecure work: Political actions from around the world.

Tom Hunt and Sean McDaniel



About SPERI

The Sheffield Political Economy Research Institute (SPERI) at the University of Sheffield brings together leading international researchers, policy-makers, journalists and opinion formers to develop new ways of thinking about the economic and political challenges by the current combination of financial crisis, shifting economic power and environmental threat. SPERI's goal is to shape and lead the debate on how to build a sustainable recovery and a sustainable political economy for the long-term.

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Foreword

Insecure work has become a way of life for too many people. Abuse of agency contracts has become a business model that drives shareholders profits, while the gig and platform economy brings new technology to the age old problem of bad employers seeking to avoid their responsibilities to and rights for their workers.

Organising insecure workers is a challenge for the trade union movement because the rights fought for over generations are hard to exercise when your employer can simply choose not to offer you any hours next week. It takes a toll not just on families who cannot plan their lives and futures, but on the economy and society as a whole.

Employers can take action, but have chosen not to. The scale of the problem requires political will and leadership at all levels.

This report, produced by SPERI for GMB shows how politicians around the world have started to tackle insecure work - it comes at a vital time. Whether it's taking a sectoral approach as other countries have in banning temporary contracts in the construction industry, ensuring severance pay for temporary workers or rights from day one for agency workers with access to vocational training too, there are examples which show what is possible.

Everyone in the UK should be entitled to a decent job with a real living wage and security to plan their futures. I encourage politicians at all levels to look at what is possible and to work with the trade union movement to make this a reality.

Tim Roache, General Secretary of GMB



Introduction

Traditionally, much of the debate about employment in the UK focuses on quantity – how many people are in or out of work has been the key question. Yet in recent years considerable attention has been given to the *quality* of contemporary work. In 2017 the employment rate in the UK stands at a record high but there is increasing recognition that for many workers – especially the low-paid - the nature of work has shifted considerably.

Temporary and 'flexible' work has become more prevalent in the decade since the financial crisis, with big increases in the number of UK workers on zero-hours contracts and in agency, part-time, and self-employed workers. Far less workers are now in 'secure' full-time work for one single employer with predictable hours and wages. Citizens Advice estimate that 4.5 million UK workers are now in insecure work (not including the self-employed)¹ whilst research for the GMB suggests this figure is as high as 10 million.² Insecure work impacts on people's health and ability to plan for the future, and is part of the broader long-term decline, over the last 40 years, in the wage share for low and medium-income earners.

Considerable attention in recent years has been given to concerns about new forms of insecure work in the 'gig economy', yet the Chartered Institute of Personnel and Development estimates only 4 per cent of the UK's working-age population work in the gig economy. Whilst this does mean that approximately 1.3 million people are engaged in 'gig work', the vast majority of UK workers in insecure jobs are employed to perform traditional roles. The type of work most people are doing hasn't substantially changed – but it has become more insecure. However, the gig economy is worthy of significant attention because there is an acute risk that the highly-flexible and individualised working practices that it relies upon could be adopted by more traditional occupations and sectors and diffuse throughout the labour market. Taken together these trends highlight how insecure and precarious forms of work are a significant feature of the UK labour market.

Matthew Taylor's review of modern working practices has further given fresh impetus to the debate about what 'good work' is. At the launch of the Review in July 2017 the Prime Minister stated that 'we have to invest in good work' and pledged that the government will 'act to make employment fairer and more secure.' However there are, as yet, no clear details about what this may entail and the Prime Minister has not outlined which areas of the review her government will support. Despite this lack of clarity her supporters and opponents alike will surely recognise that the potential opportunities this provides should not be missed. Brexit provides an additional dimension to the debate and makes the issues all the more pressing. Whilst the government has pledged that all workers' rights provided by our membership of the EU will remain once the UK leaves the EU, there is currently no certainty beyond that point.

This briefing sets out a range of examples of how and where political action is being taken around the world to tackle different forms of insecure work. Some forms of insecure work will be familiar, other less so. It highlights new legislation, campaigns and partnerships that seek to protect and enhance workers' rights and to restrict and challenge insecure forms of work. Some responses are well-established and others are in their infancy. We make no judgement about the current or future success of the responses, or their impact on the wider economy, but have highlighted them to broaden understanding of the range of ways in which efforts are being made in different countries to tackle insecure work and provide greater job security.

The examples highlighted demonstrate that politicians - from across the political spectrum - can, and are, taking action to reduce insecure forms of work. That political action is often in response to campaigning by trade unions and workers. Ultimately the UK will require its own responses but these international examples all point to key questions and lessons that workers, policymakers, trade unions, and other institutions in the UK can draw upon.

- 1 https://www.citizensadvice.org.uk/about-us/how-citizens-advice-works/media/press-releases/45-million-people-in-insecure-work-reveals-citizens-advice/
- 2 http://www.gmb.org.uk/newsroom/millions-insecure-work
- 3 https://www.cipd.co.uk/about/media/press/170317-gig-economy
- 4 https://www.gov.uk/government/speeches/we-have-to-invest-in-good-work-theresa-mays-speech-at-taylor-review-launch



1. Zero and short hours contracts

Zero hours contracts (ZHCs) are arguably the most high-profile aspect of the UK's precarious labour market. Regulation of ZHCs and other short-hours contracts is minimal in the UK, with no specific regulations to limit the maximum duration of ZHCs or guarantee workers a minimum number of working hours. In 2016 the number of people employed on ZHCs in their main job was 905,000 – a dramatic increase from 168,000 in 2010, although the number has fallen in the last year.⁵ Other countries show how it is possible to legislate to end the use of ZHCs and improve conditions for workers on such contracts.

Banning zero hours contracts: the case of New Zealand

In March 2016, the New Zealand banned ZHCs with the passing of the Employment Standards Bill. The legislation which was introduced by the centre-right National Party government, in power since 2008, was unanimously supported by all parties in parliament. The bill also extended paid parental leave, enhanced the country's labour rights enforcement regime and introduced tougher sanctions for employers who breach minimum employment standards.⁶

In New Zealand, like in the UK, ZHCs had been typically used in low-paid sectors such as fast food chains, cinema groups, security firms and cleaning companies. Beginning in 2014, following pressure from the Unite union and with the organised support of workers in fast food restaurants, a movement to ban ZHCs gained support from the government, strong cross-party backing and significant media attention.

From 1 April 2016, it has been illegal for any new worker to be offered a ZHC and employers had one year until 1 April 2017 to offer any worker on a ZHC a new contract. Under the new Act, employers have to guarantee workers a minimum number of hours work each week, and workers are now able to refuse extra hours without repercussions. As the ILO note, 'the employer cannot cancel shifts unless the contract contains a provision specifying a reasonable notice period and reasonable compensation to be paid in the event of cancellation, if notice is not given.'9

Regulating ZHCs and short hours contracts: France and Germany

In France and Germany, ZHCs are effectively non-viable due to labour market regulation brought about through legislation. In France, labour market reforms passed by President Hollande's Socialist Party administration between 2013 and 2015 gave employees a statutory minimum hours threshold of 24 hours per week. Similarly, in Germany 'on-call worker' regulations curb the incidence of ZHC-style arrangements. On-call workers have a guaranteed minimum of at least three hours per day and ten hours per week. In both countries there are, however, a range of exceptions to these rules. In France, the minimum hours threshold does not apply to students under the age of 26, to temporary contracts of less than seven days and state subsidised jobs, whilst in Germany the rules do not apply to many part-time workers in jobs not defined as 'on-call'.

¹⁰ http://www.research.mbs.ac.uk/ewerc/Portals/0/Documents/Comparative-Report-Reducing-Precarious-Work-v2.pdf



⁵ https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/contractsthatdonotguaranteeaminimumnumberofhours/may2017

⁶ https://www.national.org.nz/news/2016-03-10-zero-hour-contracts-gone-ppl-extended

⁷ https://www.theguardian.com/world/2016/mar/11/zero-hour-contracts-banned-in-new-zealand

⁸ https://www.theguardian.com/commentisfree/2016/aug/16/zero-hours-banned-new-zealand-unite-union-mcdonalds-sports-direct-hermens-deliveroo

⁹ http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_534326.pdf

Improving conditions for workers on ZHCs: Italy and the Netherlands

Italy has a number of regulations surrounding atypical short hours contracts. In 2012, amidst broader austerity measures, the technocratic government led by Mario Monti implemented a package of reforms to liberalise the Italian labour market, which did contain within them measures to regulate 'on-call' work. A worker on an 'on-call contract' can only work a maximum of 400 days over a 3-year period. After this, the worker has a legal entitlement to a full-time contract. Employees on ZHCs must also be notified of work at least one working day in advance, and in some instances, there is a minimum number of hours that the worker gets paid for, regardless if they work or not (although the on-call worker is required to accept any work during this period). Such contracts are only available to workers under the age of 25 and over the age of 55, and cannot be used in the public sector. Finally, in order to use a ZHC, employers must notify the Ministry of Labour and justify its use, proving a worker is not being hired for general organisational work or as a substitute for regular workers.

The Netherlands' Flexibility and Security Act, passed in 1999, regulates for three different types of 'on-call contracts'. The Act which was passed by the Labour Party-led coalition government, has been retained by subsequent coalition governments which between 2002-2010 were led by the centrist Christian Democrat party and since 2010 by the centre-right conservative-liberal VVD party. The Act regulates zero-hours type contracts in the following three ways:

- 1) 'On-call contracts by agreement' are fixed-term contracts, paid by the hour. The worker, however, can refuse work. Moreover, if four contracts of this type are offered to the same worker within a three-month period, the fourth contract must be a permanent employment contract.
- 2) 'Zero-hours contracts' can be temporary or permanent, but after 6 months the worker must be paid at least the average number of hours they had worked for the previous 3 months for as long as the contract remains active.
- 3) 'Min-max contracts' stipulate a minimum number of hours which the employer must pay for regardless of time worked, as well as a maximum number of hours the employer can oblige the worker to do/be available for.

For each contract type, the legislation stipulates that employees with less than 15 weekly hours must be given shifts lasting a minimum of three hours. Similarly, in Ireland, although there is no legislation covering minimum guaranteed working hours, 'on call' workers are entitled to be paid for at least 25 per cent of either their contracted hours or 15 hours per week, whichever is less, even if they have not worked.¹³

¹¹ https://www.djei.ie/en/Publications/Publication-files/Study-on-the-Prevalence-of-Zero-Hours-Contracts.pdf

¹² https://www.tuc.org.uk/sites/default/files/InternationalTrendsinInsecureWork_0.pdf

¹³ http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_534326.pdf

2. 'Just-in-time' scheduling

Alongside the issue of ZHCs and short hours contracts, is the related problem of workers being given shifts at short notice – so-called 'just-in-time' scheduling. Highly flexible and unpredictable scheduling passes the risk and cost of slack or fluctuations in business from the employer on to the worker. This has a range of effects including making personal and family budgeting, caring responsibilities and education arrangements extremely difficult. New research estimates that 4.6 million people in the UK regularly experience 'precarious scheduling'. As noted above, some national legislation on 'on-call workers' has sought to tackle this problem, with Italy requiring at least at least one working days' notice to be given to the worker before shifts.

Recently, a number of US states, including the District of Columbia, have introduced 'reporting time pay' laws to tackle just in-time scheduling.¹⁵ Under such laws, employers must pay a minimum number of hours (often 3-4 hours) when workers report to work, even if the shift is cut short or cancelled altogether.¹⁶ This issue is central to the 'Schedules That Work Act', introduced to the Senate in June 2017 by Elizabeth Warren, Democratic Party Senator for Massachusetts. If passed the Act would give employee the right to request that their contract states the hours they are required to work or be on call; the location of work; the amount of notification they receive of schedule assignments; and to minimize fluctuations in the number of hours the employee is scheduled to work on a daily, weekly, or monthly basis.¹⁷

Curbing 'just-in-time' scheduling: New York and Oregon

In May 2017 New York City introduced a ban on 'surprise scheduling' for restaurant workers, with the City now requiring restaurants to schedule shifts at least two weeks in advance, or pay workers extra for last minute changes. The law, which was passed by the City Council and supported by the administration of Mayor Bill de Blasio, also requires employers to pay retail workers for being 'on call'. Similarly, in June 2017, the state of Oregon adopted a law requiring large employers in food service, retail and hospitality to schedule shifts a week in advance. The law also requires workers receive at least 10 hours rest between shifts, otherwise employers must pay an overtime rate. On the law also requires workers receive at least 10 hours rest between shifts, otherwise employers must pay an overtime rate.

²⁰ http://www.huffingtonpost.com/entry/oregon-worker-rights-schedule us 5956b479e4b02734df325c0cPou



¹⁴ http://www.sociology.cam.ac.uk/news/precarious-scheduling-in-the-uk

¹⁵ https://www.nwlc.org/wp-content/uploads/2015/08/reporting_time_pay_fact_sheet.pdf

¹⁶ http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms 534326.pdf

¹⁷ https://www.congress.gov/bill/115th-congress/senate-bill/1386

¹⁸ https://www.reuters.com/article/us-usa-fastfood-schedules-idUSKBN1A20VC

¹⁹ http://www1.nyc.gov/office-of-the-mayor/news/372-17/mayor-de-blasio-speaker-mark-viverito-that-new-york-city-the-largest-city-end#/0

3. Fixed-term temporary contracts

The UK has a light-touch approach to the regulation of fixed-term temporary contracts (FTCs) and agency work. Alongside Ireland, the UK is the only EU country that does not require private employment agencies to employ temporary agency workers. Although the UK has a comparatively low level of traditional fixed-term employment contracts compared with other European countries such as Spain, this is the result of the high incidence of other precarious employment types including temporary agency work and ZHCs.²¹

In many countries, the number of consecutive FTCs employers can use to employ a single worker is restricted. For example, in Bulgaria, employers can only employ workers on a FTC once, whilst Brazil, Spain, Greece, the Netherlands and a number of other countries legislate for a maximum of two or three successive FTCs.²² Alongside restricting the number of times a FTC can be renewed, Norway and Italy limit the percentage of a firm's workforce that can be on non-standard temporary and agency contracts.

15% - In Norway, workers with fixed-term temporary contracts cannot exceed 15 per cent of the workforce.

20% - In Italy, with some exceptions, workers with fixed-term and agency contracts cannot exceed 20 per cent of the number of standard workers employed by a firm.

Restricting the use of FTCs: France

In contrast to the UK, French labour laws require employers to justify the use of FTCs, which cannot be used for 'core business activities'. The main permissible justifications for their use include replacing a temporarily absent employee and a temporary increase in economic activity or seasonal work. Workers can only be hired on a FTC twice – although prior to moves to liberalise the labour market in 2015, France only permitted one renewal of FTC contracts. French labour laws also require employers to compensate employees on fixed-term contracts with a monthly 'precarity bonus' of 10 per cent of their remuneration. This policy has the dual intention of decreasing low pay and precarity for the worker whilst reducing the incidence of FTCs as their use leads to higher costs for the employer. ²⁴

 $^{24 \} https://www.tuc.org.uk/sites/default/files/InternationalTrendsinInsecureWork_0.pdf$



²¹ https://www.tuc.org.uk/sites/default/files/InternationalTrendsinInsecureWork_0.pdf

²² http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_534326.pdf

²³ https://www.tuc.org.uk/sites/default/files/InternationalTrendsinInsecureWork 0.pdf

Temporary workers' rights

In a number of countries, workers on FTCs have similar rights to workers on standard contracts, which can serve to reduce their incidence. 25

- In some European countries, such as France, Slovenia and Spain, fixed-term employees are entitled to severance pay to varying degrees.²⁶
- In Spain, severance pay is attached to FTCs from the very start of employment. In order to tackle heightened unemployment, successive Spanish governments in the early 1980s looked to loosen labour market regulation. In 1984, the government of the Spanish Socialist Workers' Party (PSOE) further amended the 1980 Labour Code, in order to allow without limitations, the use of FTCs 'as long as the present circumstances persist'. By 1995, however, temporary employment as a percentage of employment in Spain shot up to 35 per cent, from 15.6 per cent in 1987. Recognising the problems associated with this increase in temporary employment, successive governments looked to reregulate the labour market, beginning in 1997. A 2001 reform under Prime Minister Aznar of the conservative People's Party introduced compensation of 8 days per year worked at the end of temporary contracts. Following this, a 2010 reform under Zapatero's PSOE government increased this entitlement so that by 2015 the same worker would be entitled to 12 days of wages for each year they were employed on the FTC.²⁷ Moreover, if an employer dismisses a fixed-term employee before the contract expires, the employee will be entitled to additional severance payment.²⁸
- In Italy, for FTCs as well as standard contracts, employers must pay a so-called 'layoff tax' in the form of a contribution to the first month of the employee's unemployment benefit.²⁹
- FTC workers in Denmark, moreover, must be given access to vocational training on the same terms and conditions as permanent employees, and employers are obliged to inform fixed-term workers of upcoming permanent job opportunities in the organisation.³⁰

 $^{25 \}quad https://www.tuc.org.uk/sites/default/files/International Trends in Insecure Work_0.pdf$

²⁶ http://www.oecd-ilibrary.org/employment/oecd-employment-outlook-2014 empl outlook-2014-en

²⁷ http://www.research.mbs.ac.uk/ewerc/Portals/0/Documents/Spain-final-report.pdf

²⁸ http://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=1438&context=intl

²⁹ http://www.oecd-ilibrary.org/employment/oecd-employment-outlook-2014_empl_outlook-2014-en

³⁰ http://www.ilera-directory.org/15thworldcongress/files/papers/Track_5/Tue_W1_RASMUSSEN.pdf

4. Temporary agency work

In the UK temporary agency workers are classed as 'workers' rather than employees. Temporary agency workers are not given 'equal treatment' with employees until they have worked in one job for 12 weeks continuously, and even then equal treatment does not extend to redundancy pay, contractual sick pay, and maternity, paternity or adoption pay.

The Swedish Derogation

The EU Temporary Agency Workers' Directive (2008) guarantees equal treatment for agency workers on pay and other conditions. Yet UK agency work legislation includes a legal loophole known as the 'Swedish derogation' which allows agency workers to be paid less than direct employees, provided the agency meets other certain conditions. Whilst the Swedish government negotiated the derogation (or exemption) to allow them to maintain their system of enhanced pay and conditions for agency workers, the UK has used the derogation in a way that allows agency workers to be paid less. Other EU member states have chosen not to use the derogation. Use of the loophole by UK employers is growing and it is widely-seen as a tool to allow them to access cheaper labour. Unions have long campaigned against the derogation and the Taylor Review recommended that the government repeal the legislation that enables its use.³¹ It is one measure that the UK government could swiftly take that would have a real impact on tackling insecure work.

Whilst the UK offers little protection for workers employed to do temporary agency work (TAW), other countries show how it is possible to enhance job security for temporary agency work. Germany, Argentina and Japan, limit temporary agency work specific sectors. A common restriction within these countries is the banning of TAW workers in the construction industry.³² In Germany, the use of TAW employment is not permitted within the construction industry unless there is a universally-binding collective agreement. In Japan, TAW employment is not allowed to be used in the construction industry, as well as port transport services, security services and medical-related work at hospitals.³³ Chile, Mexico, France and Spain limit TAW to certain activities, such as those outside core business operations and/or for certain hazardous work, and limits are imposed on the use of TAW assignments and their maximum duration. Similarly, TAW employment is only allowed to be used in Poland for seasonal work, tasks 'whose timely performance by the user company's permanent staff would be impossible' and to cover an absent employee.³⁴

Whilst the UK imposes no time limitations on TAW, the Czech Republic legislates so that TAW contracts can only last 12 months, in Portugal the limit is between 6-24 months, whilst in Italy the limit is 36 months. Furthermore, in France, Greece, Italy, and Spain the use of temporary agency workers is prohibited for a period of time after dismissals from the company for economic reasons – a regulation designed to prevent cheaper agency workers being hired to cut costs.³⁵

³⁵ http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms 534326.pdf



³¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/627671/good-work-taylor-review-modern-working-practices-rg.pdf

³² http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_534326.pdf

³³ https://www.oecd.org/els/emp/All.pdf

³⁴ https://www.oecd.org/els/emp/All.pdf

Re-regulating agency work: the German case

Between 2002-2005 Germany's government, a Social Democratic Party (SPD)-Green coalition led by SPD Chancellor Gerhard Schröder, implemented a series of liberalising labour market reforms known as the Hartz reforms. These deregulatory reforms repealed many of the provisions in the Temporary Agency Work Act (1972) which placed substantial restrictions on TAW and had kept the level of agency work in Germany relatively low. But over the last five years, under Angela Merkel's centre-right CDU-led coalition governments, TAW has largely been re-regulated through a series of incremental reforms. In 2012 a minimum wage for TAW was introduced. This was followed by a 'revolving-door-clause' banning companies from rehiring a former permanent employee on poorer terms as an agency worker less than six months after the worker has left their previous position. Companies must also inform agency workers about any vacant positions in the company, to increase their chances of transitioning into permanent employment. Works councils represent temporary agency workers and agency workers can vote in elections of employee representatives after 3 months. The 2017 a maximum hiring period of 18 months was introduced for temporary agency workers.

Regulating the agency worker-agency relationship: France

France upholds a specific legal status for both agency workers and agencies.³⁹ This means that, unlike in the UK, agency workers are employed by the agencies themselves, which provides equal pay from day one and a range of other benefits. For example, French agency workers must be offered a new placement within three days of their current work ending, or be offered a salary until the end of their contract with the agency firm. Agency workers are also entitled to a monthly 'precarity bonus'.

5. Strategic employee sharing: an alternative to fixed and short term contracts?

Strategic employee sharing (SES) is an employment model where a group of local employers form a network that hires employees whose work rotates between the different organisations. The model is designed to provide workers with secure and full-time permanent employment where individuals firms are unable to take on a worker on a full-time permanent basis. Instead of each offering individual fixed-term contracts, firms within an SES network can collectively provide permanent employment to its jointly hired employees. The worker has a single employer (the network), disruption to the worker's schedule is kept to a minimum and employment risk is shared amongst the member companies. SES networks operate in Austria, Finland, France, the German region of Brandenburg, and Hungary. In Germany, the Federal Association of German Employers' Alliances, in cooperation with trade unions, has developed a code of conduct for SES schemes to promote good quality employment standards.⁴⁰

⁴⁰ https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef1461en.pdf



³⁶ https://www.tuc.org.uk/sites/default/files/InternationalTrendsinInsecureWork 0.pdf

³⁷ http://www.research.mbs.ac.uk/ewerc/Portals/0/Documents/Comparative-Report-Reducing-Precarious-Work-v2.pdf

³⁸ http://ec.europa.eu/social/BlobServlet?docld=17188&langld=en

³⁹ http://www.research.mbs.ac.uk/ewerc/Portals/0/Documents/Comparative-Report-Reducing-Precarious-Work-v2.pdf

6. Unpaid overtime

In 2016, workers in the UK worked 2.1 billion hours of unpaid overtime, amounting to around £33.6 billion worth of unpaid but productive labour.⁴¹ The average employee gives 7.7 hours of free labour per week but unpaid overtime has a differential impact across the economy, with part-time workers found to work significantly more unpaid overtime than full-time workers.⁴² Research shows that union presence within workplaces reduces unpaid overtime hours whilst increasing the number of paid overtime hours.⁴³ There are also a range of policies governments can adopt to address this issue.

Disconnecting from the digital workplace

Increasingly workers find it difficult to 'switch off' from work. The internet and smartphone technology have blurred the boundaries between work and home life. Around the world there have been a range of attempts to address this issue at the national and firm level.

France: Amidst a series of otherwise controversial labour market reforms passed in 2016, the Hollande administration legislated on an employee's 'right to disconnect'. From 1 January 2017 French companies have been required to agree with employees their rights to 'switch off' from work emails and other forms of communication, or publish a charter to make explicit the out of hours demands on employees.⁴⁴

Germany: In 2014, Ursula von der Leyen, the Minister of Labour and Social Affairs, in Angela Merkel's CDU government, banned managers in the Labour Ministry from calling or emailing staff out of hours except in emergencies. ⁴⁵ The measure, which followed similar initiatives taken in the private sector by major German companies such as Volkswagen, BMW and Deutsche Telekom, was part of a broader agreement covering remote working which was introduced to protect workers' mental health. ⁴⁶

South Korea: Workers in South Korea work some of the longest hours in the world and over 90 per cent have a smart phone. A 2015 report found that the average amount of time South Korean workers use a smartphone for out-of-hours 'extra work' is 11.3 hours per week.⁴⁷ In 2016 opposition party MPs from the Democratic Party (the party that subsequently won the 2017 general election) proposed a new bill that sought to ban employers from sending their employees work-related phone, text, email messages, or to contact them through messaging apps, after official working hours.⁴⁸ Legislation has not yet been passed but campaigning continues with two further similar bills have been submitted in 2017 by opposition MPs.⁴⁹ In 2016 the government also launched a campaign encouraging businesses to help their staff find a better work-home life balance.⁵⁰

National overtime pay regulations: the case of the USA

Despite an otherwise highly deregulated labour market, US Federal law mandates that all workers earning \$23,000 or less per year who work over 40 hours per week are entitled to at least pay-and-a-half for all overtime they work.⁵¹ In 2016 the Obama administration enhanced this legislation to cover all workers paid up to \$47,000, which would have extended mandatory overtime pay to 4.2 million workers. However the Trump administration looks set to overturn the Obama extension before it even comes into force.⁵²

- 41 https://www.tuc.org.uk/workplace-issues/work-life-balance/employment-rights/working-time-holidays/workers-uk-put-%C2%A3336
- 42 http://onlinelibrary.wiley.com/doi/10.1111/1467-8551.12011/abstract
- 43 http://eprints.lse.ac.uk/20649/
- 44 http://www.bbc.co.uk/news/world-europe-38479439
- 45 https://www.theguardian.com/technology/2014/aug/29/germany-anti-stress-law-ban-on-emails-out-of-office-hours
- 46 http://www.telegraph.co.uk/news/worldnews/europe/germany/10276815/Out-of-hours-working-banned-by-German-labour-ministry.html
- 47 http://www.straitstimes.com/asia/east-asia/south-korean-lawmakers-push-for-ban-on-work-related-texting-from-bosses-after-office
- 48 https://www.theguardian.com/world/2016/jun/24/south-korea-mulls-ban-on-bosses-messaging-employees-at-home
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- 50 http://www.koreatimes.co.kr/www/news/nation/2016/07/116 208747.html
- 51 https://www.dol.gov/general/topic/wages/overtimepay
- 52 http://www.independent.co.uk/news/world/americas/donald-trump-overtime-pay-mandatory-law-a7860571.html



Maximum working hours: France and Spain

France has operated a maximum 35-hour working week since the early 2000s. Although the law has been loosened in recent years, with company or branch-level adjustments now allowed, overtime hours are regulated through higher employee compensation. Workers are entitled to an additional 25 per cent payment for each of the first eight hours of overtime they do per week, with further hours paying 50 per cent more. ⁵³ Although, of course, this does not fully stop unpaid overtime, working hours are rigorously policed and the law promotes a 'work your hours' culture.

In Spain, the law also sets a maximum of 40 working hours per week averaged over the year, along with a specified maximum of 80 hours paid overtime over the year (excluding workers compensated with time-off in lieu). This ensures significantly less average work hours per week for Spanish workers when compared to the standard EU working time directive, which sets a maximum of 48 hours per week averaged over a 17-week period.⁵⁴

7. Protections for self-employed freelance workers

The level of self-employment in the UK increased from 3.8 million in 2008 to 4.6 million in 2015.⁵⁵ In 2015 while total UK employment was 1.2 million higher than it was in 2008; half of this growth was in self-employment, whilst the real wages of the self-employed have fallen on average by 20 per cent since the start of the 2008-09 recession.⁵⁶ Self-employed freelancers, business owners and gig economy workers comprise a growing and potentially highly insecure part of the workforce.

New York's 'Freelance Isn't Free Act'

In May 2017 New York City's "Freelance Isn't Free Act" took effect and saw New York become the first US city to introduce measures to protect self-employed freelance workers against client non-payment.⁵⁷ The Freelancers Union, which campaigned for the Act, reports that 71 per cent of freelance workers in the US have experienced difficulties collecting payments from clients.⁵⁸ They also estimate that four million people in New York, 38 per cent of the city's workforce, are freelancers, with particularly high concentrations in creative, digital and media industries.⁵⁹

As a result of the Act, passed in October 2016 by the City Council, any freelancer or 'independent contractor' providing services to a client which total over \$800 during a 4-month period now has the right to a contract outlining the scope of the work, the rate and method of payment, and the payment due date. Payment must be received within 30 days of work completion, or by a date specified in the contract. The responsibility to provide a contract lies with the client who can face a \$250 penalty if they refuse to provide a contract. If payments are not made, or are made late, freelancers can complain to the city's Office of Labor Policy and Standards who will notify clients that they must respond to the complaint within 20 days. Freelancers now also have the right to sue a client for breach of contract. If freelancers are successful in taking court action against a client they have the right to collect double the amount owed, damages for retaliation, and have their legal fees paid. The Freelancers Union and the Office of Labor Policy and Standards will help freelancers to find a lawyer. Element of the contract of the complaint will not the Office of Labor Policy and Standards will help freelancers to find a lawyer.

⁶¹ https://www.freelancersunion.org/plain/



⁵³ https://www.eurofound.europa.eu/observatories/eurwork/articles/france-new-rules-on-working-time-enter-into-force

⁵⁴ http://www.research.mbs.ac.uk/ewerc/Portals/0/Documents/Comparative-Report-Reducing-Precarious-Work-v2.pdf

⁵⁵ https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/trendsinselfemplo ymentintheuk/2001to2015

⁵⁶ http://onlinelibrary.wiley.com/doi/10.1111/1468-4446.12139/full

⁵⁷ https://blog.freelancersunion.org/2016/10/27/freelanceisntfreepassed/

⁵⁸ https://fu-web-storage-prod.s3.amazonaws.com/content/advocacy/uploads/resources/FU_NonpaymentReport_r3.pdf

⁵⁹ https://blog.freelancersunion.org/2016/10/27/freelanceisntfreepassed/

⁶⁰ https://www1.nyc.gov/site/dca/workers/workersrights/freelancer-workers.page

8. Improving pay and conditions on online platforms

'Crowdwork' platforms where individuals and organisations 'outsource' projects and tasks online are a significant feature of the gig economy. Online platforms facilitate a wide range of work, from small 'microtasks' to complex technical projects and professional services. The CIPD suggests that just over half (51%) of the UK's 1.3m gig economy workers have completed short-term tasks online. ⁶² Around the world new initiatives are being developed to improve pay and conditions for workers on online platforms.

- Crowdsourcing Code of Conduct Eight Germany-based online platforms signed a voluntary 'Crowdsourcing Code of Conduct' in March 2017 committing to include 'local wage standards' and fair payment when setting prices on their platforms. German Metalworkers Union, was instrumental in establishing the self-regulatory Code. Despite the Code, the union is clear that government regulation of crowdwork is required and has called for the legal status of crowdworkers to be clarified and for social security arrangements for crowdworkers. German Metalworkers.
- **Fair Crowd Work website** IG Metall along with the Austrian Chamber of Labour, Austrian Trade Union Confederation, the Swedish union Unionen, and two research partners have jointly established the faircrowdwork.org website. ⁶⁵ The site provides information for crowdworkers about unions and their legal rights, and provides ratings of working conditions on different online labour platforms based on surveys with workers.
- Future EU-wide guidelines? In June 2017 the Austrian government, a grand coalition of the centre-left and centre-right, announced plans to develop a European Crowdwork Directive when it holds the EU Council Presidency in 2018. The intention to introduce EU-wide guidelines for crowdwork was announced by Muna Duzdar, the Social Democrat State Secretary in the Federal Chancellery.⁶⁶

Improving 'micro-work' in Australia

In May 2017 an agreement was reached between Unions NSW (formerly the Labor Council of New South Wales) and Airtasker which aims to increase minimum rates of pay and improve conditions for Airtasker users. Airtasker is an Australian company which provides an online marketplace enabling users to outsource business and home 'micro-work' tasks. Micro-work platforms, like Airtasker, enable users to post tasks, and indicate a budget, which other users bid to complete. Tasks are often relatively small and require little training (e.g. gardening, building furniture or data entry). Micro-work platforms users often complete tasks for low pay and often for below legal pay rates. Whilst Airtasker does not operate in the UK, similar platforms such as TaskRabbit, Upwork, and PeoplePerHour are widely used.

In 2016 Unions NSW, which represents 600,000 union members, revealed Airtasker users often earned below the minimum wage. ⁶⁸ Under the new agreement the platform will not set a minimum wage for tasks but its guidance will now promote pay rates above minimum rates, as advised by Unions NSW. Airtasker has also agreed to introduce an independent disputes resolution process overseen by the Fair Work Commission, Australia's national workplace relations tribunal, and Airtasker workers will now also be offered affordable insurance to protect against injury and illness. The agreement has been criticised because Airtasker will only recommend improved pay rates and working conditions rather than setting and enforcing them ⁶⁹, yet Unions NSW have described the agreement as 'an important beachhead for regulating the gig economy' and 'the first plank of a new floor we are building under the gig economy.'

- 62 https://www.cipd.co.uk/knowledge/work/trends/gig-economy-report
- 63 http://faircrowd.work/2017/03/17/eight-german-labor-platforms-sign-crowdsourcing-code-of-conduct-2-0/
- 64 https://www.igmetall.de/gastbeitrag-von-christiane-benner-im-handelsblatt-journal-24459.htm
- 65 http://faircrowd.work/
- 66 https://www.ots.at/presseaussendung/OTS_20170602_OTS0130/staatssekretaerin-duzdar-zu-neuen-arbeitsformen-faire-regeln-und-faire-entlohnung-fuer-crowdwork
- 67 http://www.smh.com.au/business/workplace-relations/airtasker-and-unions-make-landmark-agreement-to-improve-pay-rates-and-conditions-20170427-gvtvpo
- 68 https://www.theguardian.com/australia-news/2016/oct/18/airtasker-job-outsourcing-site-raises-hourly-rate-after-unions-nsw-report
- 69 https://theconversation.com/all-care-and-no-responsibility-why-airtasker-cant-guarantee-a-minimum-wage-76943



9. Portable benefit schemes

Self-employed workers receive statutory benefits and protections but do not usually have access to non-statutory employer-provided benefits and protections. These include additional paid leave, healthcare, insurance, pension plans and access to training that are common for employees in traditional employee-employer relationships to receive.

Portable benefit schemes are seen as one way for independent contractors, temporary workers, and freelancers to gain greater protections. They enable workers to receive benefits that are tied to the worker, not to the employer. Individuals could accrue benefits –by making contributions paid into a fund - while working on one platform or for one client, with access to the fund and associated benefits retained when the individual moves to a new platform or client. Contributions would be managed by third-party non-profit or state organisations and could be made by the worker, the platform, or by both. The individual can then use accrued payments to purchase benefits such as training, paid leave or to make pension contributions. In the US calls for a 'new safety net' for independent workers have come from a coalition of gig economy platforms, unions and politicians. Most of the proposed political action has come from Democrat politicians, although the issue has attracted support from a small number of Republicans. A range of proposals across the US are currently being explored to establish schemes.

- In May 2017 The Portable Benefits for Independent Workers Pilot Program Act was introduced to the Senate and House of Representatives.⁷¹ The Act, proposed by Mark Warner, Democratic Senator for Virginia, would establish a portable benefits pilot program at the Department of Labor and make \$20 million available for grants to states, local government and non-profit organisations for pilot projects to design, implement and evaluate schemes.⁷² The Act was co-sponsored by Todd Young, Republican Senator for Indiana, which has encouraged optimism that other Republicans may also support the bill.⁷³
- A bill, introduced to Washington state senate in February 2017 by a Democrat, would require people or gig economy companies that find work for, and transfer payments, to independent contractors to contribute to a fund managed by an independent non-profit organisation.⁷⁴ 'Brokers' could fund contributions by increasing prices or placing a surcharge on payments to workers. The money could be used by workers for paid time off, health insurance or other benefits.
- In January 2017 Andrew Cuomo, Democratic Governor of New York State, tipped as a potential future presidential candidate, announced a task force to consider portable benefits policy.⁷⁵ In June 2017 a bill to establish a portable benefits system, including workers compensation, for gig economy workers was approved by two committees of New Jersey's majority-Democrat General Assembly and will be voted on again by the assembly in autumn 2017.⁷⁶

⁷⁶ http://www.businessinsurance.com/article/20170627/NEWS08/912314125/New-Jersey-legislation-bill-gig-economy-insurance-workers-compensation Putm content=buffereb7e0



⁷⁰ https://medium.com/the-wtf-economy/common-ground-for-independent-workers-83f3fbcf548f

⁷¹ https://delbene.house.gov/media-center/press-releases/legislation-test-drive-portable-benefit-model-introduced-house-and

⁷² https://www.theringer.com/2017/6/7/16036708/gig-economy-portable-benefits-mark-warner-a17686e0d203

⁷³ https://www.bna.com/gig-worker-benefits-n73014462509/

⁷⁴ http://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2017/02/22/with-growth-of-the-gig-economy-states-rethink-how-workers-get-benefits

⁷⁵ https://www.governor.ny.gov/sites/governor.ny.gov/files/atoms/files/2017StateoftheStateBook.pdf

France's Personal Activity Account

France's new Personal Activity Account began operating on 1 January 2017.⁷⁷ It is an individual account for everyone in the labour market – workers, job-seekers and apprentices – designed to help them build their career and it provides a universal right to training. It operates like a time bank, starting when people enter the labour market at 16, and rights are accrued for hours worked. Rights are 'portable' and stay attached to individuals throughout their working life regardless of changes in their employment or status and do not expire. It provides for an entitlement of up to 150 hours of free tuition, training and support with paid leave from work allowing individuals to access the benefits.⁷⁸

This kind of scheme could address one problem that research has highlighted relating to the provision of training in low-paid UK sectors. A study of hotels, hospitals, retail, food processing and call centres found that training for workers was relatively rare, and where it is provided is often conducted in-house and is often non-accredited as a result.79 Portable benefit schemes could enable workers to access accredited training from third-party providers in order to gain qualifications.

10. Organising to support self-employed workers

Self-employed individuals traditionally have low union membership rates and are difficult to organise collectively. However, as self-employment increases, there are examples of how pay and conditions for the self-employed can be improved through collective organising.

Belgium: SMart is a Belgian co-operative with 85,000 self-employed members operating in 9 European countries (Germany, Spain, France, Italy, Hungary, Netherlands, Austria and Sweden).⁸⁰ It is open to freelancers from all sectors and provides advice, workspace, training, business support and insurance. SMart employs its members for the duration of their contracts with clients and the co-op guarantees payment to its members within 7 days of the end of the contract. This is funded through a 6.5 per cent surcharge on contracts. Members do not have to chase clients for fees as the client owes the co-op money, and not the freelancer.

In 2016 SMart signed an agreement with Deliveroo in Belgium to provide couriers with better working conditions. The agreement means SMart employs Deliveroo riders who are now paid for a minimum three hour shift, paid a salary at the guaranteed average minimum monthly income rate, and receive insurance.⁸¹

SMart regularly contributes to national and European policy consultations in order to influence policy to better support self-employed workers.⁸²

Austria: Couriers in Vienna working for Foodara, an app-based restaurant delivery service, formed a works council with the support of Vida, an Austrian transport and services trade union. ⁸³ In Austria works councils, comprised of elected representatives of workers, have legal rights to receive information and consultation on major business decisions. The Foodara works council, which was established in 2017, is seeking to negotiate an agreement with the company to improve conditions for its bicycle couriers. This could include increased pay for working at night and in cold weather and insurance. Vida is campaigning for a collective agreement for the entire bicycle courier industry in Austria. ⁸⁴

- 77 http://www.gouvernement.fr/compte-personnel-activite-cpa
- 78 https://www.etui.org/ReformsWatch/France/France-entry-into-force-of-the-Personal-Activity-Account
- 79 http://journals.sagepub.com/doi/abs/10.1177/0950017010371663
- 80 http://smartbe.be/nl/
- 81 http://smartbe.be/nl/news/smart-deliveroo-en-take-eat-easy-gaan-voor-duurzame-werkomstandigheden/
- 82 http://smart-eu.org/about/contributions/
- $83\ http://faircrowd.work/2017/04/28/deutsch-oesterreich-foodora-fahrer-gruenden-betriebsrat/$
- $84\ http://www.vida.at/cms/S03/S03_0.a/1342577497037/home/artikel/betriebsrat-fuer-fahrradzustelldienst-foodora$



Conclusion

Whilst the modern world of work is undoubtedly changing fast, it is also true that many of today's 'new' concerns about insecure work in the UK and around the world relate to old problems. The international examples in this briefing outline contemporary efforts to tackle insecure work yet low pay, a lack of guaranteed hours, individualised and 'casualised' work are ever-present causes of concern for the labour movement and all those concerned about the quality of work. Their persistence in the labour market – and increasing prevalence in the UK today - demonstrates the constant need for sustained efforts to tackle insecure work and improve workers' pay, rights and conditions.

New laws passed today can quickly become irrelevant or overturned, and legislation and rights are only effective if enforced. Similarly, some contemporary problems can be addressed through better enforcement of existing regulations. Insecure work can become more secure, and vice versa. Three recent examples, at home and abroad, demonstrate how conditions for workers are never static and should not be seen as such.

- A landmark employment tribunal in 2016, brought by the GMB, ruled that drivers for Uber are not self-employed and are entitled to employment rights such as holiday pay, pensions sick pay and minimum wage.⁸⁵ This was followed by further employment tribunal decisions in 2017 that have ruled that other drivers and couriers in the gig economy should be treated as employed workers and are entitled to greater employment rights.⁸⁶ Yet whilst legal rulings have been handed down, legislation to underpin them has not yet followed.
- Following investigation and enforcement by HM Revenue and Customs, in August 2017 233 UK employers were revealed to have broken minimum wage legislation. Their underpaid workers will now receive £2 million in wages they are owed, with firms hit by £1.9m in fines.⁸⁷
- Guidance issued by the Obama administration relating to misclassifying workers as independent contractors (2015) and on 'joint employer liability' (2016) granted greater rights and security to independent workers. In June 2017, the Trump administration withdrew the guidance with no replacement guidance issued.⁸⁸

As history tells us, and the case studies in this briefing demonstrate, efforts to tackle insecure work require an ever-changing coalition of workers, unions and pro-worker institutions and policymakers. New pro-worker innovations and experimentation will be essential, new institutions will emerge and will need to be established, and new technology and tools will need to be utilised. Yet ultimately success is likely to be achieved through the same complex mix of campaigning, advocating, organising, negotiating, information sharing, partnership building, legislating, and enforcing that has always been required to improve conditions for people experiencing precarious work.

Whilst this short briefing has not focused specifically on pay there is clearly a strong link between workplace insecurity and the stagnant wage levels that UK workers have experienced throughout the last decade. Efforts to provide greater job security and address low pay, as well as to achieve equal pay, are all part of the same process. As such, policies such as increasing the minimum wage and improving its enforcement, expanding collective bargaining coverage and giving unions better rights to access workplaces should all feature in an ambitious and broad-based effort to tackle insecure work. This would greatly enhance the current and somewhat limited debate about what 'good work' is and strengthen the legislative and regulatory actions that must follow on from this debate.

In summary, the diagnosis of insecure work in the UK is clear and the need to improve conditions for workers in insecure employment is urgent. The examples in this briefing show that is much to be learnt from around the world about how to achieve this.

⁸⁸ https://www.lexology.com/library/detail.aspx?g=397b9139-fe84-499d-ac3e-52f37660f2d1



⁸⁵ http://www.gmb.org.uk/newsroom/GMB-wins-uber-case

⁸⁶ https://www.theguardian.com/uk-news/2017/aug/02/addison-lee-suffers-latest-defeat-in-legal-row-over-gig-economy-rights

⁸⁷ https://www.gov.uk/government/news/record-2-million-back-pay-identified-for-13000-of-the-uks-lowest-paid-workers

5 key points that could help shape future efforts to tackle insecure work in the UK

- 1. Record UK employment has rightly been celebrated by policymakers –but focusing on the number of people of work risks accepting that the insecurity many in the labour market experience is normal or even is a price worth paying for high employment. There is no trade-off between the quality and quantity of work. Efforts to create jobs and protect existing jobs should sit alongside efforts to tackle insecure work. Insecure zero hours contracts, agency and part-time work are all currently extremely prevalent within the labour market but should not be seen as structural permanent features. The examples highlighted in this briefing show how central government in particular can take an active role in regulating the use of such employment forms, both curbing their incidence and improving conditions for workers employed on such contracts.
- 2. Alongside the role that can be played by central government, the examples outlined above demonstrate that innovative responses to tackle insecure work are being developed by cities and regions around the world. To date, powers to regulate, shape and enforce local labour markets have not featured in policy discussions about devolution in the UK in recent years, nor in agreed 'devolution deals'. Examples highlighted in this briefing highlight how decentralising powers to tackle insecure work to the UK's cities and regions could lead to bold new initiatives and experimentation if decisions are able to be taken closer to the ground.
- 3. Political actions to provide greater job security are not the exclusive preserve of left-leaning and progressive political parties and organisations. The examples highlighted in this briefing such show how significant legislative measures to tackle insecure work have been taken by centre-right governments. Measures to enhance job security and regulate the labour market rarely secure support from across the political spectrum, but the unanimous vote in the New Zealand Parliament to ban zero-hours contracts shows that it is possible. Workers and unions seeking to tackle insecure work should engage with, and seek to persuade, policymakers from all parties.
- 4. Flexible employment arrangements are valued by workers and employers alike and can clearly benefit both, but they should not be at the expense of secure employment and progression. Workers who are repeatedly asked to do the same job on insecure temporary contracts are clearly indispensable to their employer and a permanent part of their workforce and so should be given the security of permanent employment and benefit from the rights that it provides. The briefing demonstrates how lessons can be learnt from other countries that address this problem by restricting the use of fixed-term temporary contracts.
- 5. The gig economy currently only provides employment for a small minority of the UK's workforce. Yet, the potential for the insecure employment practices that underpin it to be adopted throughout the labour market is considerable. As such, particularly close attention should be paid to the examples highlighted in this briefing of efforts to improve conditions for workers in the gig economy. New legislation to underpin recent landmark employment tribunal rulings would be a significant step to enhance job security in the gig economy.







Research and writing by Tom Hunt and Sean McDaniel September 2017

Sheffield Political Economy Research Institute Interdisciplinary Centre of the Social Sciences 219 Portobello Sheffield S1 4DP

T: +44 (0)114 222 8346 E: speri@sheffield.ac.uk

www.sheffield.ac.uk/speri twitter.com/SPERIshefuni facebook.com/SPERIshefuni