

# Utopia of the zero-hours contract

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Abstract:

Zero hours-contracts have been reviled in recent years as symptomatic of degrading employment practices, used by companies to retain staff to work as and when required, at a moment's notice, with neither retention fee or guarantee of work.

Government guidelines for employers state that although workers should be on call to work when needed, and employers do not have to give them work, workers can refuse when asked. A zero-hours worker is entitled to work elsewhere and legally can ignore any clause in their contract which bans them from looking for or accepting work from another employer.<sup>1</sup>

Security provided by an unconditional basic income of £1000 a month, I argue, would facilitate flexible working with fewer constraints in what I proclaim a zero-hours contract utopia.

Individuals would behold a blank slate on which to project and plan a variegated timetable of events, to suit their own personal desires, needs and preferences. Workers would no longer be persuaded to agree to illegal contracts and unsavoury practices under pressure of receiving enough work or from fear of being let go.

In a potential working week of 30 hours, citizens could choose to work 15 hours a week all year or 30 hours a week for six months. Weekly hours could be spread over 2, 3, or 5 days and jobs would be part-time, part-year or job-share, creating opportunity for other activities.

Training with different companies, and mentoring would be pivotal, thus reversing the employer/employee relationship, with workers in demand and willing to pass on their skills and knowledge and move on. I envisage a fluidity of working practices and contracts, whereby companies attract staff by offering projects to satisfy an increasingly dynamic and entrepreneurial workforce.

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A zero-hours contract is a term used mainly in the UK for a contract which offers no guaranteed hours, as defined by the Office for National Statistics.<sup>2</sup> These contracts are used by companies to retain staff to work as and when required, at a moment's notice, with neither retention fee or guarantee of work.

In a rather one-sided agreement, in favour of employers, workers are often expected to be on call to work whenever needed, at a moment's notice, and unable to refuse work or work for other

employers. However, on 26 May 2015, new UK government regulations banning exclusivity clauses were brought in, making it illegal to insist on this requirement, but this is difficult to enforce. For example, in a geographic area with one dominant employer, where there are few other employment opportunities, or in a situation where a worker relies on a zero hours contract for basic needs, he or she will tend to be more easily coerced into accepting untenable hours, and also may feel they have to exhibit sycophantic behaviour towards bosses at all times.

On the other hand, there have been reports of workers juggling up to five zero hours contracts.

Casual contract workers may suffer anxiety and illness from the insecurity of not knowing in advance whether they will be able to pay rent, buy food, or plan for the future, such as arranging doctor's appointments or their social life.

Consequently, zero-hours contracts have attracted public outrage and media attention, in a renewed concern for workers' rights, alongside the ascendancy of the so called 'gig economy' and through exposure of scandals involving companies accused of disreputable, degrading employment practices.

There have been calls for zero-hours contracts to be banned, such as from the Unite Union and in the Labour Party Manifesto 2017 which states 'Ban zero-hours contracts – so that every worker gets a guaranteed number of hours each week.' New Zealand has apparently already done so in March 2016, although this appears to represent adjustments to contractual obligations. I would question whether it is possible to 'ban' them entirely.

In the UK there are approximately one million people on zero hours contracts as their main job<sup>3</sup>, which represents approximately three percent of all people in employment according to the Office for National Statistics. Interestingly, it has been reported that around 70% of those have said they are happy with the arrangement, in terms of hours (typically around 25 hours a week) and work/life balance. Indeed, some workers with financial backing from parents or partners report satisfaction with the flexibility of zero-hours contracts which they can fit between other aspects of their lives, such as study or childcare.<sup>4</sup>

Some companies such as McDonalds, Sports Direct and Wetherspoon have between 80 and 90 percent of their staff on zero hours contracts.

However, in April this year McDonalds offered fixed term contracts to 115,000 of its UK zero-hours workers, where staff were offered contracts for the average hours per week they usually worked. Interestingly, 80% of these workers chose to remain on flexible contracts.<sup>5</sup>

The colloquial term 'zero-hours contract' appears to have been coined around 2013, but is this not 'temping' by another trendier, albeit much maligned name?<sup>6</sup>

The process operates in a similar way to using temporary agency workers but cutting out the cost of the intermediary, the agency. Companies have a list of already vetted workers to which they can turn, whenever additional workers are required. Temporary employment agencies proliferated in the early nineteen nineties (McCann 2008, p144), as part of the increasing utilisation of more flexible labour practices in the move towards a competitive market economy in an era of globalisation (Standing 2014, p43)

Having described the precarity of the zero-hours contract worker, I now wish controversially to propose a 'Utopia of the zero-hours contract', using the notoriety of the term 'zero-hours contract' to encourage a long overdue discussion about a re-structuring the world of work, to provide greater flexibility, not less. For as emphasised in the recent Modern Employment Review 'The world of work is changing. While traditional full-time roles continue to represent the majority of employment in the UK, the proportion of people opting for more flexible arrangements or becoming their own boss is growing with many people choosing to mix and match their earning through different employers during their career. The recent growth of opportunities created by digital platforms has simply made this easier.'

'Against this rapidly evolving backdrop, government needs to take a more active role to ensure that greater flexibility does not come at the cost of quality.' Taylor, M (2017) p103

And we might also say security. Security is paramount for contemplation of a more flexible working framework. We have to concede that waged work now makes up less than half of national income, in the increased shift towards rentier income from capital.<sup>7</sup> While a more flexible model of working could be underpinned by a universal basic income, there are the concurrent issues of housing, automation, the so called 'Rise of the robots!', and rentier capitalism. Channel 4 News' 'Artificial Intelligence and the economy' depicted Wealth in the National Income, at roughly half from raw labour and half from returns on capital; ownership of land, companies and machinery in 1900, with a split today of 60/40, with 40 percent income from raw labour, and quoted economist Jeffrey Sachs as predicting labour's 'slice' shrinking to just 12% by 2050.

And yet the accepted full-time structure of work is seemingly never questioned as an ultimate goal.

The industrial labour model of full-time work for all, for one employer at a time with social income in the form of in work benefits is increasingly unrealistic and often unwelcome. 'For the precariat, twentieth-century labourism is unattractive.' 'There is a need for a new politics of paradise that is mildly utopian and proudly so.' Standing (2014), p268 Not only casual workers are exploited. Employers take advantage of full-time, permanent employees, playing upon their vulnerabilities and fear of insecurity; through re-structuring and generally upholding management priorities, susceptible to the vagaries of the 'invisible hand' of the market, and shareholder value. (Edwards & Wajcman 2005, p13)

The current structure of work and accompanying employment legislation does not facilitate a secure, flexible way of working and this is something that needs addressing urgently. Already, zerohours contract workers have difficulty applying for loans and mortgages, due to their inability to prove regular wage payments.

The philosopher Mary Midgley compares philosophy to plumbing as a system or structure of pipes and connections, generally hidden from view until something goes wrong which requires fixing.  
(Midgley 2000, p1)

That time has come. I propose an imperative radical re-think about structures of work and accompanying employment legislation, alongside the debate about introduction of a universal basic income, focussing on flexibility for both casual workers and permanent employees, in a spirit of inclusion and a move towards greater equality.

As the Labour Party Manifesto 2017 states in its proposed '20-point plan for security and equality at work'

'Give all workers equal rights from day one, whether part-time or full-time, temporary or permanent – so that working conditions are not driven down.' and

'Roll out maximum pay ratios of 20:1 in the public sector and in companies bidding for public contracts – because it cannot be right that wages at the top keep rising while everyone else's stagnates.' Labour Party Manifesto 2017

In arguing for greater flexibility, both casual workers and employees must be able to create and suggest the varied hours that they desire and require to fit in with their other activities, rather than acquiesce with employers' increasingly exploitative demands in this latest stage of the flexibilization of labour. We have waited for far too long. This should be rolled out across the employment spectrum, encouraging more job-share and part-time working.

Right to Request Flexible Working legislation enabling full-time employees to request part-time work without being discriminated against, initially only for those with caring responsibilities for elderly relatives or children, in 2014 was extended to all employees with 26 weeks of continuous service. (Taylor (2017) p94) However, this does not go far enough in terms of inclusivity, and creativity of contract. Employers still have powers to refuse such requests, citing 'business or service needs'.

In my abstract, I posit a reduced working week and substantial basic income to facilitate thinking. I suggest a substantial basic income for all, and a part-time working week of 15 hours in a potential working week of 30 hours. Citizens could choose to work 15 hours a week all year or 30 hours a week for six months. Weekly hours could be spread over 2, 3, or 5 days and jobs would be parttime, part-year or job-share, creating opportunity for other activities. I envisage long term planning across the life span to create a 'portfolio' of activities across a life time, encompassing a variety of projects, whether paid or unpaid, underpinned by basic income. As people expect to live longer lives well past current official retirement age, periods of 'free time' or unwaged work could be taken throughout the life course, rather than working for 45 to 50 years before retiring abruptly. For some people, health permitting (acknowledging that life expectancies vary with locality and background) a varied lifetime of events including periods of 'unemployment' for life-long learning, creative pursuits, caring, community work and travel could be attractive.

However, as stated in 'Good Work' (2017) p9, the challenge will be in moving away from the current 'one-sided flexibility', of employers. As Naomi Klein extolls in her recent book 'No Is Not Enough – Defeating the New Shock Politics' 'various resistance tactics' [ ] 'are going to be needed more than ever'

We must say No! to ideas such as ‘That greed is good. That the market rules. That money is what matters in life. That white men are better than the rest. That the natural world is there for us to pillage. That the vulnerable deserve their fate and the one percent deserve their towers.’

but it is also time to discuss and formulate what we want to put in its place, an alternative vision for society, a ‘rekindling of the kind of utopian dreaming that has been sorely missing from social movements in recent decades.’ Klein (2017 p254)

One of her suggestions is for ‘Democratic worker co-ops as the centrepiece of a green jobs program?’ Klein (2017 p263)

A sense of security and opportunity that a universal basic income could bring, has the potential to create time and energy for entrepreneurial activity and ideas, such as green initiatives.

A recent Royal Geographical Society conference paper ‘Conflict in a green and ‘ethical’ workplace’ (Pettinger, L (2017), described a muesli cooperative, where workers were receiving a considerable wage of £30,000 for full-time warehouse work with other responsibilities apportioned by democratic debate, and were consequently working for a much higher remuneration, than they would be able to get from warehouse work elsewhere, and with better conditions. However, workers still expressed boredom with their full-time hours and felt ‘stuck’ in the job, illustrating a desire for greater flexibility of work, even in an equitable setting.

Universal basic income and greater flexibility in employment arguably would provide more time to think and plan, with the potential to try out new opportunities in terms of training for and working with different companies. Mentoring would be pivotal, thus reversing the employer/employee relationship, with workers in demand and willing to pass on their skills and knowledge and move on. I envisage a fluidity of working practices and contracts, whereby companies attract staff by offering projects to satisfy a dynamic and entrepreneurial workforce. This is already evidenced by an increasing move towards self-employment, first from necessity after the financial crisis of 2007/8, including from young people professing to want to diversify and try out different jobs, eschewing the ‘comfort’ of permanent roles for ‘portfolio’ working, first promulgated in nineties’ management books at the dawn of the 24/7 electronic age, now facilitated by social media, but with the incumbent risks of a surveillance, branding, and review culture.

In conclusion, I believe that companies should be encouraged and legislated to diversify, in terms of the contracts they offer, whether zero-hours, part-time, part-year, full-time fixed term and so on, to increase flexibility in the work place.

Legislation could be put in place to have maximum percentages allowed, in terms of the number of zero-hours contracts offered, giving workers the chance to proceed onto other contracts after a period of time, should they wish to do so. Seasonal businesses could be given exemptions, in very specific circumstances. It would no longer be possible to run a business on an almost complete zerohours contracts basis.

Zero-hours contracts and those on contracts with few guaranteed hours, could be paid at a higher hourly rate, on a sliding scale, as more hours were offered.

To finish, I put forward the following example from Tesco, the notoriously rapacious supermarket retail chain. This is worth quoting in full. Note the emphasis on cross-training in store, thereby benefiting both the company and workers. This example constitutes what could be implemented on a wider scale, between employers, although with obvious problems concerning competitor secrecy.

As part of the Modern Employment Review, commissioned by Teresa May in 2016 to look at current working practices, Matthew Taylor, the appointed Chair of the review, and his team received an interesting case study provided by Tesco, a leading supermarket chain, as evidence to the Review.

‘Over the next twelve months Tesco’s staff will be able to take control of their work schedules by using an app to manage their hours, overtime, shifts, holidays and leave. The new technology will enable them to select overtime across a number of stores and departments, giving them more opportunities to work additional hours at a time and location that suits them. This will be underpinned by two new approaches:

- Tesco is investing in training people so they can do a greater number of roles in the store, increasing skills, variety and earnings potential while enabling a more flexible response to the needs of customers. People will have the freedom to work in new departments and roles across the store and gain more experience.
- Tesco is also introducing new contracts that offer two-way flexibility, with the ambition to improve guaranteed hours. People will be able to select from a range of new working options, including term-time only, seasonal and job shares. When vacancies arise Tesco is trialling first offering the additional hours to existing staff.

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