

More than 900,000 UK workers now on zero-hours contracts

Phillip Inman - Thursday 8 September 2016, The Guardian

The number of UK workers on zero-hours contracts has leapt 20% in a year to more than 900,000, indicating that insecure employment has become a permanent and growing feature of the job market. The Office for National Statistics said 903,000, or 2.9%, of the employed workforce were on zero-hours contracts – which do not offer guaranteed hours or sick pay – in their main job, up from 747,000 last year.

Response to the data, the general secretary of trade union umbrella body the TUC, Frances O'Grady, said the government needed to give extra support to workers "living at the sharp end of the labour market".

TUC analysis shows that the average worker earns 50% more an hour than those on zero-hours contracts. The median hourly rate for a zero-hours worker is £7.25 compared with £11.05 for all employees, the TUC said.

Employment expert John Philpott said the contracts undermine the spirit of statutory minimum wage regulations. He said: "People employed on zero-hours contracts are only entitled to the minimum wage for the hours they actually work and receive nothing when 'on call', which serves to intensify income insecurity."

Zero-hours contracts are widely used by retailers, restaurants, leisure companies and hotels. The care industry is estimated to employ 160,000 workers on zero-hours contracts while the public sector, especially the health service, has increasingly adopted the flexible contracts. Britain's largest sportswear retailer Sports Direct said this week it would offer shop staff the option of a minimum contract of 12 hours' work per week, which is in line with other retailers such as Next. Sports Direct's founder, Mike Ashley, said he would consider switching 4,000 agency staff at the company's main distribution centre to being full time employees.

On average, staff on a zero-hours contract work 25 hours a week, the ONS said. But 31% on the contracts said they wanted to work more hours compared with 10% of those in other forms of employment. Nick Palmer, an ONS statistician, said it was likely that some of the increase related to greater public awareness of the term zero-hours contract. This leads to respondents to the ONS labour force survey – used to calculate the zero-hours numbers – flagging their new-found awareness of their employment status.

O'Grady said the figures exposed a hidden part of the British economy. "Zero-hours contracts have become an easy way for bosses to employ staff on the cheap. There is no getting away from the fact that zero-hours workers earn less money and have fewer rights than people with permanent jobs," she said. "It is very easy for politicians and employers to talk about the flexibility these contracts offer. But they are not the ones living at the sharp end of the labour market. If you don't know how much work you will have from one day to the next, paying the bills and arranging things like childcare can be a nightmare."

Earlier this year, New Zealand banned the contracts after a campaign led by trade unions. The law, which took effect on 1 April, stipulates that employers must guarantee a minimum number of hours work each week and workers can refuse extra hours without repercussions.