

Policy responses to precarious work

Damian Grimshaw

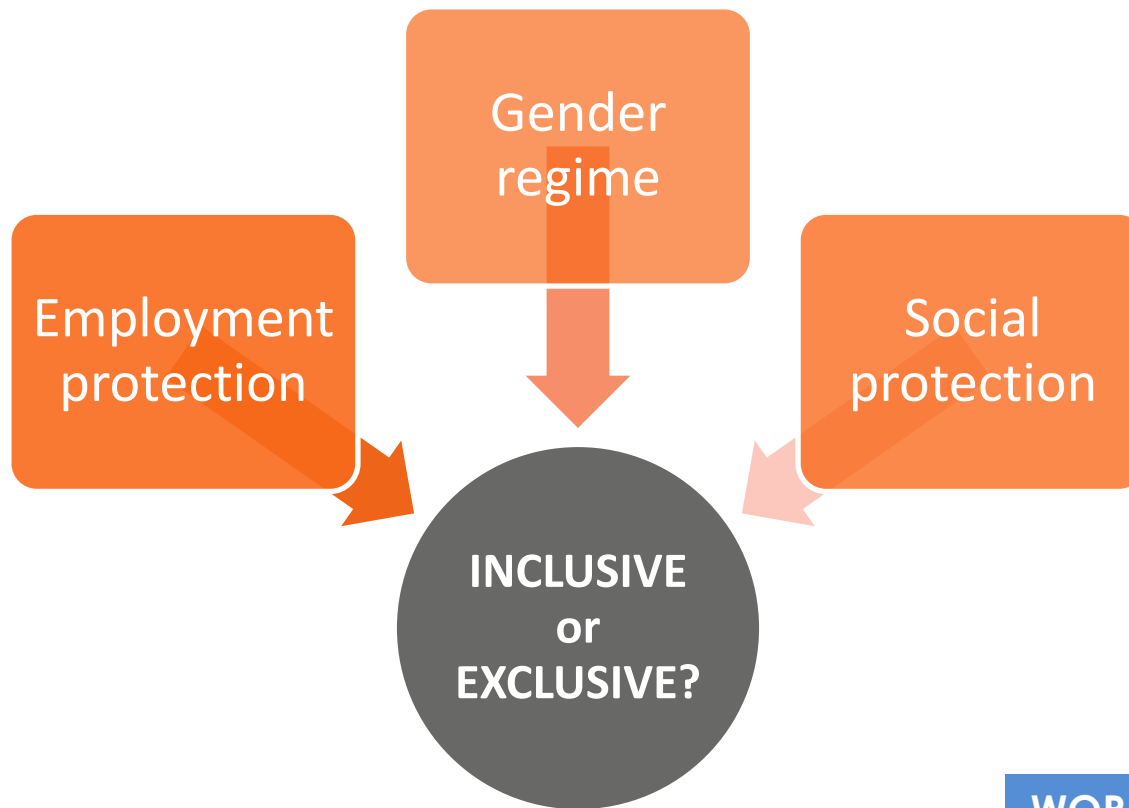
Deputy Director WEI, University of Manchester

IGAU Conference, December 2017

Joint work with Mat Johnson, Arjan Keizer & Jill Rubery

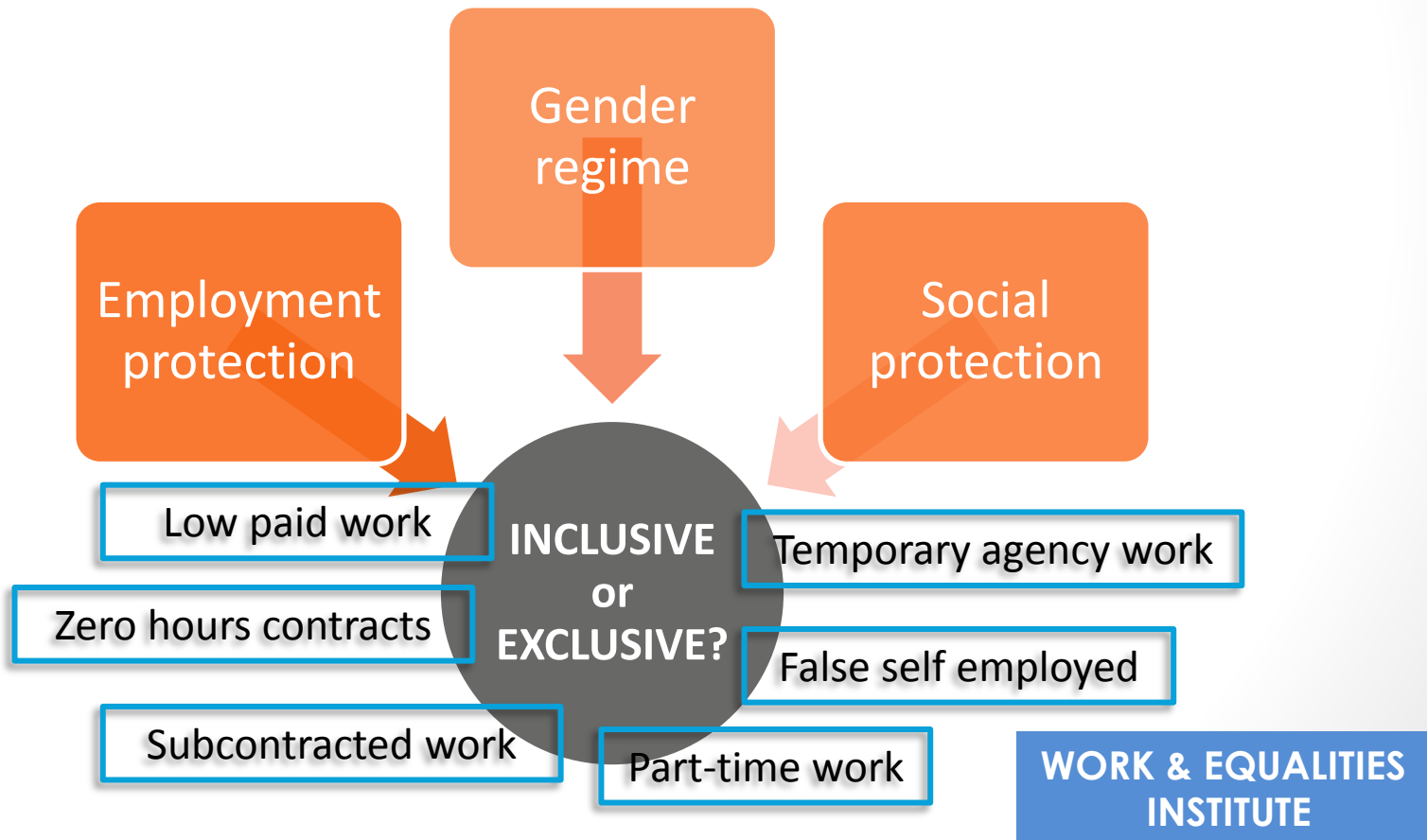
The problem:

Precarious work thrives in an employment system that is exclusive instead of inclusive

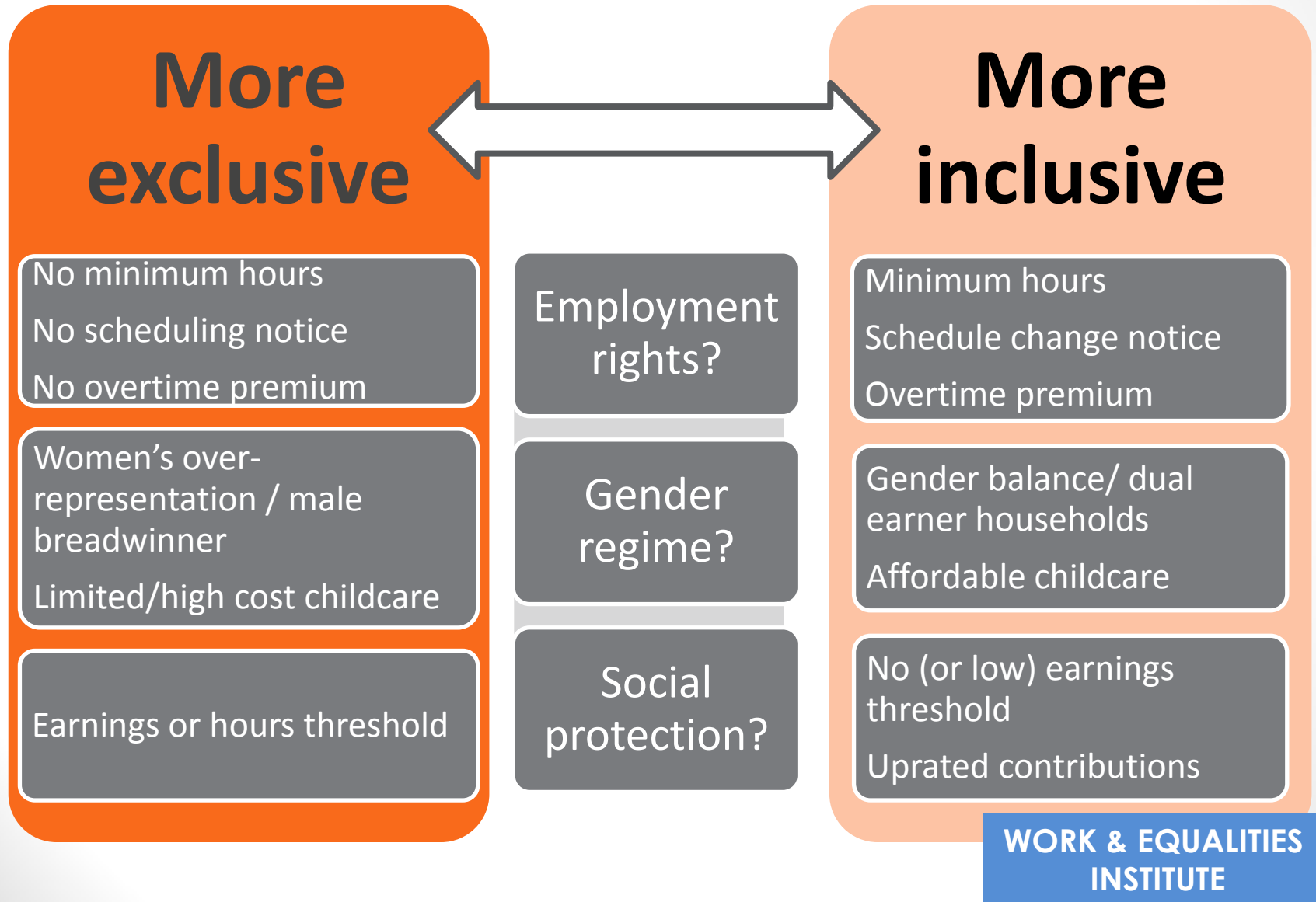


The problem:

Precarious work thrives in an employment system that is exclusive instead of inclusive



i) Part-time and variable hours work



Examples of inclusive legal responses:

No perfect model but lots of good ideas:

Denmark

- low threshold access to social protection (e.g. 34 weeks of work over 3 years to access unemployment benefits) and high replacement rate
- citizenship rights to pension

France

- minimum 24 hours per week (although exceptions –e.g. students, subsidised jobs)
- minimum 10% overtime premium

Germany

- regulates minimum shifts and working hours for on-call workers (3 hours per shift, 10 hours per week)
- four days notice to workers to change schedule

Spain

- limits additional variable hours to 10 per week (or 30% of usual hours)

Examples of collectively bargained responses:

Denmark

- Sectoral collective agreements usually set minimum weekly hours of 20-28 hours (no legislation)

France

- Social partners are obliged to negotiate the actual minimum hours, the number/duration of interruption periods, and notice period for schedule changes

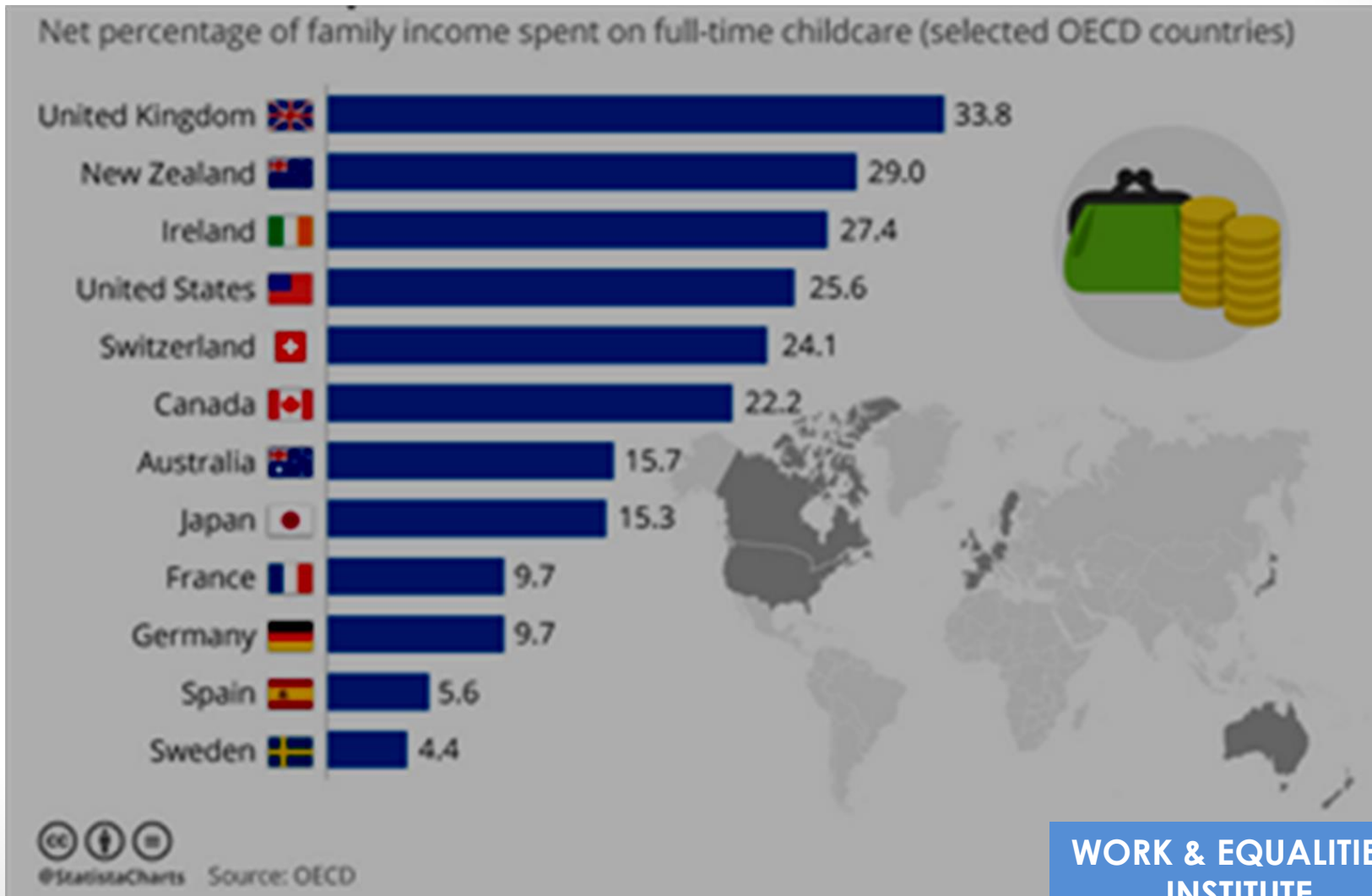
Germany

- Several collective agreements fix minimum hours and shift periods (no legislation)

UK

- **Unison's 'Ethical Care Charter' –eliminate zero hours contracts, pay for travel time, pay a living wage and provide sickness protection (but limited take up so far)**

UK's unaffordable childcare reinforces a male breadwinner approach and restricts job choice



ii) Subcontracted (outsourced) work



Legal responses?

EU Acquired Rights Directive sets an important minimum standard of employment protection

- protects conditions at point of transfer
- transfer cannot constitute grounds for dismissal
- gives unions information & consultation rights
- 12 month protection of ex-employer's collective agreement

But only fixes a low, minimum set of standards. Plenty of scope to improve conditions and experience of job security

Building on a statutory floor through collective bargaining and enforcement?

Spain

- some sector and company level agreements restrict types of activities exposed to subcontracting
- others compel the contractor to audit subcontractor's social security contributions
- also extend health and safety protections down the supply chain

Germany

- wage clauses common in local government procurement (despite ECJ rulings) plus local authority inspections (and fines) of subcontractors

Denmark

- local government subcontractors must follow sector collective agreement (audited by local authority)

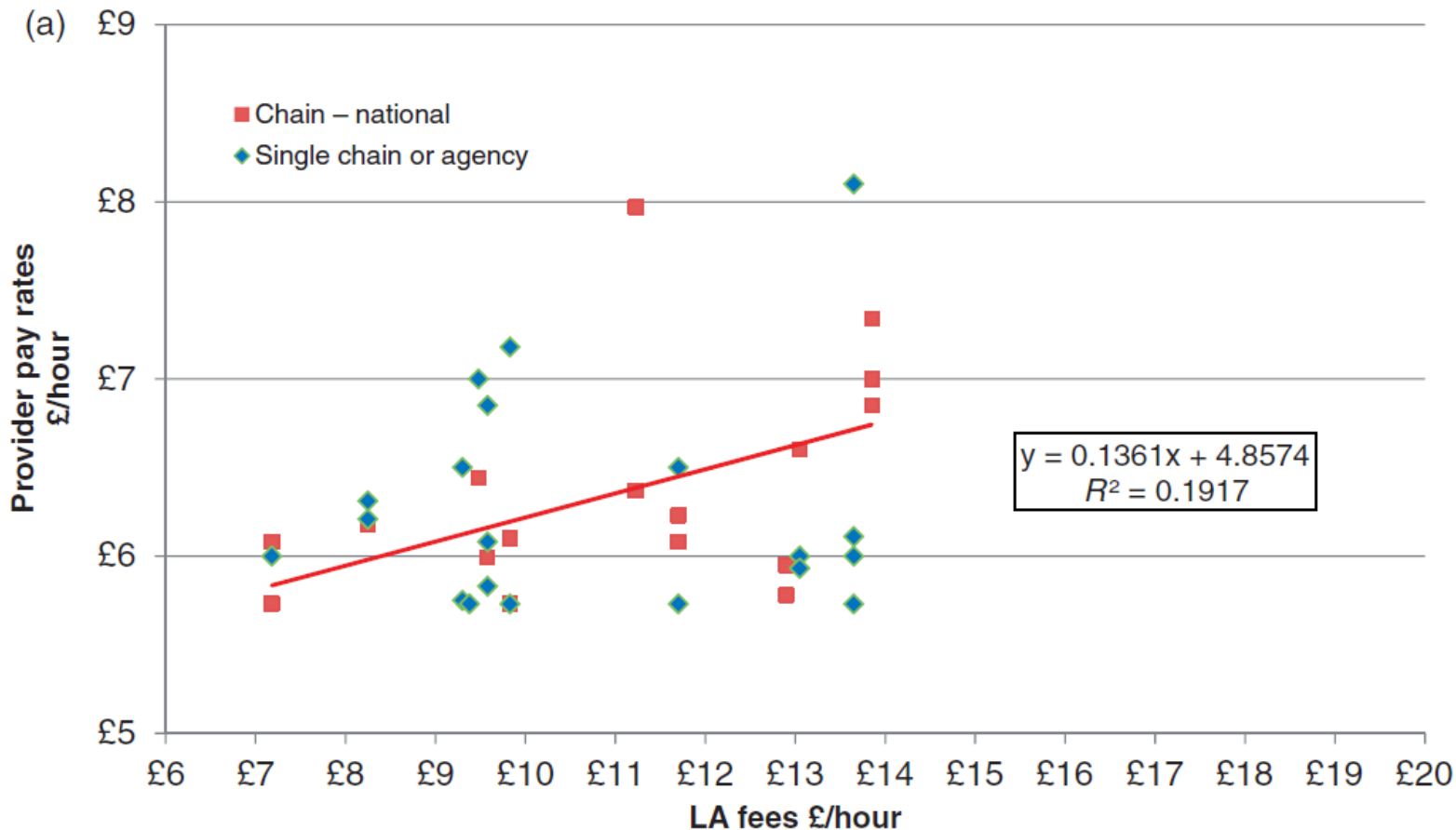
UK

- **ongoing positive effect of Two Tier Code (abolished in 2010) in some areas of NHS subcontracting**
- **but evidence of avoidance of TUPE in local government outsourcing**

E.g. UK local government subcontracted care work

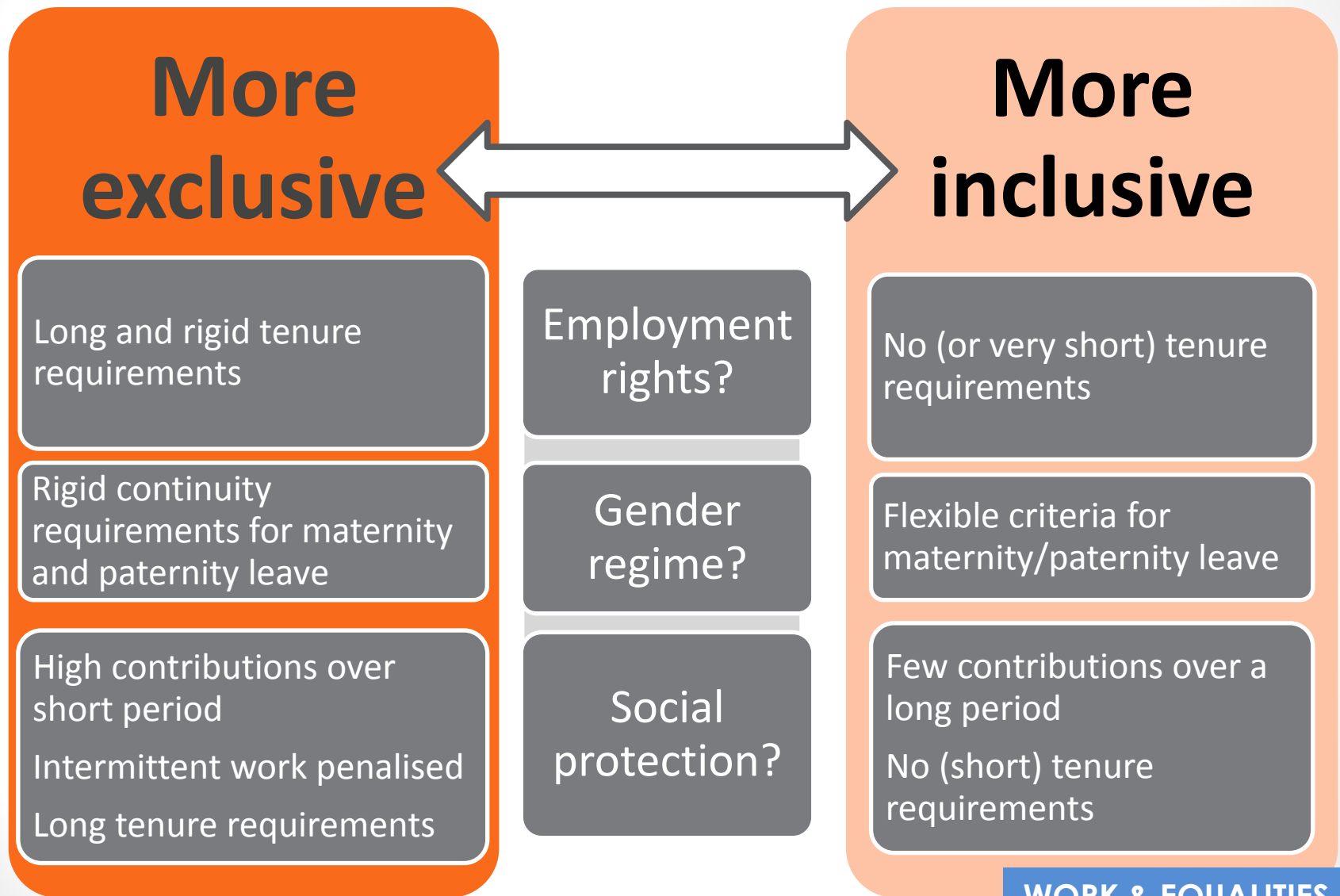
Raising fees improves pay but provider profits and the undervaluation of care work need to be addressed

LA fees and provider pay rates for home care

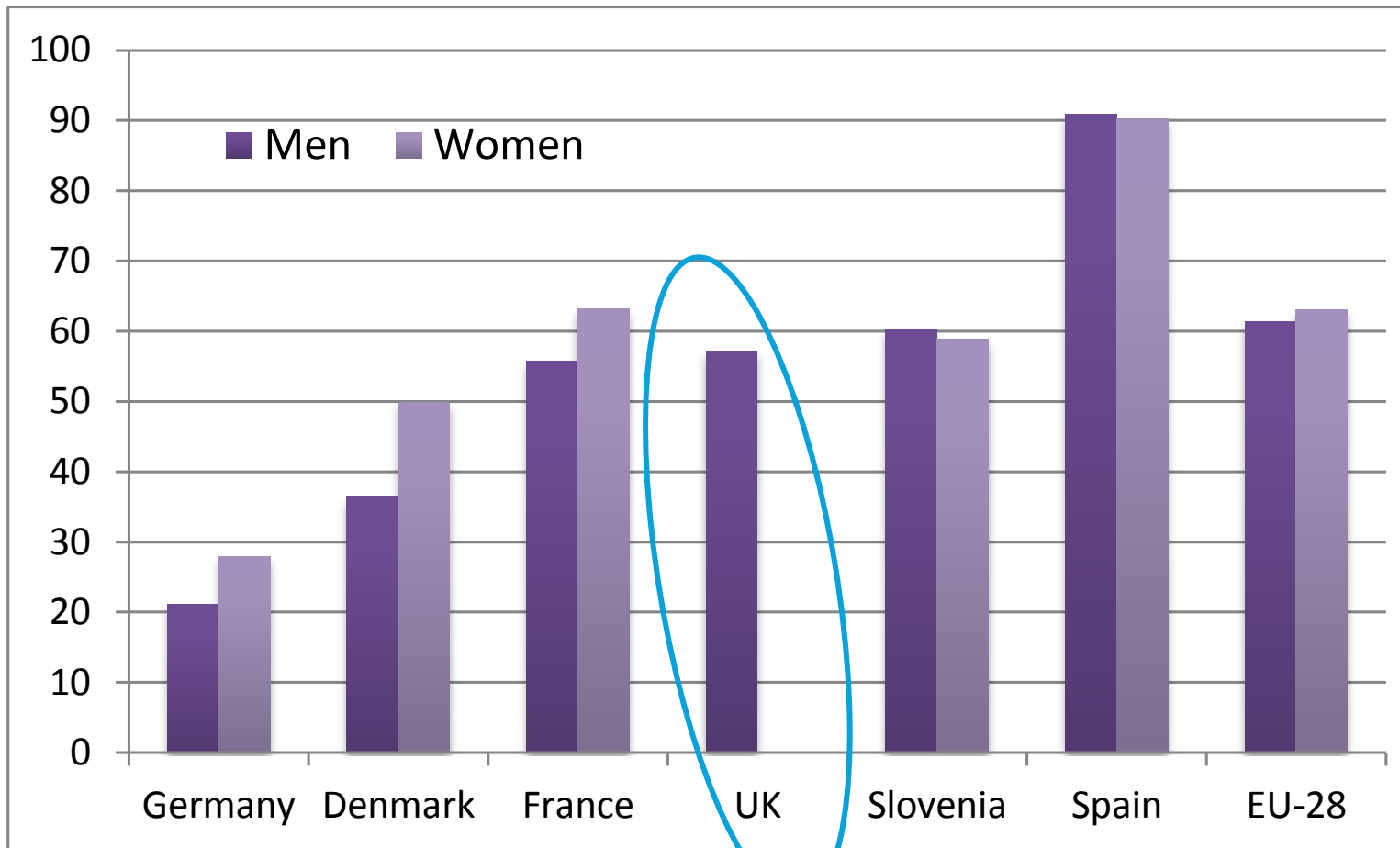


Source: Grimshaw, D., Rubery, J. and Ugarte, S. (2015) 'Does better quality contracting improve pay and HR practices? Evidence from for-profit and voluntary sector providers of adult care services in England', *Journal of Industrial Relations*, 57 (4): 502-525.

iii) Temporary work



For most temporary workers in the UK it is 'second choice' work (Eurostat 2015 data)



What legal responses?

UK requires 24 months tenure for employment protection

- **Germany** 6m, **Spain** special rule of 1m for temps with contracts <6m

European directives provide for equality of treatment of fixed-term and (after 12 weeks) agency workers

- Other countries supplement with collective agreements
- But the **UK** exploits exemptions (no right to equal pay if agency is employer and pays between assignments)

Some countries offer redundancy compensation:

- **Spain** pays 12 days earnings per year worked to temps

Over-use of temporary workers can be restricted:

- **France** restricts agency contracts to two renewals, max 18 months

Employers can be penalised for high use of temp work:

- Higher social security contributions in **France**

The **UK** has very tough eligibility criteria for paid maternity leave

	Eligibility conditions
Denmark	-120 hours in preceding 13 weeks (eg. 9 hours pw or 3.4 weeks full-time) (any employer)
France	-150 hours in previous 3 months (eg. 12 hours pw or 4.3 weeks full-time) OR earned above €9000 in previous 6 months (any employer)
Germany	-all employed women
Slovenia	-all employed women
Spain	-360 days employment over working life -exemptions for women aged under 26 years
UK	-Employee, not worker -26 weeks continuous work with same employer up to 15 th week before due date -Earnings above lower earnings threshold (16 hours pw at MW)

More inclusive policy and practice?

- Strengthen **worker voice** in workplaces
- **Minimum hours guarantees** (and greater employee control over work schedules)
- **Targeted training subsidies** for workers in non-standard employment
- Oblige unions and employers to conduct **gender equality bargaining**
- **Tax penalties** on employers who over-use insecure contracts
- Extend public sector conditions along supply chain (e.g. '**social value**' procurement)
- Extend employment rights and social security protections to **include the self employed**
- Facilitate access for workers in short hours, intermittent, low paid work to **social protection**
- Commit more resources to **enforce labour standards**