

ZERO HOURS CONTRACTS AS ONE OF THE NON-STANDARD FORMS OF EMPLOYMENT CONTRACTS

Non-standard forms of employment contracts cover diverse forms of employment relationships. The most common forms are fixed-term contracts and part-time contracts. This forms of employment is particularly affected by the impact of the economic crisis, putting employees in a very insecure and precarious position.

Over the past decade part-time work has increased across much of the EU, from 16.7% to 19.6% of total employment between 2004 and 2014. Part-time employment has traditionally been more common among women and is the means by which they combine paid employment and childcare. However, recent research conducted in Spain and other countries highlights the growth of men's part-time employment since the economic crisis. Such findings are reinforced by a recent EU Eurofound report on the emergence and growth of new forms of employment in Europe, which highlights the growth of casual work across Europe and emphasises the fact that while for some workers the high level of flexibility might be of benefit, most would prefer continuity and security. An Eurofound report on the emergence and growth of new forms of employment highlights casual work as one of the growing types of employment across Europe. Casual work is characterised by low incomes, job insecurity, little or no social protection or access to HR benefits, and employment uncertainty. These findings have also been confirmed throughout the recent 2014 debate on zero hour contracts in the UK [1]. Zero hours contracts specify no minimum number of working hours and the employer is not obliged to call in the worker.

The increased use of zero-hours contracts and agency workers by employers is preventing young people from obtaining permanent jobs, according to new analysis published by the TUC.

The TUC report highlights some of the particular problems that being employed on a casual or precarious basis may mean for women, particularly the use of casual contracts to undermine rights such as maternity pay and leave, the problem of organising childcare around non-set working patterns and the impact of low and fluctuating pay on in-work benefits such as tax credits. Employers argue that agency working and zero-hours contracts offer young employees valuable job experience and a stepping stone into more permanent employment. However, analysis suggests that younger employees are increasingly trapped in insecure work, when they would really prefer permanent employment which is more likely to provide access to training and workplace benefits, such as pensions and leave entitlements [2].

There has been growing public interest in the growth of zero hours contracts, where people are placed on a contract under which the employer is not obliged to offer regular work.

Zero hour contracts are where an individual is not guaranteed work and is paid only for the actual hours of work offered by the employer and carried out. Employees have to be available as and when an employer needs them. Under the National Minimum Wage and Working Time legislation (UK), the practice of employers asking employees to “clock off” in quiet periods but remain on the premises is illegal. There are three primary reasons why zero hours contracts could be used: a) demands of the job: where work is erratic and highly unpredictable, varying from day-to-day and week-to-week, they can be the most effective and cost-efficient way of matching labour demand and supply; b) evading employment rights: firms may designate individuals as workers rather than employees: workers are not entitled to protection against unfair dismissal, maternity rights, redundancy rights; c) meeting individual flexibility: for some employees, a zero hours contract may be attractive in that they chose when and where they work, or it is a supplement to a main job, or the potential insecurity of income is not a major concern – for example, a retired person who wants to do some occasional work [3].

The issue of zero hours contracts has become one of the hottest political topics in the UK. Zero hours contracts allow companies to keep staff on standby while offering no guaranteed work. During August 2013, pressure grew on the UK government to make changes to legislation.

Namely, on 28 August 2013, workers at a Hovis bread factory in Wigan began a week-long strike over the introduction of agency staff reportedly on zero hours contracts. The move by Premier Foods, the owners of the Hovis brand, follows around 30 redundancies among the bakery’s permanent staff and a reduction in working hours. According to the Bakers, Food and Allied Workers Union (BFAWU), the company sought to ‘make up the ensuing staff shortfall with agency labour, with many being utilised on an “as and when” basis, in other words [on] zero hours contracts’. The union is seeking ‘the withdrawal of agency labour from the site’ [4].

Zero-hours contacts seem to have been widely used in industries such as tourism and retail for some time. However, they are being used increasingly across a wider range of sectors. Many teachers, journalists and lawyers are also on zero-hours contracts. Certain groups of people are more likely to be on zero-hours contracts, such as people under 25 or over 65 years of age [5].

Non-standard forms of employment contacts are being widely used also in Ukraine.

Ukraine is the largest Eastern European country supplying IT outsourcing services all over the world. Over 5 years, its outsourcing sector has been constantly evolving striving to be among top outsourcing destinations [6]. Ukrainian outsourcing companies are becoming more experienced in the business continuity. Some bigger companies have opened new locations in CEE

or Western Europe, and relocated there some teams. Furthermore, Ukraine keeps its 4th place in the world by the number of IT professionals (230,000 according to the government). The annual number of technical graduates is still around 15,000. This number does not include junior specialists using non-formal education like online courses, webinars and schools for developers, which is becoming enormous (in 2014 we have counted up to 20 course/training providers only in Kyiv) [7].

Private employment agencies are becoming stronger actors in the labour market of Ukraine. However, Ukraine should ratify ILO Convention № 181 on private employment agencies, one of the objectives of which is that private employment agencies should have an opportunity to act, and the employees who use their services, should be protected.

It is important to pay attention to the need for detailed regulation in the Labour Code of Ukraine conditions of activity of business entities. Labour relations between an employee and several employers simultaneously require the establishment of reliable guarantees of the rights of employees to prevent abuse by employers.

Literature

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