



# Fair Work

**Fighting poverty  
through decent jobs**



**fair work coalition**  
fighting poverty through decent jobs

# Contents

Foreword	1
Introduction	2
The legal position	4
Case studies (part one)	6
The impact of insecure, low-paid work	16
The economic case	20
Case studies (part two)	22
Conclusion	32

## *Acknowledgements*

The Fair Work Coalition would like to thank everyone who has allowed their experience to be shared as a case study in this report. The coalition would also like to thank the Centre for Social Inclusion, who carried out the majority of case study interviews, and Community Links, who helped with case study contacts. The names of many of the case study participants have been changed to protect their identities. Photographs have been used to illustrate the themes of each case study and are not of the workers described.

# Foreword

The Fair Work Coalition has come together to launch a new campaign for fairness at work for those in low-paid and precarious jobs. The coalition includes faith groups, voluntary and community organisations and trade unions. Together it will be working to highlight the continuing injustice experienced by low-paid staff on ‘worker’ or ‘falsely self-employed’ contracts, and to draw attention to the in-work poverty and insecurity that can result.

For further information about the Fair Work Coalition please see the coalition’s website at [www.fairworkcoalition.org.uk](http://www.fairworkcoalition.org.uk).



# Introduction

The UK is currently moving out of the deepest recession since the Second World War. Hundreds of thousands of people have lost their jobs, and many remain at risk of long-term worklessness. Continued government support to help people move into work is vital.

But unemployment is not the only challenge facing post-recession Britain, as work itself is not always a route out of poverty: increasing proportions of working households have an income of below 60 per cent of median income (the Government's preferred measure of poverty),<sup>1</sup> and nearly half of poor children are in working families.<sup>2</sup>

There are multiple reasons for persistent in-work poverty, including low pay, low in-work benefits for families without children, poor progression opportunities for many in low-paid jobs, a lack of access to services such as good quality childcare and the ongoing gender pay gap.

But there is seldom any discussion about the ways in which poor rights at work can consign people to in-work poverty.



While the UK has weaker employment protection than many other European countries, many people do have important rights at work including access to sick pay, maternity and paternity leave, a written statement of terms and conditions and protection from unfair dismissal.

But a significant group of working people are denied the most basic standards of job security and fair treatment in the workplace. Under UK employment law these people are not classified as 'employees' but as 'workers'. There is also a growing trend of individuals being falsely classified as 'self-employed' (even though they have many of the characteristics of economically dependent workers, and should therefore have better employment rights). People in both of these groups are often described as having 'atypical employment status'.



There is an important link between people's employment status and their chances of being in working poverty.

Those who are 'workers' can legally have their regular employment terminated at a moment's notice, have no guaranteed hours and are ineligible for rights including maternity leave or the right to request flexible hours. For those whose wages are already low, this insecurity of employment means they have an even greater chance of facing persistent in-work poverty.

*“Poor rights at work can consign people to in-work poverty.”*

The complexity and uncertainty of employment status law also means that it is relatively simple for unscrupulous employers to falsely classify their staff as 'self-employed'. Those who find themselves in this group (including some hairdressers, courier drivers, construction workers and homeworkers) are at high risk of receiving even fewer rights. This can include being paid less than the minimum wage and being denied access to paid holiday or sick pay.

Those with atypical employment status also face a higher risk of having the few rights they do have disregarded<sup>3</sup> – for example facing health and safety risks and discrimination at work. In such a precarious situation it is very difficult for workers to complain if they are treated badly – their employers can simply tell them not to bother coming back.

Such poor protection at work has wider consequences for people's lives. Those in insecure employment are far less likely to receive training, more likely to cycle between benefits and work, more likely to have poor health and be at greater risk of poor working conditions.

The Fair Work Coalition estimates that at least 500,000 low-paid workers are in this position,<sup>4</sup> and believes that there is no moral or economic justification for the high risks of extreme hardship that these workers and their families face. This short report explains why the law needs to change to give these working people a better chance of fairness at work.

# The legal position

Working people in the UK have different rights and protections at work depending on their 'employment status'. There are three main categories of employment that are recognised by UK employment law. These are:

- being an 'employee'
- being a 'worker' and
- self-employment.

People in the different categories have different employment protection. Only those defined as 'employees' have a legal right to the following:

- written statement of terms and conditions of employment
- itemised pay statement
- statutory notice
- maternity leave / paternity leave / adoption leave
- right to request flexible working
- minimum notice
- right to claim unfair dismissal
- right to claim redundancy / redundancy payments
- rights to time off for trade union duties or training.

In addition 'employees' often also benefit from better contractual rights and workplace policies than 'workers'. For example, many employers will offer 'employees' contractual sick pay that exceeds statutory entitlements.

In contrast, 'workers' only have rights to limited protection on pay, working time and paid holidays, discrimination rights and limited trade union rights. The self-employed have the least rights of all, with only limited protection under anti-discrimination and health and safety rules. They are also deprived of such benefits as statutory sick pay and Jobseekers Allowance.

To add to the confusion, different definitions of an 'employee' and a 'worker' and for 'employment' or 'self-employment' are used for different employment protection rights; and the definitions in social security legislation differ again.

In addition, in recent years an inconsistent approach has been taken to employment status when new employment rights have been introduced. This has led to a number of anomalies in the law. For example, rights introduced in 2000 for part-time workers apply to all 'workers', whereas rights introduced in 2004 for staff on fixed term contracts only apply to 'employees'. Since 1999, all 'workers' have rights to be accompanied by a union official or a colleague at grievance and disciplinary hearings, but legislation encouraging employers to use grievance and disciplinary procedures to resolve employment disputes only applies to 'employees'.

Unhelpfully, the legislation provides no clear guidance on how to determine employment status. As a result, it has largely been left to the judiciary to decide who qualifies for which employment rights.

The courts and tribunals have developed a series of constantly evolving tests to determine whether individuals should be classified as an 'employee', a 'worker' or as 'self-employed'. These tests consider factors such as the degree of control the employer has to direct an individual's work; the extent to which an individual is integrated into the employer's workplace; mutuality of obligation (the degree to which the employer is obliged to provide an individual with work and to which

*“Some firms require workers to hire a bike as a condition of being offered employment. This is then used as evidence that the individual has their own business and should not qualify for rights at work.”*

the individual is obliged to do the work); and whether the person undertakes work personally. In applying these tests the courts and tribunals have generally concluded that those employed in permanent and regular employment benefit from statutory safeguards while those in more temporary and irregular forms of employment fall outside the scope of statutory protection. This means that those individuals most in need of protection are also the most likely to be deprived of statutory rights.

For example, the application of the mutuality of obligation test has meant that many individuals employed in hospitality and catering on a casual – as and when required – basis lose out on basic employment rights. Homeworkers lose out on employment rights, as employers have successfully demonstrated that they are not obliged to provide individuals with a regular supply of work. In the construction sector, unscrupulous employers have increasingly used substitution clauses in contracts, stating that an individual may ask someone else to carry out work on their behalf. In some cases, tribunals have accepted the argument that the construction worker is therefore not required to carry out the work personally and as a consequence is self-employed. In the distribution sector, some firms require workers to hire a van or bike as a condition of being offered employment. This is then used by the employer as evidence that the individual is operating their own business, should be treated as self-employed and should not qualify for statutory protections. Agency workers also have insecure employment status and are often categorised as being ‘workers’ or ‘self-employed’. However, they also face the additional hurdle of needing to identify who their employer is – the agency or the hirer – and who has responsibility for providing any statutory employment rights. Decisions on employment status are taken by the courts and tribunals on a case by case basis, depending on the facts, the terms contained in an individual’s contract and the day to day reality of the

individual’s employment relationship. As a result, the only way to determine for sure whether an individual is a ‘worker’, an ‘employee’ or ‘self-employed’ is to take a claim to an employment tribunal. This is costly and time-consuming for all parties involved and extremely daunting for vulnerable workers who may fear victimisation or dismissal for asking for trying to enforce their rights. This system, which relies on individuals making tribunal claims, also produces confusing and inconsistent results as two very similar cases may be decided differently by different tribunals.

**This complex legal situation has several implications:**

- **Growing numbers of working people, including agency workers, homeworkers, casual workers and freelancers, are being excluded from important employment protection.**
- **Those people who are classified as ‘workers’ or falsely ‘self-employed’ face much greater levels of unjustifiable insecurity compared to ‘employees’.**
- **There can be uncertainty as to when an individual will be found to be an ‘employee’ or a ‘worker’, as different tribunals take different views about employment status depending on the facts of any case.**
- **There is considerable scope for unscrupulous employers to take advantage of this complexity and falsely classify workers as ‘self-employed’ when they are not.**

This situation is not inevitable. Many other European countries<sup>5</sup> have much better legal protection. This includes public policy statements on who should qualify for ‘employee’ rights, worded to make sure that workers in new types of employment relationship are included. In addition, in many other European countries employers have a responsibility to prove that workers are not entitled to statutory protection, whereas in the UK the burden of proof rests with the individual to prove they are ‘employees’, which makes it harder for workers to qualify for protection.



*Case study*

# Daniel

Daniel is married with two children. Until his job finished abruptly he was a driver for a courier firm, making deliveries across the UK. Although dependent on the firm for the vehicle and the hours he worked, Daniel was told he was self-employed and responsible for his own tax and National Insurance. Hours were long, unpredictable, unsociable and often paid at well below the minimum wage rate he was promised.

*“I was exhausted and falling asleep at the wheel.”*



When he started the job Daniel was told that the shifts were 11 hours for a minimum of five nights a week. Daniel volunteered to do seven as he needed the money. The company did not pay for fuel or other expenses.

In his first week Daniel worked four shifts. He was told to be on duty in the van and wait for assignments to come in, but he only received two or three jobs. The time he spent waiting was not paid. The company also deducted additional charges from him:

*“I was supposed to pay the company £4 to £5 because they charged me [in additional costs such as petrol and van hire] more than I earned... They charged for van rental, some reasons that were not explained to me – VAT, some other charges. They had not explained this before I started.”*

Daniel has since been denied pay on various other pretexts. On one occasion he could not find the address given for a delivery, so received an alternative address from the office. The next day the company told him that unless he returned the parcel to the original address he would not be paid for the shift:

*“I told them I can’t leave my children. I phoned my wife and she said she would send a friend to look after the kids. But the office called again and said I must do it very quickly – the customer is looking for his package. In the end I left the kids unsupervised for a few hours. All I could think about while I was out was my children and how could I do that. But I needed the money... I got there and collected the parcel and the other address was probably 10 yards away. They didn’t even pay me for the second trip.”*

Not long after this Daniel had to go away for a few days. His leave was cleared in advance but when he returned was told that there was no job for him anymore and he would not be paid his remaining wages because he had not completed a full week.

When jobs did come in, they could be at any time and could involve working considerably over the shift: “Sometimes you would get a job at 4am, after getting to work at 7pm.” Managers would follow him on the GPS and frequently ordered him to go faster in order to make the time they had told the client:

*“Once I drove to Newcastle. I only had £40 cash left. I needed to get there fast. They were phoning me all the time telling me to hurry up because the aircraft was waiting. I was exhausted and falling asleep at the wheel. I was driving fast and using lots of diesel. I needed more than £40 to get back from Newcastle but didn’t have enough so phoned up my wife and asked her to put money in my account. I had to wait in Newcastle until 10am for the money to be in the account before I could fill up and leave.”*

Having to cover his own expenses (as a consequence of being classified as self-employed) made things extremely tight financially. The job also placed a strain on relations with his wife and children. Daniel was fully aware he was being treated very badly but stayed on in the job because he needed the money and because the company kept promising better pay and conditions.

---

### Case study: key points

- Parcel courier
- Told he was self-employed
- Paid less than the minimum wage
- No guaranteed hours
- Employer took his wages for petrol costs



*Case study*

# Claire

Claire has worked as a transport cleaner for nine years. Over this time she has worked for several different contractors and has been with her current contractor for two years.

*“I have qualifications that mean I could progress ... because I’m a cleaner I’m being denied that.”*



While working with one contractor Claire was receiving below the national minimum wage, and in one instance she was not paid at all. Managers claimed that the person who dealt with her pay was unavailable. As a result Claire decided to protest and was eventually given an interim payment to cover her wages. But even when she did get paid she wasn’t given the correct amount.

Other staff experienced similar treatment. In one case a cleaner did not receive any holiday pay, and once they came back from holiday they weren’t paid at all. When the individual complained about his treatment, he was dismissed.

Claire has received neither pension provision nor sick pay, and all the contractors she has worked for operate on a ‘no show, no pay’ basis. Health and safety training has not been given.

Claire’s roles have provided her with little job security:

*“You could just be sacked like that. We had an issue, if the manager does not like you he goes to the client to say. Once the client says I don’t want this lady in my premises that’s it. You just lose a job like that.”*

Many contractors give cleaners regular hours but if a worker turns up late for their shift they can be told to go home because the shift had been covered. This means that on occasion cleaners are not paid for the hours they are contracted to work.

Claire has had great trouble in managing her finances due to her low wages. At times, she has only been able to afford three meals a day by doing two jobs. This has left her with no free time, and has also prevented her from taking part in trade union activities.

Her job insecurity combined with her low wages has also meant that in the past she has been unable to afford her own accommodation. She recalls a time when she could not pay her council tax. Consequently she was taken to

court and evicted. She had to sleep on her cousin’s floor in cramped conditions, and wear second-hand clothing because she could not afford her own. She has also been prevented from obtaining an overdraft from her bank and has found herself in a small amount of debt as a result.

Claire is concerned that there are no promotion prospects with her current cleaning contractor. She notes that in the past cleaners have been given the ability to progress to become managers. However, this has now been changed. As Claire makes clear:

*“I have qualifications that mean I could progress... because I’m a cleaner and there are no progressions... I’m being denied that.”*

Claire lacks both self esteem and confidence:

*“It’s really affected me. Being a cleaner has lowered my self esteem. To go out there and perform is tough, it’s really affected me.”*

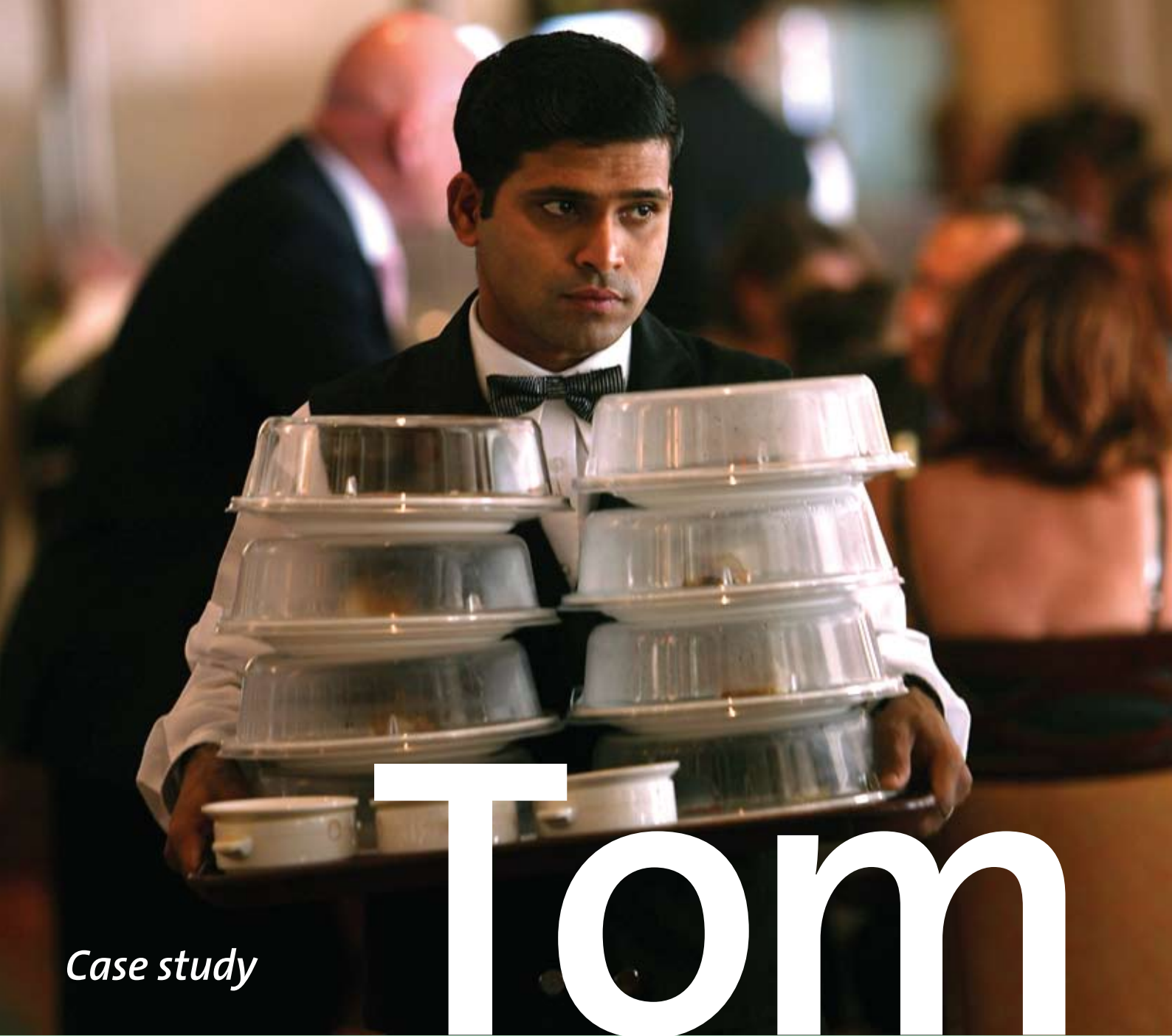
But looking to the future she is determined to keep fighting to improve cleaners’ rights.

***Claire has now become involved with a trade union, and is an active trade union representative. Organising collectively has allowed union members to bargain for increased wages and has led to some improvements in working conditions.***

---

### Case study: key points

- Transport cleaner
- Sometimes a ‘worker’, sometimes ‘self-employed’
- No sick pay
- No protection from unfair dismissal
- In the past could not afford her own accommodation



*Case study*

# Tom

Tom has worked for numerous employment agencies. He relied on this insecure employment for his income for around three years, mostly working in agency catering, events and security. Tom often had to call in and try to book himself onto shifts, although there would be no guarantee he would get them.

*“Lots of people in these companies were like me. They weren’t unqualified. They just couldn’t find decent jobs.”*



He recalls that:

*“They always deliberately overbooked members of staff... There would nearly always be people sent home because they overbooked by 15 staff”.*

To try and ensure they got work, some people would often turn up for shifts early, even though they wouldn’t get paid until they started work. Tom also found that many of the agencies would not pay for the total amount of hours that he had worked on some shifts:

*“If they asked you to stay on a bit longer they didn’t note it down and would be a bit shifty and try not to pay that. If you pushed it they usually would. Or if you could get a supervisor to vouch for you they would.”*

Other jobs had different forms of insecurity. One agency gave a guarantee that you would get work if you booked in for shifts, but if you turned up even 15 minutes late you could be sent home. There was little or no sick pay for any of the jobs, while holiday pay varied across agencies. There were no pension or paternity leave arrangements.

The instability of wages and shifts meant Tom had to be “smart with money”, although living with his family meant he was able to avoid debt. He found that it was difficult to plan his life. Many of the shifts he worked were at unsociable hours and sometimes he had to cancel plans at the last minute as work became available.

Tom felt the work demeaning and became frustrated that he was not using his qualifications:

*“It made me quite angry, and I wasn’t sure how to get out of this hole ... Lots of people in these companies were like me. They weren’t unqualified. They just couldn’t find decent jobs.”*

During work for a catering agency Tom had direct and indirect experience of racial discrimination toward himself and other agency staff. If agency workers were compliant and did not complain they were often given more work. He also found: “sometimes they’d cancel someone because they didn’t like them and then they’d book someone else who they liked”. Working for one particular catering agency Tom recalls witnessing racial discrimination toward some staff:

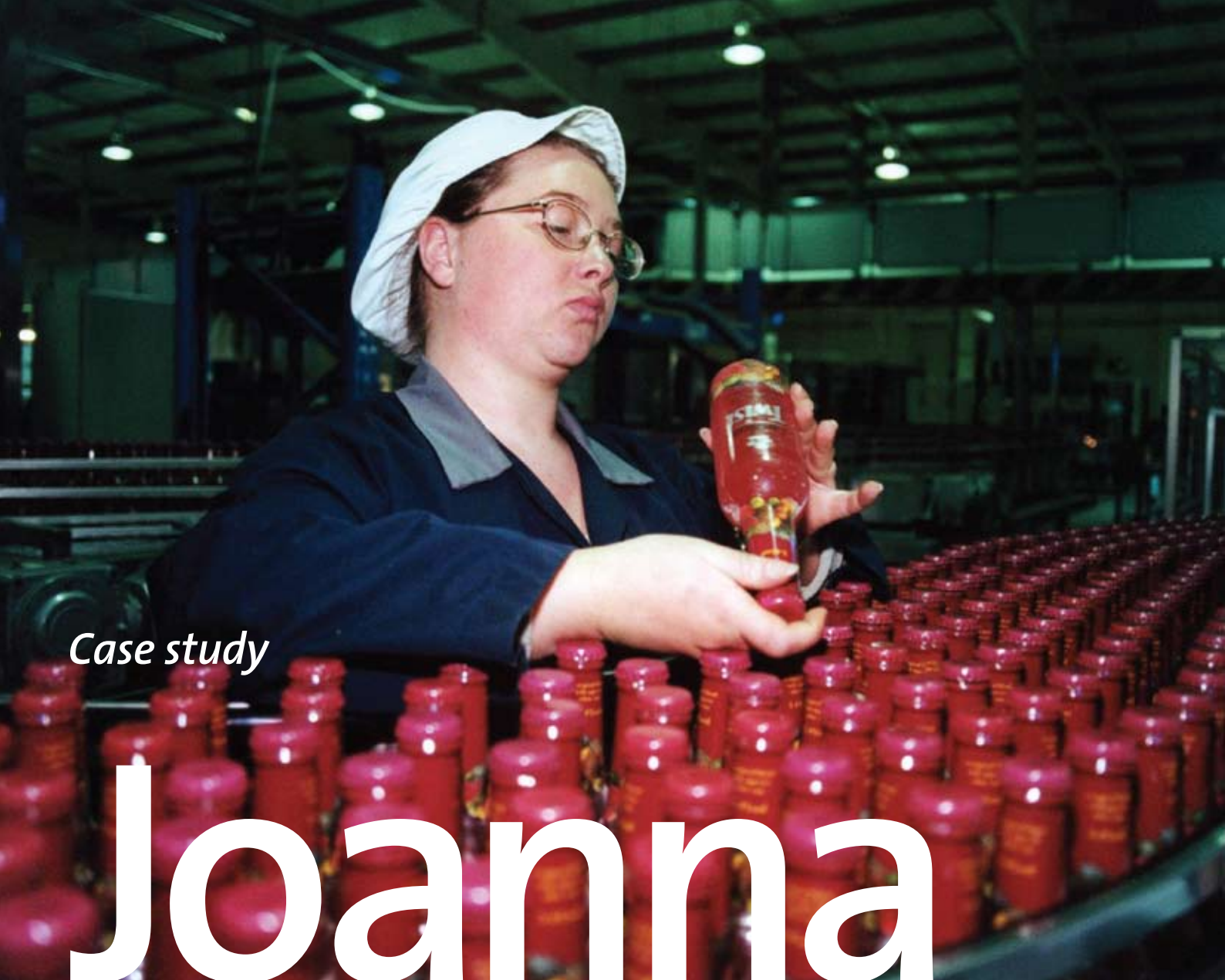
*“There were some people that were black or Asian who were booked on shifts and then some of the South African, English and white people turned up behind them and they were moved in front of the queue so the black or Asian workers were not given the shifts.”*

***Tom’s experiences of insecure employment were influential in the career he was eventually able to find in a trade union.***

---

### Case study: key points

- Casual catering work
- Often sent home because too many staff were booked
- Experience of racial discrimination
- Couldn’t plan his life because of extreme insecurity



*Case study*

# Joanna

*“You feel you are a thing  
which you can buy or sell to  
anyone. You feel defenceless.”*

Joanna recently worked as an agency worker doing packing and cleaning jobs in a large food factory. Pay was low and hours were extremely irregular and unpredictable. Compared to agency workers, permanent staff had greater security (a guaranteed minimum of 3.5 days work per week) and access to training and progression opportunities. Unlike agency workers, permanent staff were paid overtime and received extra for the harder jobs.

Joanna only received health and safety training after one year in the factory. She reported that safety clothing and equipment was communal, often dirty and ill-fitting and that the agency charged for safety boots and for travel. Because of long hours and poor (often cold) conditions on the factory floor, Joanna was ill every few months. She now has a bad back, caused by doing heavy lifting as part of the job.

Notice of work could be very short:

*“Sometimes if they needed people for the night shift they were ringing you 10am and they were saying I have to go to work and be ready for 2 or 4pm. [Other times] they say you go for 8 hours but when we went there and the supervisor said someone did the wrong order they were sending me home at 6am and you didn’t get paid.”*

When the factory had a big order, Joanna was expected to do several long shifts (up to 11 hours) back to back – sometimes for 12–15 days in a row. Deciding which shifts to accept was, in theory, optional. But Joanna found that if she turned down a shift she would not be offered more work for at least the next few days. Once on a shift, the hours could be extended or curtailed with little notice or chance to refuse:

*“Sometimes they were saying you’re going for 8 hours and they are asking you to stay longer than that. Even if I said I can’t stay I didn’t have any choice. First of all because they didn’t have a lift [home] and secondly they were saying ‘of course, you can say no, but if you say no we’re not going to take you for work the next day.’ They’re going to fire you. I didn’t have a choice.”*

When there were fewer orders to fill, Joanna could go a week without getting any work and had to phone in every day to keep up her chances of getting work when it came in. This insecurity caused Joanna difficulty and stress around managing her finances:

*“I knew I’m going to have to pay rent every week or month and I never knew how much money I’m going to earn. I would always worry is it going to be enough or not.”*

The lack of notice and unpredictability of the hours also affected day-to-day planning. Her personal and social life suffered, particularly when there was a lot of work and any time off was needed for rest.

For Joanna, the experience was disempowering and damaging to her self-esteem:

*“When they tell you how any time they want without any explanation ... you feel you are a thing which you can buy or sell to anyone. You feel defenceless.”*

Joanna wanted to leave, but felt trapped as she could not see how she would get a better job with her level of experience, lack of qualifications and what she feared would be a poor reference from the factory.

---

### Case study: key points

- Factory cleaner and packer
- Long hours and poor conditions led to regular illness
- Stress and financial difficulties from job insecurity
- Felt trapped

# Brian

**Brian has been working as a freelance journalist for over 30 years. For all this time he has been treated as self-employed. However, for much of the time he has been engaged in full-time work for extended periods for a single employer, either on a casual basis or with a written contract stipulating his terms of employment. Either way, Brian has insecure tenure, no entitlement to the benefits automatically given to permanent staff and is in a weak position when it comes to negotiating pay.**

Brian worked in his previous job for around ten years, but was let go with a month's notice when the firm came under financial pressures during the 1990s recession. Brian felt that given his length of service years he should have been entitled to some form of redundancy or severance pay.

Brian has now been doing similar, full-time work for his current employer for the last ten years:

*“What happens is people who are self-employed get drawn into long-standing work processes. A company becomes happy with your services. They like what you do. You become respected ... two to three years down the line, having worked for them regularly, it becomes obvious that you are an employee of that company to all intents and purposes. By then they've got you where they want you... They are taking advantage of goodwill and the certain knowledge that because they're supplying you with a regular income they have the upper hand. They're refusing to accept their responsibility as an employer.”*

Brian's pay has often been relatively low:

*“It's on a ‘take it or leave it’ basis and because there are a lot of other people out there on the job market ... you end up saying yes to things you don't want to at rates of pay that are poor ... It is exploitation. Everybody knows that but if you have to pay the bills you have to settle for it.”*

Brian further asserts that the ease with which journalists employed on a casual basis can be dismissed, replaced

or have work taken away instils a fear around seeking better conditions:

*“People are scared to go into the bosses' office and say I've worked for you for two years, isn't it time you gave me a day's holiday pay per month. People are too scared to do that. I'm currently working for someone full time. At the same time I'm not receiving any employment benefits. Already I'm feeling hugely intimidated by this whole thing. They could get rid of me.”*

Brian considers the absence of company pension provision a huge disadvantage. He now contributes to a personal pension scheme but says that the ten years in his previous job were too poorly paid to allow this. Holidays and health are also affected:

*“...you're relying on a certain amount of luck on the health front that you don't get sick for a long period of time. Holidays [are] a bit more of a luxury than for someone who's being paid while on holiday ... from a budgetary view as well it makes things more difficult in comparison to someone who's employed.”*

Ultimately Brian loves his work but is disenchanted about the way employers in his profession behave, and disappointed that the law allows it:

*“My argument is that people like myself who have ended up working as an employee of a company for a long period of time, 10 years, have never been offered the correct remuneration vis-à-vis holidays and sick pay. I believe that from a legislative view it would not be difficult to correct that injustice.”*



---

#### Case study: key points

- Freelance journalist
- Long periods with the same employer
- Treated as self-employed
- No pension scheme
- No redundancy pay

# The impact of insecure, low-paid work

People with 'worker' or false 'self-employed' status face extreme insecurity at work, as they do not have any rights to minimum notice periods, have no guaranteed hours and are not protected from unfair dismissal. This means that people can see large variations in their incomes, and can find themselves with much less money than expected at virtually no notice. It can also limit access to credit and cause extreme stress from financial worries. Around 41 percent of temporary workers are low paid (£6.50 an hour or less).<sup>6</sup>

## *Conditions of work*

Workers with atypical employment status often have very poor working conditions. In one recent study<sup>7</sup> a questionnaire survey was used to explore the pay and conditions of 341 low-paid workers in contract cleaning, hospitality and catering, home care and food processing. The research team found that only a minority of workers received any employer benefits. Three-fifths of workers received no maternity or paternity leave from their employers, half of all workers lost pay for taking time off for emergencies and just over half (52 per cent) did not receive sick pay. As many as 67 per cent of respondents received only the statutory minimum number, or fewer, of paid holiday days. Over two thirds (70 per cent) had no access to a company pension scheme. The research concluded that the use of subcontracting, agency staffing and temporary employment contracts have all made such 'bottom end' jobs less secure than they once were.

Crisp et al (2009)<sup>8</sup> recently undertook research on the experiences and perceptions of work and worklessness among residents in six relatively deprived areas of the UK. They found that while work can contribute to self-esteem and independence, many residents they interviewed were trapped in 'poor work', characterised by low pay, long hours and/or pervasive insecurity. They also considered

the relationship between work and family life, and found a number of tensions between work and parenting, including the inability of low-paid and insecure work to support childcare costs and the lack of flexibility within such jobs to allow workers to fulfil parenting responsibilities.

Rather than benefiting from the 'flexibility' of insecure work, those in precarious employment can find that their ability to achieve a work/life balance is actually limited. Analysis of the Third European Survey on Working Conditions shows that in the UK 68.9 per cent of temporary workers have limited working time flexibility, compared to 54 per cent of permanent workers. Similarly, 30.9 per cent of temporary workers are required to work antisocial hours, compared to 23.9 per cent of permanent staff. In contrast, the incidence of monotonous tasks and inflexible working schedules is higher amongst temporary staff.<sup>9</sup> The OECD has highlighted that "temporary jobs may be more frequently used to satisfy employers' production needs than workers' time-use preferences".<sup>10</sup> In analysis of the British Household Panel Survey (BHPS) Booth et al<sup>11</sup> have confirmed that temporary jobs are generally not desirable when compared to permanent employment, and are associated with lower job satisfaction. Research for the Joseph Rowntree Foundation has found that "for most manual or lower-skilled workers, however, flexibility means insecurity and unpredictability".<sup>12</sup>

## *Health*

Many studies show that job insecurity in low-paid work is associated with poorer health. In the UK, analysis of the BHPS has shown that healthy women and men suffer adverse health effects in insecure low-paid work and that those facing low earnings and insecurity at work were two and a half times more likely than those in better jobs to develop an illness limiting their capacity to work.<sup>13</sup>



The Department of Health’s recently published independent review of health inequalities concluded that “work is good – and unemployment bad – for physical and mental health, but the quality of work matters. Getting people off benefits and into low paid, insecure and health-damaging work is not a desirable option.”<sup>14</sup>

A wealth of research evidence confirms that employment and working conditions have powerful effects on health. The World Health Organisation<sup>15</sup> refers to studies which show that temporary workers have shorter life expectancies than those with permanent contracts;<sup>16</sup> poor mental health outcomes are associated with precarious employment;<sup>17</sup> and workers who believe their work is insecure experience significant adverse effects on their physical and mental health.<sup>18</sup>

In a wide-ranging review of evidence on the health and safety<sup>19</sup> effects of precarious employment in industrialised societies, 76 out of 93 reviewed studies found precarious employment was associated with a deterioration in occupational health and safety (OHS) in terms of injury

rates, disease risk, hazard exposures, or worker (and manager) knowledge of OHS and regulatory responsibilities.

In contrast, when working conditions are more secure workers experience benefits including financial security, social status, personal development, social relations and self-esteem and protection from physical and psychosocial hazards – each important for health.<sup>20</sup>

### *Training*

Access to training, learning and skills development are all essential to career progression in the labour market, and research shows that workers who maintain and upgrade their skills are likely to fare better at work. As the OECD have shown,<sup>21</sup> there is a large literature base demonstrating that workers receiving continual training experience higher wage growth.

But research also demonstrates that for temporary workers training and learning opportunities are more limited.<sup>22</sup> Evidence from the Labour Force Survey shows that temporary workers are one and a half times more likely never to have been offered training by their employer

*“Entering work cannot provide a sustainable route out of poverty if job security, low pay and lack of progression are not also addressed.”*



than permanent employees (45.2 per cent of temporary workers compared to 29.9 per cent of employees respectively). Access to learning is worse in the lowest-paid sectors. For example, in the elementary occupations and administrative and secretarial occupations where they are concentrated temporary workers are even less likely ever to receive training than permanent workers (25 per cent less likely and 22 percent less likely respectively).

Using data from the first seven waves of the British Household Panel Survey (BHPS), conducted over the period 1991–7, Booth reached similar findings.<sup>23</sup> Compared to workers on permanent contracts, the chances of female workers receiving work-related training were 15 per cent lower for those on seasonal/casual contracts, while male seasonal/casual workers were 20 per cent less likely to have received training. The OECD confirm that temporary workers receive considerably less formal employer-provided training than permanent workers in 12 European countries.<sup>24</sup>

### *Risk of unemployment*

It is often argued that temporary employment provides workers with a route into permanent and sustainable work. However, the evidence shows that for low-paid workers there is a strong association between temporary work and multiple spells of unemployment.

Secondary analysis of the Jobseekers Allowance (JSA) claimant survey<sup>25</sup> found that people in temporary jobs were over three times more likely to return early to Jobseekers Allowance than those in permanent positions. Within one month of obtaining a job, 4 per cent of permanent workers returned to JSA compared to 14 per cent of temporary workers. Extending the threshold to three months increased the numbers of early returners to 12 per cent of permanent workers and 38 per cent of temporary workers. The majority of temporary jobs (75 per cent) ended naturally rather than as a result of workers deciding to leave (and within both the one- and three-month thresholds the figure was closer to 80 per cent). The majority of people in non-permanent work took those jobs because they could not find permanent positions (74 per cent).

Similarly, a recent report from the House of Commons Committee of Public Accounts<sup>26</sup> found that 40 per cent of people moving from JSA into work make a repeat claim within six months, and that one factor contributing to this trend is that 1.5 million people are in temporary jobs. The Committee concluded that when people are only able to gain short-term work, it contributes to benefit cycling and may not help them out of poverty. Recent research undertaken for the Joseph Rowntree Foundation has also concluded that “the issue of people moving repeatedly between work and unemployment is an endemic problem in the UK... Entering work cannot provide a sustainable route out of poverty if job security, low pay and lack of progression are not also addressed.”<sup>27</sup>



The OECD<sup>28</sup> has shown that in many European countries there is evidence that workers in temporary jobs are much more likely to move to non-employment than their permanent counterparts. Their analysis concluded that “even after using regression techniques to control for differences in individual and job characteristics... up to one-fourth of temporary workers are unemployed two years later, indicating a far greater risk of unemployment than is observed for workers in permanent jobs – and an even larger share are still in temporary jobs. Since employers provide less training for temporary than for permanent workers, persons spending an extended period of time in temporary jobs may be compromising their long-run career prospects.” Similarly, when considering progression into permanent employment through analysis of the BHPS over several years, Booth et al<sup>29</sup> found that among those employed in a seasonal or casual job (where employment is highly insecure), around 28 per cent of men and 34 per cent of women became permanent. However, the median seasonal-casual job duration before entering permanent work was 18 months for men and 26 months for women.

### *The low pay, no pay cycle*

The Treasury<sup>30</sup> have identified that that for some workers in the UK there is a ‘low pay, no pay’ cycle, in which workers move between low-paid temporary jobs and unemployment. Their research showed that people in low-paid work are more likely to be out of work in the future, and that those who move out of low paid work to unemployment are more likely to be low paid when they find new jobs. Research undertaken for the Low Pay Commission<sup>31</sup> has also found that a large group of minimum wage workers are part of a ‘low pay, no pay’ cycle.

Those who find themselves in this cycle experience outcomes that are comparable to those who are long-term unemployed,<sup>32</sup> with very low chances of moving in to permanent, better paid jobs. Spending extended periods of time in temporary employment is therefore likely to have a negative impact on an individual’s longer-term prospects.

It is also very likely that those who find themselves in this position will already be facing other sources of labour market disadvantage. A range of research confirms that young people, women (particularly after having children) and workers from ethnic minority groups are more likely to find themselves in low-paid, temporary jobs.<sup>33</sup>

*“Some workers move between low-paid temporary jobs and unemployment in a ‘low pay, no pay’ cycle.”*

# The economic situation

It is often argued that introducing improved protection for workers with 'atypical employment status' would have an adverse impact on jobs. But the evidence does not suggest that this would be the case.<sup>34</sup>

OECD analysis shows that there is no significant relationship between labour market outcomes and the extent of labour market regulation. As the authors of an important study conclude:

*“Our results suggest a yawning gap between the confidence with which the case for labour market deregulation has been asserted and the evidence that the regulating institutions are the culprits. It is even less evident that further weakening of social and collective protections for workers will have significant positive impacts on employment prospects. The effects of various kinds of deregulation on unemployment are very hard to determine and may be quite negligible.”<sup>35</sup>*

Micro-level economic evidence, considering how particular regulations have affected the economy, also shows that there is no clear relationship between regulation and labour market performance. For example, prior to the introduction of the minimum wage there was concern that it would prompt knock-on wage increases for slightly higher paid workers and would lead to a reduction in the amount of work available across the economy. However, there is no evidence of reductions in employment or increases in unemployment arising from introduction and uprating of the minimum wage in the UK, even though it has increased in real terms and relative to median earnings since 1999.<sup>36</sup> Given the minimum wage has not led to job losses, it is very hard to see how fairer treatment for a small number of low-paid workers could have significant economic effects.

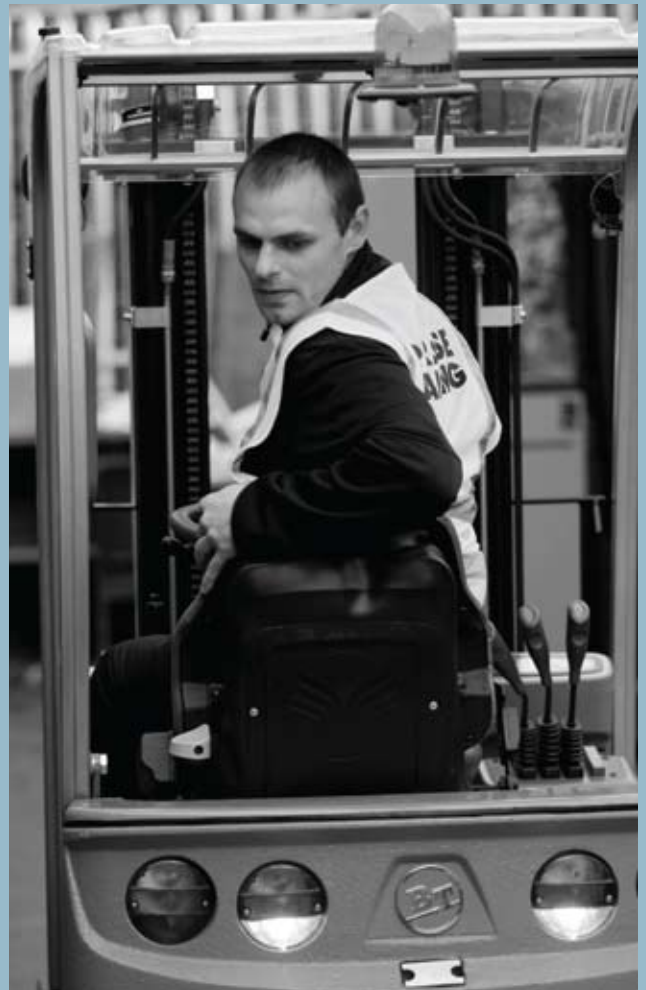


It is also important to remember that the UK's labour market remains one of the most lightly regulated of any developed economy. The OECD creates an index of employment protection, which ranks countries by various dimensions of protection from regulations governing the dismissal process, notice periods, severance pay and appeal procedures to regulations governing fixed-term and temporary contracts and agency workers. According to the index the UK was the third least protected of the 26 OECD countries in 2008 (after the US and Canada), compared with the second lowest in 1990.<sup>37</sup> Many other countries with successful economies therefore have better provisions in place to ensure fairer treatment for those in precarious employment – economic success is not incompatible with fair treatment.

Finally, improved protection for workers with atypical status would also do nothing to prevent employers retaining flexibility over how to deploy their workforces. There are many ways in which businesses that experience even the most extreme variations in supply and demand retain flexibility among their staff teams, for example through redeployment, overtime or making use of fixed-term contracts. And when employers do need short-term cover as a result of staff absence or holidays, improved protection would do nothing to prevent temporary staff being used – the only difference would be that temporary workers would receive a fairer deal at work.

The evidence does not suggest that improved rights for low-paid workers with atypical employment status would have adverse economic impacts. In fact, regulation could improve labour market performance, by increasing workers' opportunities for progression and by encouraging the creation of better quality and permanent vacancies. Both economic success and fair work are possible.

*“Many other countries with successful economies have better provisions in place to ensure fair treatment for those in precarious employment.”*





## *Case study*

# zoe

Zoe has worked at home for around four years, packing small items, such as screws, into blister packs. She has two children, one below school age and one at school. Zoe was told that she was a 'worker', so was eligible for the minimum wage (although she was informed she could not qualify for maternity leave or for sick pay). However, while she received a small pay increase after the minimum wage Compliance Unit visited the company she worked for, when she was interviewed Zoe was still earning only £3.10 per hour (at the time the minimum wage rate was £5.35).

# *“It was like harassment with the work – I’d be up until 3am getting the work finished.”*

This was because the company paid her by a piece rate, as opposed to the hourly rates received by staff working in the factory. The low piece rates meant that it was near impossible for Zoe to earn the minimum wage.

The main reason that Zoe worked from home was her ill-health, and her perception that she wouldn’t have received time off for hospital appointments in other types of work. She also needed to be at home to look after her baby herself, which additionally saved on childcare costs. Working on site wasn’t a practical option for her:

*“When I was ill I had to keep going to the hospital; ‘normal’ employment wouldn’t let me have time off.”*

She was particularly ill around the time she was pregnant, when she found that although homeworking had seemed like a more flexible option, this was not always the case:

*“It was like harassment with the homework – I’d be up until 3am getting the work finished – and they were phoning two days after I got out of hospital.”*

Zoe says the workers who are employed on-site do the same job as her under far better conditions. As well as receiving sick pay, holiday pay, maternity pay and leave and an hourly wage, they get better equipment to work with, such as proper scales so they do not need to count out the screws.

Although she began working from home for health reasons, Zoe now believes the home working has actually made her health worse. She suffers from back pains, caused by “sitting on the floor slouched over – the doctor says don’t sit on the floor for six hours. You get back ache and your legs ache.”

She has also found that she has had to work throughout a serious health problem because she could not afford to take the time off.

*“I had an eye infection which lasted for three months. Everything was blurry, but I had to work through it because I couldn’t get sick pay or income support. I did the work by feel (as a result of her poor eyesight). Never any sympathy, I was always expected to get the work done.”*

*This case study has been adapted from the National Group on Homeworking’s (NGH) report: Subject to Status. NGH has now closed.*

---

## Case study: key points

- Homeworker
- Packed screws into blister packs
- Paid a piece rate below the minimum wage
- Had to work until 3am shortly after leaving hospital
- No sick pay, holiday pay or maternity pay



*Case study*

# Sara

Sara is in her mid-50s and has two grown-up children. As an agency worker she experienced irregular hours, low pay and uncertainty. It was a continued struggle. She began claiming Working Tax Credit once she became aware she was entitled to it but is now being asked to pay back overpayments (incurred as a result of frequent changes in her hours).



Sara reports that the first agency she worked for (and the one she spent the longest time with) was a small operation when she was first placed, but that it has since expanded significantly. The cleaning jobs she got through the agency were mostly in private houses. All work was paid at the minimum wage. Sara signed a contract in the agency but was not given a copy. She was not aware if there was entitlement to sick pay or pension. She was not given holiday pay and was told by the agency that if she went on holiday her job might be replaced.

At the beginning, especially, the hours were infrequent and unpredictable:

*“[At the start] everything was horrible. I have to wait for the phone. They have some job for three hours – I do that and after I wait about two weeks for the phone.”*

She remembers that her income was £141 for the first month and about £200 for the second. As she became more established, the hours became a little more regular, but the job remained precarious. Sara reports that she and other staff were dropped from some jobs and replaced with other cleaners. They were told this was because the clients had complained about their cleaning, although Sara has reason to believe that it was often because the agency wanted to give work to someone else who had recently joined.

Sara would have to travel, at her own expense, up to one and a half hours between jobs. Sometimes she would find no-one there when she arrived and, on phoning her manager, be told that the job had been cancelled. Other times she would be told by the client that she wasn't needed:

*“I remember after Christmas time the lady was at home and she said ‘sorry I called today and nobody was there, I don't need you.’ They didn't pay me for this ... nobody takes responsibility.”*

Conversely, if a job came up or someone pulled out at late notice, Sara would be called up – sometimes on the day – and asked to provide cover, which would involve travelling to the agency to get the key and then to the site. For a while the cleaning job was Sara's only source of work and she was only able to get by because she had a niece who put her up rent-free.

She reports that there were few training opportunities through the agency work, although when she first started, “the first three hours was [counted as] training. I work and they didn't pay me. They said that was training.”

Sara is keen to put her previous 25 years of professional experience to use and to end her cycle of insecure employment: “I would like to take a really permanent, full-time job which doesn't finish like some cleaning job where some customer moves and you lose the work.” The insecurity of her work causes her concern about being able to plan for upcoming trips, expenses and retirement:

*“Sometimes I worry... I want to save some money for a pension. Next year my son is going [to get] married. They need money. I think about a nice holiday too. I have to save money.”*

---

### Case study: key points

- Domestic agency cleaner
- Minimum wage
- No holiday pay
- Working irregular hours
- Problems with Working Tax Credit

## Case study

# Leon

**Leon is a painter and decorator who has often been told that he is ‘self-employed’. Leon now has his own private rented accommodation, after previously having had to share with three to five others. In the last few years Leon has worked for a number of contractors and agencies, on jobs lasting from three months to a year.**

Only one of the jobs he has had provided Leon with a written contract. He was paid at a fixed hourly or piece rate, his company processed his pay (deducting tax) and the work was directed by a manager. However, Leon has not had access to sickness pay, holiday pay or pension provision, and often has little advance knowledge of when he will be working and for how long.

Leon has been working through his current employer for seven months, but knows that the work could come to an end at any time and with little notice:

*“My contractor – I don’t know if he will tell me goodbye. It’s winter time and, I don’t know, but maybe we’ll be off for two weeks without work.”*

This insecurity affects Leon’s ability to plan his finances. He also finds it an affront to his and his co-workers’ hard work and professionalism:

*“I would like a permanent contract between me and this company. The employer is very happy with my job – we are good workers. If they show respect for us they give us a two to three-year permanent contract. That would be fantastic for me.”*

Leon reports that in his current job he often does not know where he will be working from one day to the next, there is no overtime rate for working weekends and no remuneration for travel and other expenses, such as going to the store to get materials for the work. The employer does not provide training and will not cover the cost of the construction training course that Leon is completing.

He reports that pay and conditions in his previous jobs have varied widely. He has been paid at a very low rate paid per flat painted and decorated, and has been on jobs with no health and safety equipment or information.

---

### Case study: key points

- Painter and decorator
- Often told he is self-employed
- No sick pay
- No training provided
- No health and safety equipment





*Case study*

# Rebecca

*“You don’t feel like you’re working for the company that you’re working for because you’re not; you’re expected to behave in the same way as if you were directly employed but you’ve got no incentive to do that.”*

**Rebecca is a mother of two. For three years, until she left in January 2008, Rebecca worked as an agency sales adviser in a call centre for a major telecommunications firm. Rebecca reports numerous ways in which temps were treated differently from permanent staff doing the same job, despite the fact that they were far from actually being temporary – people worked on agency contracts for up to nine years.**

Rebecca reports that yearly earnings for agency workers could be less than half those paid to permanent, directly employed workers doing the same job. Temps also had to negotiate a complicated agency holiday booking and payment system, which meant they were not always paid their full leave entitlement. There was no entitlement to a company pension, sick leave or maternity leave.

Rebecca reports that there was also a clear demarcation between permanent and temporary staff in the workplace: only permanent staff could use the staff car park or get staff discounts on company products, for example. Rebecca found she had to battle to get child-friendly hours while permanent colleagues were granted the hours they requested. Other examples of unfair practices included managers asking only temps to work bank holidays and threatening them with disciplinary action if they refused.

These conditions, alongside the heavily target-driven culture (whereby not meeting targets would lead to being put on a warning), created an uncomfortable and stressful working environment for Rebecca and her agency co-workers. Rebecca says that temps stayed in the job because of the lack of opportunities elsewhere and because “they dangled this bogus [permanent] contract in your face constantly”.

Although agency workers were generally led to believe that they would get a permanent contract if they worked hard, Rebecca was told by a manager that there was little point in her applying because she was on child-friendly hours. Another manager also warned her off joining a trade union because it would cause her to be seen as a “troublemaker” and lessen the chances of her getting a permanent post.

Although she joined the union anyway and it subsequently proved an important source of support, Rebecca reports that, in common with most other agency staff, she generally felt “trapped” and “stuck” and that working on an agency contract could be demotivating:

*“You don’t feel like you’re working for the company that you’re working for because you’re not, but you’re expected to behave in the same way as if you were directly employed but you’ve got no incentive to do that.”*

Rebecca found her health deteriorating and at times struggled financially. When she tried to get a loan to get through a sticky patch she was refused on the basis that she was classed as a temporary worker.

All this took a psychological toll and Rebecca says it was often difficult to come home from work and find the energy to properly attend to her two children. She struggled with “trying to remain positive for them”, which was hard if “you’re feeling you’ve got no self-worth and are downtrodden and under pressure”.

*This case study has been adapted from the full report of the TUC’s Commission on Vulnerable Employment.*

---

### Case study: key points

- Call centre worker
- Working on agency contracts for long periods
- Pay was less than half that of permanent staff
- No company pension, sick leave, maternity leave
- Told she couldn’t get a permanent contract because of her child-friendly hours



*Case study*

# Anton

Anton has done a variety of casual work both as a labourer and distributor of promotional leaflets. All of this work has been paid at or under the minimum wage with no holiday pay, sick pay or pension provision. Anton has been living in hostels and private rented accommodation, and is currently in a hostel sharing a room with five others.



Anton got work as a labourer through an employment agency. Although work was generally available, Anton would not know from one day to the next whether he would be working, where, or for how long:

*“In the evening when I was finishing work the agency manager would tell me: tomorrow you go and do this or he would tell me tomorrow morning wait for a call.”*

The agency did not provide any health and safety equipment, information or training. Anton often worked without boots and had to use cement drills, without goggles, despite not having used them before: “I felt the risk every time.” The conditions for casual staff on the building sites contrasted with those of permanent staff:

*“... they were equipped, had a leader on the site... If we had a problem there was nobody to ask... They were better paid and not doing the jobs we had to do... They knew when they were allowed a break. We didn't know – we were having a break when we were too tired.”*

Anton says he always felt the work might come to an end at any point. In the end, the agency stopped calling Anton after he had said he could not continue to do a job which required him to lift and carry large, heavy plaster and glass boards on his back.

After the labouring work came to an end, Anton was able to get casual cash-in-hand work as a leaflet distributor, a job he took on more than one occasion as a stop-gap when he was unable to find other work. The work was unreliable: “Sometimes there would be no work... the business owner would say ‘I cannot pay you today, come tomorrow’.” Employed on a casual basis along with several others, Anton would stand in the street, sometimes with a promotional board, giving out leaflets to passers-by for four hours a day.

The insecurity of the labouring and leafleting work caused Anton several practical difficulties:

*“I had to be careful with my money all the time. The money that I have might be the last pay I get. It was not comfortable.”*

He frequently had to cut back on food bills and was sometimes unable to afford rent: “I had to ask the landlord to wait for payment. I had to do that many times.” The casual nature of the work meant he was refused access to credit by his bank, and he was unable to save or plan ahead for a holiday or anything else.

The insecurity of the work made Anton worry about what would happen if he got sick and about how he would provide for his old age.

He has now managed to get a part-time position editing a website for a charitable service, and hopes eventually to become a freelance web developer. Anton reflects that his experience of low-paid insecure employment damaged his self-esteem, his relationships and his future prospects:

*“... the lack of information about work and payment led to low self-esteem for a while. It influences all your life... I think this kind of work puts you in a trap. I was not able to envisage my future. I started to think day by day... It's difficult to establish connections, relationships when you live day by day.”*

---

### Case study: key points

- Labourer and distributor of leaflets
- Paid at or under the minimum wage
- No holiday pay, sick pay or pension provision
- No health and safety equipment, information or training
- Finds it difficult to plan financially

# Conclusion

Workers in temporary and insecure jobs are at high risk of persistent poverty. People in this position are faced with large variations in their weekly incomes, poor working conditions and limited access to training and progression routes. They are likely to have poorer health as a result of their work and to cycle between unemployment and low-paid jobs – further reducing their longer-term employment prospects.

As the case studies in this report show, the employment status loophole is a key reason behind the ongoing existence of such insecure work, denying some of the very worst off workers the most basic of protections and making it even less likely that they will progress to better jobs. The evidence also makes clear that introducing new legal protections for these workers would not have adverse economic effects, only positive outcomes for working people and their families.

There is therefore a strong need to modernise the law on employment status to ensure that it accommodates the UK's increasingly diverse and flexible forms of employment relationship. If the law is not updated further, those whose jobs are restructured, who need to work flexible hours or who cannot find full-time, permanent work will face increasingly high risks of reduced protection at work.



The Employment Relations Act 1999 gives the Secretary of State the power to introduce regulations conferring some or all employment rights to categories of workers who do not currently benefit from them. While this power has yet to be used, it has the potential to provide all workers with the same range of statutory employment rights and to remove the confusion over who qualifies for which rights. The Government needs to introduce a new single and inclusive definition of who is a worker – which provides a full employment rights entitlement.

There should also be a statutory presumption that employment rights apply to all workers. This would mean that employers wishing to classify workers as 'self-employed' would have to prove that these individuals were truly running their own businesses on their own account.

As a step towards reducing the working poverty experienced by those in the most insecure work, change is needed now. The Government needs to act to make fairness at work a reality for all working people.

# References

- 1 Table 5.8 of the DWP's Households Below Average Income (HBAI) data series can be downloaded from: <http://research.dwp.gov.uk/asd/hbai/hbai2008/chapters.asp>, and shows that over the last decade the risk of living on less than 60 per cent of median household income has increased for many working households.
- 2 Tripney J, Newman M, Bangpan M, Hempel-Jorgensen A, Mackintosh M, Tucker H and Sinclair J (2009) *In-Work Poverty: A Systematic Review* London: DWP.
- 3 TUC (2008) *Hard Work Hidden Lives: The Full Report of the Commission on Vulnerable Employment (CoVE)* London: TUC.
- 4 This figure is based on analysis of the Labour Force Survey undertaken for CoVE, which considered the number of temporary workers in jobs paying under £6.50 an hour. We believe that this number is an extremely conservative estimate, for reasons including undercounting of workers with atypical employment status in the LFS and as undocumented and informal works are not included in the survey.
- 5 European Foundation for the Improvement of Living and Working Conditions (2003) *Economically Dependent Workers, Employment Law and Industrial Relations* Dublin: EU Foundation.
- 6 TUC (2008) Ibid.
- 7 Evans Y, Herbert J, Datta K, May J, Mcllwaine C, and Wills J (2005) *Making the City Work: Low Paid Employment in London* London: Department of Geography, Queen Mary University of London.
- 8 Crisp R, Batty E, Cole I and Robinson D (2009) *Work and Worklessness in Deprived Neighbourhoods: Policy Assumptions and Personal Experience* York: Joseph Rowntree Foundation.
- 9 TUC (2008) p.170.
- 10 Ibid.
- 11 Booth A, Francesconi M and Frank J (2002) "Temporary Jobs: Stepping Stones or Dead Ends?" *The Economic Journal* 112, June 2002, pp189-213.
- 12 Purcell K, Hogarth T and Simm C (1999) *Whose Flexibility? The Costs and Benefits of Non-Standard Working Arrangements and Contractual Relations*, York: JRF.
- 13 Bartley M, Sacker C and Clarke P (2004) "Employment Status, Employment Conditions and Limiting Illness: Prospective Evidence from the British Household Panel Survey 1991-2001", *Journal of Epidemiology and Community Health*, Volume 58, pp501-506 cited in Howard C and Kenway P (2004) *Why Worry Any More About the Low-Paid?* London: New Policy Institute.
- 14 Marmot M et al (2010) "Fair Society, Healthy Lives: The Marmot Review", Executive Summary London: The Marmot Review
- 15 Commission on Social Determinants of Health (2008) *Closing the Gap in a Generation: Health Equity Through Action on the Social Determinants of Health* Geneva: World Health Organisation.
- 16 Kivimäki M et al (2003) Temporary Employment and Risk of Overall and Cause-specific Mortality", *American Journal of Epidemiology*, 158, pp663-668, cited in Commission on Social Determinants of Health (2008).
- 17 Artazcoz L et al (2005) "Social Inequalities in the Impact of Flexible Employment on Different Domains of Psychosocial Health", *Journal of Epidemiology and Community Health*, 59, pp761-76 Kim I H et al (2006) The Relationship between Non-standard Working and Mental Health in a Representative Sample of the South Korean Population, *Social Science and Medicine*, 63, pp566-74, cited in Commission on Social Determinants of Health (2008).
- 18 Ferrie J E et al (2002) "Effects of Chronic Job Insecurity and Change of Job Security on Self-reported Health, Minor Psychiatry Morbidity, Psychological Measures, and Health Related Behaviours in British Civil Servants": The Whitehall II study *Journal of Epidemiology and Community Health*, 56 pp450-454 cited in Commission on Social Determinants of Health (2008).
- 19 Quinlan M, Mayhew C, and Bohle P (2001) The Global Expansion of Precarious Employment, Work Disorganisation, and Consequences for Occupational Health: A Review of Recent Research in *International Journal of Health Services*, Volume 31, Number 2, 2001, pp335-441.
- 20 Marmot M and Wilkinson R (eds) (2006) *Social Determinants of Health*, 2nd Edition. Oxford: Oxford University Press.
- 21 OECD (2006) *Employment Outlook: General Policies to Improve Employment Opportunities for All* Paris: OECD pp47-126.
- 22 Analysis undertaken by the TUC.
- 23 Booth et al (2002) Ibid.
- 24 OECD (2002) *Employment Outlook: Taking the Measure of Temporary Employment* Paris: OECD pp127-183.
- 25 Ashworth K and Woon C (2001) *Jobseekers Allowance, Transitions to Work and Early Returns to JSA: Secondary Analysis of the JSA Claimant Survey* London: DWP.
- 26 House of Commons Public Accounts Committee (2008) *Sustainable Employment, Supporting People to Stay in Work and Advance*, Thirteenth Report of Session 2007-08 London: The Stationery Office.
- 27 JRF (2010) "Cycles of poverty, unemployment and low pay: reviewing the evidence" York: JRF
- 28 OECD (2002) p166, Ibid.
- 29 Booth et al (2002), Ibid.
- 30 HMT (1999) *The Modernisation of Britain's Tax and Benefit System: Tackling Poverty and Extending Opportunity*, London: HMT.
- 31 Low Pay Commission (2007) *National Minimum Wage: Low Pay Commission Report 2007* London: The Stationery Office.
- 32 Stewart B (2005) *The Interrelated Dynamics of Unemployment and Low-wage Employment*, Warwick: University of Warwick.
- 33 For example see Yeo A (2007) *Experience of Work and Job Retention among Lone Parents: An Evidence Review*, London: Department for Work and Pensions
- 34 This section draws heavily upon the following forthcoming TUC Touchstone pamphlet Lansley S and Reed H (2010) *The Red Tape Delusion: Why Labour Market Deregulation Won't Solve the Jobs Crisis* London: TUC. Extensive further evidence to this effect is provided by the following forthcoming literature review: Reed H (2010) *Flexible With the Truth? Exploring the Relationship between Labour Market Flexibility and Labour Market Performance* London: TUC.
- 35 Baker D et al (2005) Labor Market Institutions and Unemployment: A Critical Assessment of the Cross Country Evidence in Howell D (ed) (2005) *Fighting Unemployment: The Limits of Free Market Orthodoxy* Oxford: OUP.
- 36 Dickens R, Riley R and Wilkinson D (2009) *The Employment and Hours of Work Effects of the Changing Minimum Wage, report prepared for the UK Low Pay Commission* National Institute of Economic and Social Research London: (NIESR).
- 37 OECD main economic indicators webpage: [www.oecd.org/document/54/0,3343,EN\\_2649\\_33715\\_15569334\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/54/0,3343,EN_2649_33715_15569334_1_1_1_1,00.html), accessed December 2009.



Trades Union Congress  
Congress House  
Great Russell Street  
London WC1B 3LS

[www.tuc.org.uk](http://www.tuc.org.uk)

© 2010 TUC  
ISBN 978 1 85006 884 6

£10

**Images:**

[www.reportdigital.co.uk](http://www.reportdigital.co.uk)  
David Bacon (page 25)  
Paul Box (pages 10, 11, 15, 28 & 32)  
Stefano Cagnoni (page 19)  
John Harris (pages 2, 7, 17 & 31)  
Jess Hurd (page 21)  
David Mansell (page 22)  
Joanne O'Brien (cover & page 8)  
Duncan Phillips (page 20)  
Janina Struck (page 24)  
Justin Tallis (page 30)  
Philip Wolmuth (page 3)  
[www.photofusionpictures.org](http://www.photofusionpictures.org)  
Pages 12, 18 & 27

**Design:**

Eureka! Design Consultants

**Print:**

Newnorth Print