

The Commission on Vulnerable Employment

Key points

- The Commission on Vulnerable Employment (CoVE) has been established because **unsafe, low paid, insecure work is causing misery for millions of workers in the UK**. The well being of any single employee and their family is too important to be left unprotected. The Commission believes it is time to address this exploitation – and to challenge the poor or non-existent employment rights of millions of hard working people in the UK labour force. The time is now right for a major investigation of the causes of, and solutions to, vulnerable employment.
- It is impossible to document exactly how many vulnerable workers there are in the UK. This is because some forms of vulnerable employment are very difficult to measure, particularly when they result from illegal employer practice. Survey data are extremely limited.
- However, given the acknowledged undercounting of people who are working within these at risk sectors, and the incidences of exploitation documented by existing research, **the Commission feels it is clear that many millions of workers in the UK workforce are at risk of exploitation – and that it could be as many as 1 in 5.**
- We know that particular groups of workers are at greater risk of vulnerability at work – as a result of the formal relationship that they have to their employers. These groups, which are not exclusive, include:
 - o *Agency workers*: who do not have the same employment rights as others who do the same jobs
 - o *Other 'atypical workers' (for example casual workers and some freelancers)*: who face insecurity and inequality in the workplace
 - o *Young workers*: who are not entitled to the same rates of the minimum wage as others and are more likely to face exploitation
 - o *Industrial homeworkers*: who are often denied even the most basic employment rights
 - o *Unpaid family workers*: employed across a range of businesses with no legal protection at work
 - o *Recent migrants to the UK*: who are more likely to face extreme discrimination, dangerous working conditions and a range of other abuse – including forced labour
 - o *Informal workers*: working across many industries, with those already facing disadvantage the most likely to be exploited
- Illegal practice is not a prerequisite for vulnerability – the limitations of legal protections available to some groups of workers mean that they can be vulnerable to exploitation whilst their employers are operating within the confines of current employment rights legislation.
- Although research suggests that workers in these groups are more likely to face exploitation it is important to remember that difficulties are faced

by people in all types and sectors of work. For example, the DTI's 2005 Employment Rights at Work surveyⁱ, which only samples 'employees' – the group of workers who are legally entitled to the best employment rights protection - found that **50% of respondents who were paid under £15,000 had experienced a problem relating to their employment rights** over the previous 5 years, which was also the case for **60% of respondents aged 16-24**ⁱⁱ.

- Vulnerable workers experience problems including:
 - o **Low pay:** The Low Pay Commission's most recent report includes the Annual Survey of Hours and Earnings (ASHE) estimates for April 2006, showing that 336,000 jobs were *recorded* as being held by people aged 16 or over with hourly pay below the appropriate minimum wage rateⁱⁱⁱ. Recent Home Office statistics show that 78% of migrant workers from EU accession countries are being paid £4.50 - £5.99^{iv}.
 - o **Illegal and unfair deductions from pay:** A recent You Gov poll for the TUC found that 14% of agency workers had experienced unexpected deductions from their pay – including deductions for meals, uniforms or equipment. This rose to 30% for workers paid £5.35 an hour or less^v. An ICM poll undertaken for Unite showed that 4% of young workers said that they or their colleagues had experienced deductions from their pay for their company uniform, and 3% of respondents, or their colleagues, had had their wages docked for taking a toilet break^{vi}.
 - o **Unsafe workplaces:** The recent Unite poll found that 17%^{vii} of respondents had experienced, or knew their colleagues had experienced, unsafe working practices. The survey also showed that many workers surveyed had experienced bullying at work – 17% overall, and 18% of workers in lower paid jobs.
 - o **Limited rights to leave:** 22% of those in lower paid jobs, who were surveyed by Unite, said that they or their colleagues had had their wages docked for being ill. This increased to 35% amongst workers in lower paid jobs. A You Gov poll commissioned for the TUC found that 61% of agency workers did not have the same rights to sick pay as permanent staff^{viii}.
 - o **Insecurity at work:** 17% of all workers aged 18-34 surveyed by Unite agreed with the statement 'I do not feel secure in my job'^{ix}. 30% of temporary staff surveyed by the British Household Panel Survey were dissatisfied with their job security^x. 50.2% of agency temps who responded to the Labour Force Survey were working for an employment agency because they could not find a permanent job^{xi}, an increase of 6.6% from 2000.
- The Commission members come from business, academia, trade unions and civil society organisations – all have been selected for their expertise

and experience. The Commission members serve in an individual capacity and not as representatives of the organisations for which they work. Over the next year they will be conducting a thorough investigation of the multiple reasons for the existence of vulnerable employment.

- Full information about the composition and work of the Commission is available on its dedicated website: www.vulnerableworkers.org.uk (under development until 29/5/07). The website also provides the facility for members of the public to submit comments, or to report evidence of vulnerable employment.
- From **31st May – 6th June** inclusive the Commission will also be running a dedicated actionline for workers to report their experiences of exploitation at work. The free phone number will be **0800 072 0010**.

Part 1: About vulnerable employment

Why a Commission?

1. The Commission on Vulnerable Employment (CoVE) has been established because the well being of any single employee and their family is too important to be left unprotected. Economic and social cohesion of the UK is in large part based on the receipt of a fair day's pay for a fair day's work, the continuing health and safety of people at work, and the expectation of a decent level of security in employment and income. We know well from historical and current experience that when communities can no longer expect these characteristics in their working life, social and economic breakdown can follow.
2. The Commission believes that unsafe, low paid, insecure work is causing misery for millions of workers in the UK. These people - industrial homeworkers, agency temps, casual workers, young people starting out in the labour market and newly arrived migrants amongst them – are contributing to the growth and development of our economy at increasing personal cost to themselves. The Commission believes it is time to address this exploitation – and to challenge the poor or non-existent employment rights of millions of hard working people in the UK labour force. It has decided that the time is now right for a major investigation of the causes of, and solutions to, vulnerable employment.
3. The Commission acknowledge that the Government is now keen to address these concerns. The Department for Trade and Industry stated in 2006 that, having reduced unemployment and improved the framework of employment rights, it saw its next task as ensuring “that the most vulnerable workers get [their] rights and are not mistreated but instead get the opportunity to progress”. It is for the same end that the Commission on Vulnerable Employment has been established.

Defining vulnerable employment

4. The closest that exists to an official definition of vulnerable employment is given in the Department of Trade and Industry policy paper *Success at Work*^{xii}. In this paper, a vulnerable worker is defined as “someone working in an environment where the risk of being denied employment rights is high and who does not have the capacity or means to protect themselves from that abuse”. It goes on to say that whilst “a worker may be susceptible to vulnerability...that is only significant if an employer exploits that vulnerability”.
5. The Commission believes that this definition is limited, both because of its implication that workers only require remedial support or help once they have been exploited, and because of its narrow focus upon the existing framework of employment rights.
6. Over the next year the Commission will therefore be gathering evidence to enable it to develop a comprehensive definition that focuses upon how people experience work, and the balance of power in the employer and worker relationship. It is expected that its investigations will cover a range of policy and practice areas including the operation of the welfare benefits system, immigration regulations, enforcement of existing employment rights and the case for additional rights for groups of workers who may currently receive unfair treatment.
7. It will also be looking at how civil society organisations, trade unions and employers can improve their own efforts to reduce vulnerable employment. This will cover trade union strategies for increasing membership amongst vulnerable workers, assessing the current availability of employment advice provision, and considering how good employers can better share practice and promote change with and amongst others.

How many vulnerable workers are there?

8. It is impossible to document exactly how many vulnerable workers there are in the UK. This is because some forms of vulnerable employment are very difficult to measure, particularly when they result from illegal employer practice. For example, there is no way of knowing how many workers are being paid below the minimum wage, are denied their legal rights to Statutory Sick Pay or face raised health and safety risks at work.
9. The limitations of existing survey data are listed below:
 - It is acknowledged that existing surveys are under representative of workplaces where those at increased risk of vulnerability are likely to work – for example the Labour Force Survey, the largest regular survey of the UK workforce^{xiii}, excludes workplaces including large hotels and temporary agricultural accommodation such as caravans. In addition, the Labour Force Survey only samples workers aged 16 and older, therefore missing out younger workers, aged 13-15, facing exploitation in the workplace.
 - Households from lower income families are more likely to be included in household surveys that depend upon people having a landline telephone to enable their participation. Those who only have mobile telephones, or who have not registered themselves in the telephone book, are therefore excluded.
 - The most vulnerable people are not likely to identify themselves to respond to surveys, for reasons including fear of being sacked or other reprisals from their employers and, in some cases, limited English. Where people do respond they may not be aware of their own exploitation, or of the rights to which they are entitled, leading to further underreporting.
 - Migration statistics are acknowledged to be poor. The Office for National Statistics has stated that “there is no single, comprehensive source which can provide the information, at national and local levels, that is required for statistical purposes^{xiv}” on the numbers of people migrating to the UK.
 - People with particular personal characteristics are more likely to experience discrimination and disadvantage in the labour market. We know that black and ethnic minority, disabled and female employees are more likely to have bad jobs, and to face illegal discrimination at work. Although attempts have been made at quantifying the impact of discrimination, it is impossible to provide any accurate figures accounting for the number of workers impacted.
 - Some forms of vulnerable employment are simply impossible to measure. For example, the Treasury’s Grabiner Report found that it is “impractical to measure the size of the hidden economy accurately^{xv}”, whilst concluding that it is a large-scale issue, worth billions of pounds in GDP. Similarly, it is impossible to know how many migrant workers are in the UK or to quantify the numbers of UK workers impacted by discrimination.

10. What we do know is that particular groups of workers are at greater risk of vulnerability at work – as a result of the formal relationship that they have to their employers. These groups, which are not exclusive, include:
- *Agency workers*: who do not have the same employment rights as others who do the same jobs
 - *Other 'atypical workers' (for example casual workers and some freelancers)*: who face insecurity and inequality in the workplace
 - *Young workers*: who are not entitled to the same rates of the minimum wage as others
 - *Homeworkers*: who are often denied even the most basic employment rights
 - *Unpaid family workers*: employed across a range of businesses with no legal protection at work
 - *Recent migrants to the UK*: who are more likely to face extreme discrimination, dangerous working conditions and a range of other abuse – including forced labour
 - *Informal workers*: working across many industries, with those already facing disadvantage the most likely to be exploited
11. Illegal practice is not a prerequisite for vulnerability – the limitations of legal protections available to some groups of workers mean that they can be vulnerable to exploitation whilst their employers are operating within the confines of current employment rights legislation.
12. Although research suggests that workers in these groups are more likely to face exploitation at work it is important to remember that difficulties are faced by people in all types and sectors of employment. For example, the DTI's 2005 Employment Rights at Work survey^{xvi}, which only samples 'employees' – the group of workers who are legally entitled to the best employment rights protection - found that 34% of respondents did not feel well informed about their rights at work, which increased to 44% amongst low paid workers^{xvii}. Overall 42% of respondents had experienced an employment rights related problem at work in the last five years. This rose to 50% of respondents who were paid under £15,000. Those earning less than £25,000 a year were also more likely to have a higher average number of problems^{xviii}.
13. The most common problem was to do with pay, which was reported by 22% of all respondents. Problems associated with receiving a written contract or statement of employment terms and conditions, taking rest breaks at work, and the number of hours or days they were required to work, were each reported by 13% of all respondents^{xix}. Amongst respondents who felt they were likely to experience a problem in the next two years (40% of the overall sample) 21% were not confident that their employers were meeting their legal obligations with respect to employment rights. For those earning under £15,000 this increased to 29%^{xx}.
14. In 2005 the DTI Fair Treatment at Work Survey found that disabled workers and gay, lesbian and bisexual workers were twice as likely to

report problems at work as other people; black workers were 50 percent more likely to report unfair treatment than Asian workers, and nearly twice as likely as white workers^{xxi}.

15. Quantifying and conceptualising the number of vulnerable workers by type of work, and personal characteristics of workers, is therefore only a starting point. Over the course of its work the Commission will be looking at the feasibility of improving the ways in which vulnerable employment can be recorded, and commissioning new research to better understand the scope of vulnerable work in the UK.
16. At the moment, given the acknowledged undercounting of people who are working within these at risk sectors, and the incidences of exploitation documented by existing research, the Commission feels that it is clear that many millions of workers in the UK workforce are at risk of exploitation – and that it could be as many as 1 in 5.

Agency workers

17. At present employers in the UK are legally free to offer worse terms and conditions to agency workers than to a comparable directly employed worker. They are therefore able to hire agency workers on much lower hourly rates than they would pay directly employed workers – provided this is at least the minimum wage – and on worse terms and conditions. Similarly, agency workers are not entitled to family-friendly rights such as maternity and paternity leave, and the right to request flexible working. They are also often excluded from training opportunities and from permanent vacancies in the organisations they are placed in. Agency workers also lose out on legal protection from unfair dismissal and redundancy payments, Statutory Sick Pay and access to fair grievance and disciplinary procedures.
18. In addition there is evidence of agency workers not receiving the basic employment rights that they are legally entitled to. These include illegally counting deductions for items such as uniforms, equipment and transport towards minimum wage pay, and workers being charged for health and safety equipment, which is also in direct contravention of the law. There is also evidence of agency workers being denied their legal rights to paid holiday entitlement and rest breaks.
19. A recent You Gov survey for the TUC^{xxii} found that 22% of agency workers felt that they had been treated unfairly by their agency. Amongst workers being paid £5.35 (minimum wage) or less this rose to 30% of workers. In the same survey 46% felt that working through an agency made it harder to complain when things went wrong – which rose to 61% for workers paid £5.35 an hour or less. 64% of agency workers were found to believe that the law should make it illegal to pay agency workers less than permanent staff doing the same or an equivalent job.
20. Recent Labour Force Survey data also suggests that agency temping leads to increased insecurity at work. 50.2% of agency workers surveyed were

working for an employment agency because they could not find a permanent job^{xxiii}, an increase of 6.6% from 2000.

21. Labour Force Survey data suggests there are 245,000 agency workers in the UK^{xxiv} (an increase of 23,000 since 1997). Given the problems with under reporting (highlighted above) this is unlikely to be accurate. In 1999 the DTI commissioned its own survey, which produced a figure of 550,000 agency workers^{xxv}. The Recruitment Employers' Confederation has claimed that there are in fact 1 million agency workers. The real number is likely to lie somewhere between the three figures.

'Atypical workers'

22. Other 'atypical workers' include casual workers, workers undertaking seasonal work, for example in agriculture, and some freelancers. These people find themselves in the same position as agency staff, with fewer rights at work than permanent staff who are legally defined as 'employees' and not 'workers'. Even when people are dependent upon one or very few suppliers of work, are not free to determine when they work, or free to turn work down (all legal definitions that apply to employees) they can be classified as workers and consequently provided with limited employment protection. The only way that classifications can be challenged is through an Employment Tribunal.
23. People in these groups are also at increased risk of being forced to illegally declare themselves self-employed – meaning that they have even fewer employment rights. For example, evidence from unions shows that there is an increasing problem in the construction industry where some unscrupulous employers are forcing their staff to register as self employed, meaning that they do not have a contract of employment, and do not legally have to be paid at the minimum wage rates.
24. The Organisation for Economic Cooperation and Development (OECD) has noted that temporary work can act as a vulnerable employment trap, especially for individuals who were already in a weaker position before they entered that employment. This is created by a cycle of unemployment followed by insecure temporary work, where lack of training and job progression actually harms workers' longer-term career prospects, making it even harder to break the cycle^{xxvi}.
25. Temporary workers also face increasing insecurity at work – and often have no legal redress when things go wrong, finding themselves out of work at very short notice. 30% of temporary staff surveyed by the British Household Panel Survey were dissatisfied with their job security^{xxvii}.
26. Labour Force Survey data^{xxviii} suggests that there are 58,000 workers in the UK undertaking seasonal work, 269,000 undertaking casual work and 644,000 who are contracted for a fixed period to undertake a fixed task. 162,000 are not permanent in some other way. Overall, there are 1,380,000 temporary workers in the UK – 5.6% of the workforce.

Younger workers

27. Younger workers aged 22 and under, are not entitled to the minimum wage. Despite being able to vote, get married, and care for children, young adults are not entitled to the same rates of pay as other workers. Workers aged 18-22 receive £4.45/hour (increasing to £4.60 from October 2007) and those aged 16-17 are only entitled to £3.30 an hour (increasing to £3.40 from October 2007). In a recent ICM poll commissioned by Unite^{xxxix} 51% of workers aged 18-34 felt that employers can exploit older workers by paying them less than older workers for doing the same job, which increased to 53% amongst respondents aged 18-24.
28. In addition to lower wage entitlements there is evidence that young people are more likely to face exploitation at work. The same survey found that 18-24 year olds were the least likely to receive sick pay when they were ill (68% compared to 75% of all workers surveyed) and to have received no overtime for working bank holidays (20% compared to 15% of all workers surveyed).
29. A MORI survey undertaken for the TUC^{xxx} documents exploitation of workers aged under 16. The findings show that 75% of young people aged 11-15 work at some time, and that 30% of children with term time jobs work for more than the legal maximum of two hours a day. Around a third earn £2.50 an hour or less. Nearly one in five of those working in term time get less than £2 an hour and one in four children under 13 admitted to doing paid work either during term or in the summer holidays, even though this is illegal^{xxxi}.
30. At the moment young people who are apprentices under the age of 18, and those in the first year of their apprenticeship, are exempt from the minimum wage. These exemptions have been in place since 1999 without review. Since then there has been abundant evidence of the exploitative rates paid to some apprentices, including a report by the Department for Education and Skills (DfES)^{xxxii} which provides grounds for concern, including the following findings:
- There are a number of sectors where a significant percentage of apprentices earned less than £80 per week in 2005, including early years (49%), hairdressing (41%), retail (26%), health and social care (22%) and business administration (22%)^{xxxiii}
 - The average hairdressing apprentice earned £90 per week in 2005 - an estimated £2.73 per hour^{xxxiv}
 - The bottom decile of apprentices in the female dominated early years, care and education sector earned just £40 per week in 2005, an estimated £1.21 per hour^{xxxv}
31. Young people also have less knowledge of the employment rights they do have. The DTI's Employment Rights at Work survey^{xxxvi} shows that 60% of young people aged 16-24 felt that they could do with knowing more about their employment rights, and only 55% of 16-21 year olds knew

that 16-17 year olds are entitled to a minimum wage^{xxxvii}. Overall, 60% of respondents aged 16-24 had experienced a problem at work during the last five years^{xxxviii}.

Industrial homeworkers

32. Homeworking is sometimes associated with professional office or IT work, however there are many industrial homeworkers in the UK whose work involves packing, assembling electrical components, sewing garments, undertaking telesales or making gift items. Whilst many people choose to work at home, for these homeworkers this work arrangement is required of them by their employer.
33. As with many temporary staff, homeworkers with ambiguous employment status are often not legally entitled to the same rights as permanent employees. Homeworkers who have worked for a company for several years, often on low wages taking on large orders at short notice, can therefore discover that if they fall ill, or their work stops, they have no legal protection to sick pay, or to redundancy pay respectively.
34. Alternatively, homeworkers can be told by their employers that they are 'self-employed'. Falsely defining workers as self-employed allows employers to deny them the most basic employment rights, including enabling them to be paid less than the minimum wage. The only way that homeworkers can challenge these rulings are through Employment Tribunals – which can be a daunting and costly prospect for low paid and isolated workers who fear losing their jobs.
35. Homeworkers are often remunerated on a piece rate basis, when an agreed rate is paid to guarantee a worker can earn the minimum wage. However, there is evidence of this system being exploited, and the Low Pay Commission has acknowledged that there are 'practical difficulties' with the fair enforcement of piece rate systems^{xxxix}.
36. The National Group on Homeworking has undertaken analysis of 40 calls placed by industrial homeworkers to their helpline^{xl}. They found that over 50% of callers had unclear employment status, or significant anomalies in their status. There was also evidence of illegal denial of employment rights – only 33% received holiday pay and even fewer received Statutory Sick Pay, although nearly all were entitled to it.
37. Labour Force Survey data^{xli} suggests that there are 266,000 employee home workers in the UK who work from within the confines of their own home (which excludes homeworkers who, for example, work from different places with their home as a base and have a base separate from home). In addition, there are another 481,000 homeworkers who are self employed within the confines of their own home. Given the difficulties with collecting data on those in temporary work these figures are likely to significantly under report the scope of the UK industrial homeworking workforce.

Unpaid family workers

38. Unpaid family workers are people working in the formal labour market, undertaking unpaid work for a business they own or for a business that a relative owns. The category does not apply to people undertaking unpaid caring work. The Labour Force Survey shows that unpaid family working takes place across industries including agriculture and forestry sector, manufacturing, construction and retail^{xiii}.
39. Not receiving a wage puts people at greater risk of exploitation – primarily because they have no agreed terms and conditions and are not entitled to even the most basic of legal employment protections.
40. Labour Force Survey data^{xiii} suggests that there are 88,000 workers in the UK undertaking unpaid family work, 58,000 of whom are women. Given the difficulties with collecting data on those in vulnerable work these figures are likely to significantly under report the numbers engaged in these jobs.

Informal workers

41. The Small Business Council defines informal work as “the paid production of goods and services which are unregistered by, or hidden from the state for tax, benefit, and/or labour law purposes, but are legal in all other respects^{xiv}”, estimating its size at around £75 billion^{xv}. This definition therefore excludes criminal activity that is undertaken informally.
42. Research suggests that informal work encompasses a wide range of activity, with some poorly paid jobs providing workers with few rights, whilst others provide much better working conditions and pay^{xvi}. Those who are already marginalised are however the most likely to face exploitation in the informal economy, with skilled workers better able to find informal employment, and better treatment, through existing workplace networks.
43. The Office for National Statistics has pointed to a 2003 survey that suggests that construction is by far the most significant industry in this area, accounting for 46.7% of all informal work, with repair work accounting for 11.6% and other services (including hairdressing and cleaning) another 12.2%. Manufacturing accounted for 14% of informal work in this survey^{xvii}.
44. Research has identified a range of reasons for people on low incomes undertaking informal work^{xviii}. These include already low wages, costs of housing and childcare and the restrictions of the immigration system. The Treasury’s Grabiner report^{xlix} also acknowledges that role of ‘collusive employers’ who pay their workers partly cash in hand to avoid payment of National Insurance Contributions, income tax deductions and accurate assessments of taxable business income.

Migrant workers

45. The majority of migrant workers have employment rights in the UK, and are acknowledged by the government to “go where the work is, helping to fill the gaps in our labour market, particularly in administration, business and management, hospitality and catering, agriculture, manufacturing and food, fish and meat processingⁱ.”
46. However, a larger proportion of the migrant worker population than the UK labour force in general have ‘worker’ rather than ‘employee’ status, and therefore have more limited employment rights. Migrant workers also face specific restrictions, with some groups of migrant workers limited in the welfare benefits that they are allowed to claim until they can demonstrate a year’s full employment, Romanians and Bulgarians facing restrictions on their rights to work, and asylum seekers not entitled to work at all. There is also widespread research evidence documenting illegal abuse of the limited rights that these workers do have.
47. Research undertaken by the University of Oxford, on behalf of the TUC, discussed the increasing trend towards subcontracted employment in the low paid economy. It documented how subcontracting increases the costs borne by those doing the work, as workers who remain or used to be ‘in house’ have better pay and conditions than those taken on directly by subcontracted service providersⁱⁱ.
48. The report also highlights extreme abuse of the rights of migrant workers, including levels of exploitation and control that meet the international legal definition of forced labour. These include employers illegally retaining workers’ passports, threats or actual physical violence to workers and debt bondage – where a worker is forced to pay off debts accrued by inflated accommodation and food costs and is not therefore paid for their work. Other illegal practices include agencies charging for finding work, denial of rest breaks and leave and poor health and safety conditions. Migrant workers without legal rights to work in the UK are at the greatest risk, with employers often using the threat of denunciation to immigration authorities as a means to force workers to tolerate extreme exploitation.
49. DWP data shows that from 2005/06 there were 662,000 National Insurance applications made by newly arrived migrants to the UKⁱⁱⁱ. At the same time the Home Office reports that 630,000 A8 workers have applied to the Workers Registration Scheme since 2004ⁱⁱⁱ. There is no way of knowing how many other migrants have remained in the UK, or how many are working without National Insurance numbers or registered worker status. It is widely acknowledged that there are no accurate statistics on the numbers of migrants working in the UK – and that the actual number is likely to be very much higher than the existing statistics. The Local Government Association has described the figures ‘no longer adequate^{iv}’.

What is it like to be in vulnerable employment?

Low pay

Many vulnerable workers are paid at, or illegally below, the minimum wage. Evidence of low pay includes:

- The Low Pay Commission's most recent report includes the Annual Survey of Hours and Earnings (ASHE) estimates for April 2006, showing that 336,000 jobs were *recorded* as being held by people aged 16 or over with hourly pay below the appropriate minimum wage rate^{lv}. Most of these jobs were part time and held by women. This represents 1.3 per cent of all UK jobs. Whilst they note that some people are legally entitled to receive less, as a result of apprenticeships or accommodation offsets, this will only account for a limited proportion of this figure. It is also important to note that the survey will be subject to the multiple problems of underreporting documented at the start of this report.
- Recent Home Office statistics show that 78% of migrant workers from EU accession countries are being paid £4.50 - £5.99^{lvi}.
- The CAB have highlighted practice of employers declaring that workers are being paid minimum wage whilst underestimating the number of hours they work, meaning that pay per hour appears fair in the records, when it is actually illegal^{lvii}.
- The recent TUC You Gov survey found that 40% of agency workers had been paid less than permanent staff to do the same job. Amongst those paid £5.35 an hour (minimum wage) or less 52% had been paid less than permanent colleagues^{lviii}.

Illegal and unfair deductions from pay

Accommodation is the only benefit in kind that can be deducted from the minimum wage^{lix}. However, there remains evidence of workers experiencing illegal deductions from their pay:

- Although sample sizes were small, the recent Unite poll showed that 4% of young workers said that they or their colleagues had experienced deductions from their pay for their company uniform, and 3% of respondents, or their colleagues, had had their wages docked for taking a toilet break. Amongst workers in low paid jobs, 7% had been charged for their uniform, and 4% had been illegally charged for health and safety equipment^{lx}.
- A recent You Gov poll for the TUC found that 14% of agency workers had experienced unexpected deductions from their pay – including deductions for meals, uniforms or equipment. This rose to 30% for workers paid £5.35 an hour or less.
- A review of existing evidence, carried out by Opinion Leader Research^{lxi} as part of the preparatory work for the two DTI-funded Vulnerable Worker Pilots, has highlighted examples of workers facing deductions for calling in sick, name badges to be worn at work, locker keys or for issuing a cheque or pay slip.

- The CAB has documented examples of agricultural migrant workers facing wage deductions for caravan accommodation that did not have running water or electricity^{lxii}.

Lack of a payslip

- The law states that all workers are entitled to an itemised pay statement to accompany payment of their wages, which should set out each element of pay, each deduction and the amount of net pay. However, analysis of the most recent Labour Force Survey data^{lxiii} shows that 3.1% of the workforce did not receive a payslip – which would equate to around 3/4 of a million workers.

Health and safety

- The Unite poll undertaken by ICM found that 17%^{lxiv} of respondents had experienced, or knew their colleagues had experienced, unsafe working practices. The survey also showed that many workers surveyed had experienced bullying at work – 17% overall, and 18% of workers in lower paid jobs.
- The Health and Safety Commission has reported that during the period 2005/06 an estimated 24.3 million working days were lost due to work-related ill health, and 6 million to workplace injury. 2 million people were suffering from an illness that they believed was caused or made worse by their current or past work^{lxv}.
- The estimated number of incidents of violence experienced by workers in England and Wales in 2004/05 was 655,000^{lxvi}.
- MacKay et al (2006) were commissioned by the Health and Safety Executive to undertake an assessment of risks for migrant workers. They found that migrant workers were at particular risk because of factors including limited knowledge of the UK health and safety system; ability to communicate effectively with other workers and with supervisors, particularly in relation to their understanding of risk; limited access to health and safety training and employment relationships and unclear responsibilities for health and safety – in particular when working for recruitment agencies or labour providers, or registered as self employed^{lxvii}.

Leave entitlements

- A recent Unite survey^{lxviii} of 1000 workers aged 18-34 found that 25%, from a wide range of occupations, did not receive sick pay when they were ill. Workers in lower paid jobs were the least likely to receive sick pay, with 34% not qualifying.
- Evans et al (2005), in a survey of 314 low paid workers in London, found that 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. Just over half (52%) did not receive sick pay. 67% of respondents received only the statutory minimum number, or fewer, paid holiday days. Over two thirds (70%) had no access to a company pension scheme^{lxix}.

- 22% of those in lower paid jobs, who were surveyed by Unite, said that they or their colleagues had had their wages docked for being ill. This increased to 35% amongst workers in lower paid jobs. A You Gov poll commissioned for the TUC found that 61% of agency workers did not have the same rights to sick pay as permanent staff.^{lxx}
- 15% of workers aged 18-34 polled by ICM for Unite said that they or their colleagues had worked on bank holidays for no extra pay. This increased to 19% for workers in low paid jobs^{lxxi}.
- In the same poll only 51% of respondents in low paid occupations said that their payslips always provided an accurate reflection of the hours that they have worked.
- The DTI Employment Rights at Work survey found that only 61% of respondents knew the minimum number of paid holidays that employees are entitled to^{lxxii}.
- 56% of agency workers in the TUC You Gov survey had not received the same rights to holiday as permanent staff doing the same job^{lxxiii}.

Insecure work

- 17% of workers aged 18-34 surveyed by Unite agreed with the statement 'I do not feel secure in my job'^{lxxiv}.

Part 2: About the Commission on Vulnerable Employment

What is the Commission's remit?

1. The Commission is focussed upon the investigation of several key questions:
 - What is vulnerable employment?
 - What is the extent of the rise in vulnerable employment in the UK and has it risen?
 - What are the conditions that allow vulnerable employment to exist?
 - What problems are caused by vulnerable employment?
 - What can the following do to reduce vulnerable employment and address the problems it causes:
 - Government?
 - Trade Unions?
 - Employers?
 - Civil society organisations?
2. Over the next year the Commission will be conducting a thorough investigation of the multiple reasons for the existence of vulnerable employment. The focus of its investigations will include:
 - the scope and enforcement of existing employment rights – considering areas including the minimum wage, health and safety legislation, working time and leave rights and other areas of employment protection;
 - the legal requirements, and operation of, immigration and welfare benefits systems in the UK;
 - the role of employers in upholding employment protection, and ways in which good employer practice can promote change amongst others;
 - the role of trade unions and civil society organisations in reducing vulnerable employment, and supporting vulnerable workers.

Who are the Commissioners?

3. The Commission members come from business, academia, trade unions and civil society organisations – all have been selected for their expertise and experience. The Commission members serve in an individual capacity and not as representatives of the organisations for which they work. The sixteen members are:
 - Mohammed Aziz, Director, Faithwise
 - Brendan Barber, General Secretary, TUC (Commission Chair)
 - Kevin Beeston, Chairman, SERCO
 - Fran Bennett, Senior Research Fellow, Oxford University
 - Madeleine Bunting, Columnist, The Guardian

- Gail Cartmail, Assistant General Secretary, Amicus
- Debbie Coulter, Deputy General Secretary, GMB
- Jack Dromey, Deputy General Secretary, TGWU
- Belinda Earl, Chief Executive, Jaeger
- John Hannett, General Secretary, USDAW
- Leslie Manaseh, Deputy General Secretary, Connect
- Paul Myners, Chair, Land Securities Group
- Frances O'Grady, Deputy General Secretary, TUC
- Dave Prentis, General Secretary, UNISON
- Alan Ritchie, General Secretary, UCATT
- Julia Verne, Director, Polski Bristol

4. Full biographies of each Commissioner are available at this link:
<http://www.vulnerableworkers.org.uk/about/commission-members/>

What is the work programme?

5. The Commission will be structured around five full Commission meetings between February 2007 and early 2008. It will report throughout 2008. At its full meetings Commissioners will have an opportunity to question witnesses, receive report backs from CoVE research programmes, and deliberate over the analysis and recommendations of the final report.
6. A public consultation and a range of specific research projects will also inform the Commission's work.
7. In addition, a series of four 'field trips' across the UK will be arranged over the Spring and Summer 2007. The fieldtrip dates and locations are as follows:

Location	Date
North West	30 th -31 st May
London/South East	7 th June
Wales	28 th June
South West	26 th -27 th July

8. The fieldtrips will provide an opportunity for Commissioners to better understand vulnerable employment and find out what work is being done around the issue 'on the ground'. The trips will comprise discussion and meetings with the groups of people listed below.
 - vulnerable workers;
 - union representatives working to address vulnerable employment;
 - representatives from civil society organisations working to address vulnerable employment;
 - staff from government agencies responsible for the enforcement of legislation that aims to limit vulnerable employment.
9. Full information about the composition and work of the Commission is available on its dedicated website: Full information about the composition and work of the Commission is available on its dedicated

website: www.vulnerableworkers.org.uk (under development until 29/5/07). The website also provides the facility for members of the public to submit comments, or to report evidence of vulnerable employment.

10. From **31st May – 6th June** inclusive the Commission will also be running a dedicated actionline for workers to report their experiences of exploitation at work. The free phone number will be **0800 072 0010**.

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- ⁱ Casebourne J, Regan J, Neathey F and Tuohy S (2005) *Employment Rights at Work – Survey of employees 2005*, London: DTI
- ⁱⁱ Ibid. pp98
- ⁱⁱⁱ Low Pay Commission (2007) *National Minimum Wage: Low Pay Commission Report 2007*, London: The Stationary Office
- ^{iv} The Home Office (2007) *Accession Monitoring Report May 2004 – December 2006: A joint online report by the Home Office*, Department for Work and Pensions, HM Revenue & Customs and Communities and Local Government. pp19
- ^v YouGov plc. (2007) *Survey of agency workers undertaken for the TUC*, TUC: London. Full results available to download <http://www.tuc.org.uk/extras/agencypoll.pdf>
- ^{vi} ICM (2007) *18-34 workers poll*, Unite: London
- ^{vii} Ibid.
- ^{viii} YouGov plc. (2007) *Survey of agency workers undertaken for the TUC*, TUC: London. Full results available to download <http://www.tuc.org.uk/extras/agencypoll.pdf>
- ^{ix} ICM (2007) *18-34 workers poll*, London: Unite
- ^x British Household Panel Survey, 2005. Sample included respondents who had undertaken temporary or fixed-term work of some kind.
- ^{xi} LFS micro data service Autumn quarters, 2006
- ^{xii} DTI (2006) *Success at work: protecting vulnerable workers, supporting good employers*, London: DTI
- ^{xiii} The Labour Force Survey (LFS) is a quarterly sample survey of 60,000 households living at private addresses in Great Britain. Its purpose is to provide information on the UK labour market that can then be used to develop, manage, evaluate and report on labour market policies.
- ^{xiv} About National Statistics, published on the ONS website:
<http://www.statistics.gov.uk/about/data/methodology/specific/population/future/imps/updates/default.asp> on 22/05/07
- ^{xv} HMT (2000) *The Informal Economy: a report by Lord Grabiner QC*, London: HMT
- ^{xvi} Casebourne J, Regan J, Neathey F and Tuohy S (2005) *Employment Rights at Work – Survey of employees 2005*, London: DTI
- ^{xvii} Ibid. pp20
- ^{xviii} Ibid. pp 98
- ^{xix} Ibid. pp 102
- ^{xx} Ibid. pp 126
- ^{xxi} Heidi Grainger and Grant Fitzner (2006) *Fair Treatment at Work Survey 2005: executive summary*, Employment Relations Research Series 63, London: DTI, pp 3.
- ^{xxii} YouGov plc. (2007) *Survey of agency workers undertaken for the TUC*, TUC: London. Full results available to download <http://www.tuc.org.uk/extras/agencypoll.pdf>
- ^{xxiii} LFS micro data service Autumn quarters, 2006
- ^{xxiv} LFS Winter Quarters, 2006
- ^{xxv} DTI (2004) *2003 Compendium of Regulatory Impact Assessments*, n. 5, London: DTI, pp230,
- ^{xxvi} OECD (2002) *Employment outlook*, Paris: OECD, pp166-7
- ^{xxvii} British Household Panel Survey, 2005. Sample included respondents who had undertaken temporary or fixed-term work of some kind.
- ^{xxviii} LFS Autumn Quarters, 2006
- ^{xxix} ICM (2007) *18-34 workers poll*, Unite: London
- ^{xxx} TUC (2001) *Class struggles: a survey of school age employment in England and Wales* London: TUC
- ^{xxxi} Ibid. pp 2

- xxxii Ullman A and Deakin G (2005) *Apprenticeship Pay: A Survey of Earnings by Sector*, (BRMB Social Research), Research Report 674, London: DfES. Note that the data in the report mixes gross pay and net pay. The TUC has asked that future surveys record gross pay so that compliance with the LSC £80 minimum pay requirement can be measured.
- xxxiii Ibid. Fig 4.3, pp21
- xxxiv Ibid. Table 4.1, pp16
- xxxv Ibid. Table 4.1, pp18
- xxxvi Casebourne J, Regan J, Neathey F and Tuohy S (2005) *Employment Rights at Work – Survey of employees 2005*, London: DTI, pp25
- xxxvii Ibid. pp64
- xxxviii Ibid. pp98
- xxxix Low Pay Commission (2007) *National Minimum Wage: Low Pay Commission Report 2007*, London: The Stationary Office
- xl National Group on Homeworking (2006) *Equal rights = employment rights*, Leeds: NGH
- xli LFS Autumn Quarters, 2006
- xlii LFS, microdata service, Winter 2006
- xliiii LFS Autumn Quarters, 2006
- xliiv Katungi D, Neale E and Barbour A (2006) *People in low paid informal work: need not greed*, Bristol: The Policy Press, pp1
- xlv TUC (2006) *The hidden one in five: winning a fair deal for Britain's vulnerable workers*, London: TUC
- xlvi Ibid.
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- ^{lii} DWP (2006) *National Insurance Number Allocations to Overseas Nationals Entering the UK*, London: DWP
- ^{liii} The Home Office (2007) *Accession Monitoring Report May 2004 – Marcy 2007: A joint online report by the Home Office*, Department for Work and Pensions, HM Revenue & Customs and Communities and Local Government
- ^{liv} Sir Sandy Bruce-Lockhart quotes on the BBC website <http://news.bbc.co.uk/1/hi/uk/5119866.stm> on 23/05/07
- ^{lv} Low Pay Commission (2007) *National Minimum Wage: Low Pay Commission Report 2007*, London: The Stationary Office
- ^{lvi} The Home Office (2007) *Accession Monitoring Report May 2004 – December 2006: A joint online report by the Home Office*, Department for Work and Pensions, HM Revenue & Customs and Communities and Local Government. pp19
- ^{lvii} CAB (2004) *Nowhere to turn: CAB evidence on the exploitation of migrant workers*, London: CAB
- ^{lviii} YouGov plc. (2007) *Survey of agency workers undertaken for the TUC*, TUC: London. Full results available to download <http://www.tuc.org.uk/extras/agencypoll.pdf>
- ^{lix} The accommodation offset to the minimum wage allows employers who provide their workers with accommodation to pay them slightly less than the standard minimum wage. The offset is currently £4.15 per day up to a maximum of £29.05 per week.
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- ^{lxi} OLR (2007) *Vulnerable workers in the City and Docklands area: an evidence brief for the London Vulnerable Worker Pilot*, OLR: London
- ^{lxii} CAB (2004) *Nowhere to turn: CAB evidence on the exploitation of migrant workers*, London: CAB
- ^{lxiii} This is cumulative data from 2003, after which this question was discontinued.
- ^{lxiv} ICM (2007) *18-34 workers poll*, Unite: London
- ^{lxv} Health and Safety Commission (2006) *Health and safety statistics 2005/06*, London: HSC, pp5
- ^{lxvi} HSE, statistics on workplace bullying from the British Crime Survey, on 23/05/07 <http://www.hse.gov.uk/violence/index.htm>

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