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INOUE submission to the Department of Jobs, Enterprise and Innovation

**on the findings and
recommendations of 'A
Study on the Prevalence of
Zero Hours Contracts
among Irish Employers and
their Impact on Employees'
University of Limerick, 2015**

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INTRODUCTION

The Irish National Organisation of the Unemployed (INOUE) welcomes this opportunity to make a submission on the findings and recommendations of the University of Limerick's study on the prevalence of zero hour contracts in the Irish labour market.

"The INOU is a federation of unemployed people, unemployed centres, unemployed groups, community organisations and Trade Unions. The INOU represents and defends the rights and interests of those who want decent employment and cannot obtain it. We promote and campaign for policies to achieve full employment for all. We also campaign for an acceptable standard of living for unemployed people and their dependents. The INOU is an anti-sectarian, anti-racist, non-party political organisation which promotes equality of opportunity within society." (INOUE Mission Statement)

The organisation has 211 affiliated organisations and over 2,100 individual members. We work at the local and national level on issues affecting unemployed people through the provision of training and welfare rights information services; analysis of Government policies and related advocacy work; and working with a wide range of other organisations on issues of common concern.

According to the International Labour Organisation *"decent work sums up the aspirations of people in their working lives. It involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men."*

This understanding of work and its support through policy making and implementation is critically important, and absolutely so for anyone making the journey from welfare to work. Through our work over many years, the INOU is aware that making this transition is particularly difficult if the only work available is short-term, piece-meal or uncertain. The uncertainty of weekly income is compounded for many unemployed people and other welfare recipients if they incur additional costs of participation i.e. childcare or transport. Addressing either of these issues can be problematic unless one can rely on family support to care for the children or make alternative transport arrangements – eg. share access to a car.

As Ireland's recovery continues and more people to return to work, access to decent employment that facilitates people to manage their lives well will be essential to ensure that this recovery is bedded down for all. But it will be of particular importance for people more distant from the labour market, people who often struggle with poverty, people who move

between welfare and low paid, precarious work. To support this group's social and economic inclusion requires not only action on the key findings and recommendation of the University of Limerick, but a supportive person-centred approach to labour market activation policies and implementation.

KEY FINDINGS

While it is welcome that 'zero-hours' contracts are not as prevalent as many feared, the reality of 'if and when' contracts for many people has the same impact i.e. people are uncertain as to their hours of work and therefore their income which presents considerable challenges for people managing their daily lives. The INOU would be very concerned to ensure that unemployed people are not activated into such jobs; creating a scenario whereby the person is constantly struggling to make ends meet and not well placed to access education and training that could move them out of welfare / low paid cycle and into more sustainable employment.

The issue of 'choice' is raised within the report, with some, in particular employers noting that there are employees for whom these types of contracts are attractive as they allow people to meet other obligations e.g. caring and studying. While this may be true for some, the INOU would argue through experience and feedback, that part-time working is an attractive proposition for many people, but not when the hours are unclear and changeable and do not allow people to manage their other responsibilities. It is a striking feature of Ireland's emigration figures that far more people have emigrated from a job than from unemployment. According to the CSO's Population and Migration Estimates, April 2015, 36,300 emigrated from a job in comparison to 10,300 people who emigrated from unemployment.

The issue of choice is critical and should be a key principle within the social protection and activation systems, labour market policies and practices. It is therefore important that within both systems the least powerful player - the unemployed person or the employee, perceives they can exercise choice and not live with a fear of income loss or exclusion if they fail to engage as the more powerful stakeholder deems best. A key finding of the report is the lack of clarity of the employment status of some individuals on 'if and when' contracts and whether or not they are covered by employment legislation.

The report notes the Department of Social Protection's concerns about the rising cost of schemes like FIS and the availability of some part-time working arrangements for people in receipt of a Jobseekers payment. The increasingly flexible labour market presents particular challenges for unemployed people either entering employment for the first time or returning to work: the certainty of an income from a welfare payment versus the uncertainty of an income from an 'if and when' or other precarious job. Yet, part-time or flexible employment can act as

stepping stone into the wider labour market and give unemployed people the opportunity to develop their contacts and increase their chances of finding a decent job. The DSP has a good initiative that facilitates unemployed people to take-up short-term working, education or training opportunities, and to put on hold their Jobseekers payment for upto 13 weeks. This provides the individual with a sense of security while facilitating them to gain real work experience with a real income.

The challenge facing the State is how best to facilitate unemployed people's access to properly paid employment, to acknowledge the role that part-time or short-term work can play in creating such access, while ensuring employment standards are not undermined. Income security is critical for us all, but in particular for people who have no other resources other than their welfare payment. The ultimate goal of activation policy must be to support people to gain access to a sustainable and decent job, but as unemployed people make that journey from welfare-to-work a combination of work and welfare income maybe required to facilitate this transition. To that end, it is vital that the social protection system itself becomes more flexible and alleviates the poverty facing many unemployed people, people parenting alone, living with a disability or working in low paid employment.

Employment legislation has an equally important role to play in supporting people to make the welfare to work transition: by ensuring that work does pay and enhancing people's confidence in the labour market and the quality of the work on offer.

RECOMMENDATIONS

The Recommendations contained within the report would go a long way to addressing many of the concerns that the INOU and others have with precarious working arrangements. Good quality information is an important tool in addressing these issues and a clear and timely employment contract plays a critical role in ensuring both employees and employers know where they stand on their rights and obligations. To that end we would endorse Recommendations 1 and 2.

Action in accordance with Recommendations 4-8 would be very welcome as they would give employees and potential employees a sense of security as to their minimum hours and income; facilitate them to put in place, for example, childcare or transport arrangements; and, allows for sectoral collective agreements which would be in keeping with stronger supportive employment law mechanisms. In sectors or businesses where such mechanisms are not in use, the Workplace Relations should be included as part of the mechanism envisaged under 4 (iii), to ensure the employees have good information when reviewing the hours contained in their contract.

Action on Recommendation 9 would be welcome, as would the exploration of how best and effectively to disseminate examples of good practice across the labour market. Critical to this would be action on Recommendation 10, as the lack of legal clarity as to the employment status of people on 'if and when' contracts could undermine the overall intention of these recommendations: ultimately leaving them to the good intentions or otherwise of those who are their employers in all but name.

Action on Recommendation 11 is critical, much of Ireland's social protection system for people of working age reflects an older, less flexible labour market. As noted on page 2, 'if and when' contracts and the more flexible, precarious labour market they represent, presents particular challenges for unemployed people and other welfare recipients making the welfare-to-work journey. Therefore, it would be important that actions under this recommendation also explore these challenges and the role or otherwise of 'if and when' contracts play in creating access to the labour market.

Action on Recommendation 12, action that reflects the childcare needs of people who work non-standard hours is essential and urgently required. Within Recommendation 13, work on recommendations 11 and 12 will be important as will transport policy and implementation. An issue that has been raised with the INOU is the difficulty of travelling to work and education and training opportunities where there is little or no public transport; and the unsustainable costs of using private transport, where available, if the hours and resulting income are low and uncertain.

Recommendation 14: a QNHS Special Module on non-standard employment, varying terms and conditions would be very welcome, and could assist improved evidence based policy making in this segment of the labour market.

THANK YOU FOR YOUR TIME AND CONSIDERATION