

## ZERO HOURS CONTRACTS

### Ethics and Theology

Earlier this year, the government launched a consultation on Zero Hours Contracts. In an initial response, John Wastnage, Head of Employment at the British Chambers of Commerce, said:

“Zero hours contracts are vital for a successful jobs market, but they must be fair and work for all parties.”

How often do we see these contracts being administered in a way that is truly fair for all parties? Ian Mearns MP introduced a Private Member’s Bill in Parliament, which, amongst other provisions, set out minimum notice periods for the notification of working hours. The Bill will make no further progress. The very practices which would be required to make them fair to employees, for example some sort of retainer payment, would mean that they were no longer zero hour contracts in the way we understand them.

The main concerns are:

- Employees are required to be available for work at short notice, and are unable to take other work opportunities
- A failure to take work when offered it may lead to the contract being terminated, or less work being offered in the future
- Irregular and unpredictable work makes caring for children and other dependants difficult
- Variable pay packets make paying regular bills and claiming “in work benefits” difficult
- Pension, sick pay, holiday and other entitlements are minimal

The Judeo-Christian tradition has always upheld the concept that an employer has a responsibility for the welfare of their employees that goes beyond simply paying wages. The scriptures require that they be paid promptly (Leviticus 19:13, Deuteronomy 24: 15), enabling employees to buy food. Wages should not be subject to arbitrary and frequent changes (Genesis 31: 7). Jacob called this cheating, but it is something which a zero hours contract inevitably amounts to. There is the opportunity for employers to show generosity which goes beyond simple recompense for work done (Matthew 20: 1-16).

This is why significant advances in the treatment of workers were made in the nineteenth century by companies such as Rowntree and Cadbury. Both of their founding families sprang from that tradition, and other employers followed their examples. Nearer to our own times, Rubery Owen has made a huge social impact in the Black Country. The company was among the first to have a canteen for its works people, sports and recreational facilities, employee social services, day nursery facilities and Christmas parties for the children.

Christian scriptures also place responsibilities on workers. They are encouraged to offer more than the minimum necessary to get by. Even slaves, people with no rights, were to “serve wholeheartedly, as if you were serving the Lord and not people.” (Ephesians 6: 5-8) Work well done would be one way in which the Christian community won the respect of outsiders. (I Thessalonians 4: 11, 12).

Karl Marx's analysis of the working world, where one group of people have nothing to sell but their labour, is a bleak one, but that is essentially what zero hours contracts amount to. Marx believed that this would lead to alienation and class conflict. Class conflict may have been avoided, thanks perhaps to philanthropic employers, reform of employment law and progressive social policies, but the danger of alienation all too easily remains, especially for the employee in a zero hours contract.

Commercially zero hours contracts appear attractive to employers, enabling them to respond flexibly in a rapidly changing market place. They may point to the fact that some people actually value the flexibility provided by these contracts. That may be true in a minority of cases, but most people accept zero hours contracts because they have no alternative. The employer may see many advantages, and may even claim to be providing employment that would not otherwise be there. The downside for the employer is not so obvious, but there is a real cost in terms of low employee morale and lack of loyalty, together with high staff turnover. Staff make no investment of themselves or their time in the business: they have little incentive to train and improve their skills. These are manifestations of what Marx would have called alienation.

So, in short, I believe there are serious ethical concerns over zero hours contracts.