



Insecure Britain: The Real Impact of Temporary and Agency Work in the UK

**A Submission to the TUC
Commission on Vulnerable
Employment**

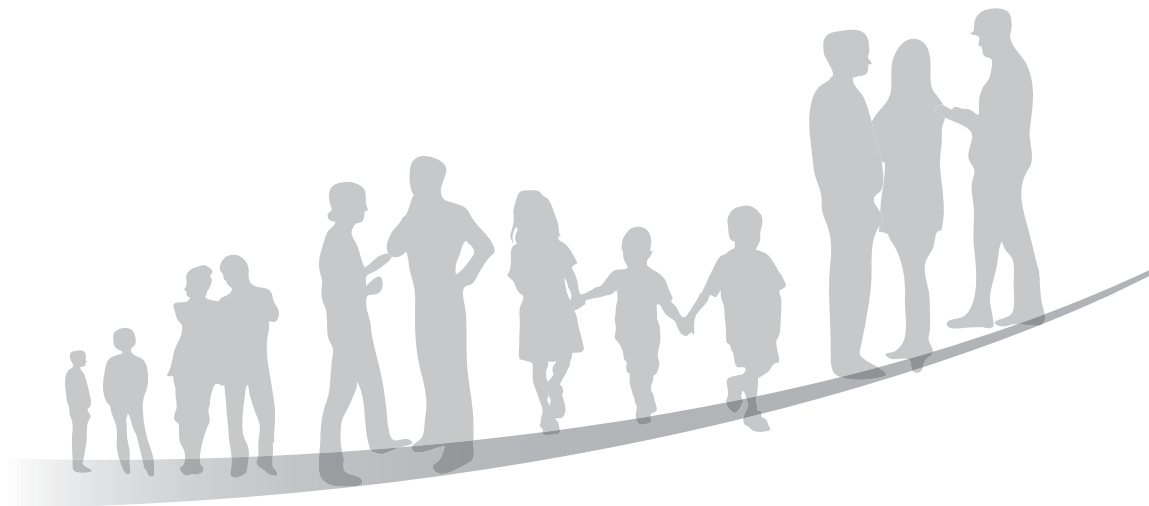
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Community is the union for life – organising and representing workers across the UK in steel, wire, textiles, footwear, knitwear, betting shops and the voluntary sector.

Community was formed in 2004 following the merger between the Iron and Steel Trades Confederation (ISTC) and the National Union of Knitwear, Footwear and Apparel Trades (KFAT).

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Contents

Comments from Community members in response to the Temporary and Agency Workers Survey that provided the data for this report.

Executive Summary

- 1. Introduction**
- 2. The prevalence of agency and temporary workers**
- 3. Pay and conditions**
- 4. Union membership**
- 5. Conclusion**

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Quotes from Community's survey on temporary and agency workers:

"At induction agency workers are being told they cannot join our union"

Plastics company

"Management threaten to bring in Eastern European agency workers just before wage negotiations"

Food factory

"Agency workers can be sent home with two hours notice"

Footwear company

"Around 50% staff are agency. Of these, 50% are East European, who work without overtime."

Textiles factory

"Agency workers have complained that they are bullied; they're told if they give any more details about it they would be evicted from their housing"

Steel works

Executive Summary

- **75% of workplaces surveyed used temporary and agency workers.**
- **40% of temporary contracts rarely last more than a week.**
- **Some temporary and agency workers are on just 2 hours notice.**
- **Temporary and agency workers are paid less than permanent employees in 56% of workplaces surveyed.**
- **Over 60% of temporary and agency workers are not entitled to the same holidays as permanent staff.**
- **In 40% of workplaces temporary or agency workers are replacing what would normally be overtime for permanent staff.**
- **The decrease in overtime for permanent employees is a source of tension within the workplace at a time when the cost of living is increasing, most noticeably with the rising price of food and fuel.**
- **Temporary and agency workers are being used to undermine the terms and conditions of permanent staff.**
- **In 34% of workplaces permanent employees are often or always replaced by temporary and agency workers. Only 15% of workplaces never use temporary and agency workers to replace permanent employees.**
- **Unscrupulous employers actively discourage temporary and agency workers from joining a union.**
- **Community believes that urgent legislative action is needed at EU or UK level to ensure that there is equal treatment between permanent and temporary and agency workers to prevent the exploitation of the latter group and, through their exploitation, the undermining of the terms and conditions of the former.**

1. Introduction

Community welcomes the opportunity to contribute to the TUC Commission on Vulnerable Employment (CoVE). Community recognises that vulnerable employment can exist under a variety of conditions and in order to focus the submission has surveyed its branches on the issue of Temporary and Agency Workers.

There is currently a great deal of debate about the effect of temporary and agency workers on the UK's economy. Community decided to survey its members about the situation and find out exactly what is happening in the workplace. Our objective was to answer two crucial questions:

- i. Are temporary and agency workers being exploited?
- ii. Are temporary and agency workers being used by unscrupulous employers to undermine the pay and conditions of permanent employees?

At this stage it is important to make a distinction in terms of the type of agency or temporary work that is considered in this survey. Community has many skilled or highly-skilled members who work as contractors or through specialist agencies for whom there are benefits to either temporary or agency work and choices available to the employees concerned.

However, the experience of our members – both those who are temporary and agency workers or those who work along side them – suggested that this was certainly not the case for those unskilled or semi-skilled workers, where the notion of choice is something that overwhelmingly rests with the employer. One of the desired outcomes of the survey was to provide empirical evidence as to whether our anecdotal evidence reflected the wider reality.

The representatives who were surveyed are in well-organised, unionised workplaces. Thus, it would appear reasonable to us to suggest that the conditions that we discovered in them would be replicated to a much greater degree in similar but non-unionised, unorganised workplaces.

In the period between January – April 2008, Community surveyed union branches in workplaces representing more than 8,000 members. In order to get a representative sample of the union's membership the survey covered steel, wire, textiles, carpets, general manufacturing and footwear industries.

2. The prevalence of temporary or agency workers

75% of workplaces surveyed said that temporary or agency workers are employed in some capacity (Fig.1).

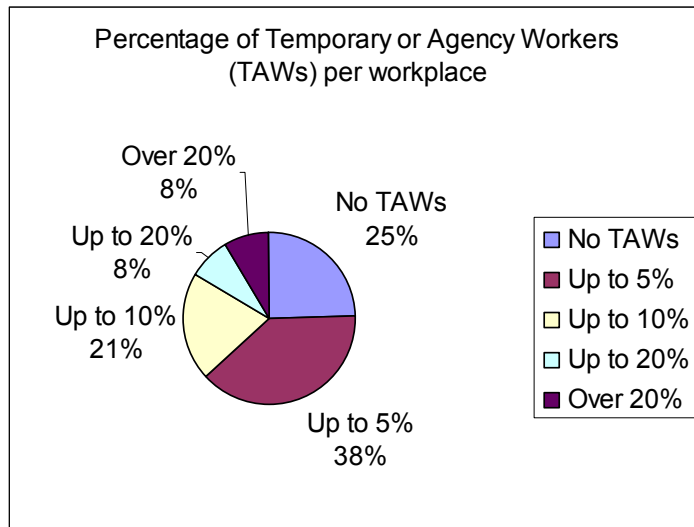


Fig. 1. Prevalence of TAWs

Community believes that many workplaces will be genuinely using TAWs as a flexible way of managing the variance in workload.

However, it is the union's view that the argument about flexibility is not credible in every case. For instance, it is questionable why TAWs make up more than five per cent of the workforce in almost 40% of workplaces. The strength of feeling from some of our respondents shows there are cases where temporary workers are just being brought in to undermine the permanent staff.

The survey did not capture the extent to which the proportion of temporary or agency employment might be rising and this is something that the union is interested in investigating further. Based on anecdotal responses to the survey, we believe this will provide further evidence of the undermining of permanent employment.

In 34% of workplaces permanent employees are often or always replaced by TAWs. In 52% of workplaces they are sometimes replaced by TAWs. Only 15% of workplaces never use TAWs to replace permanent employees.

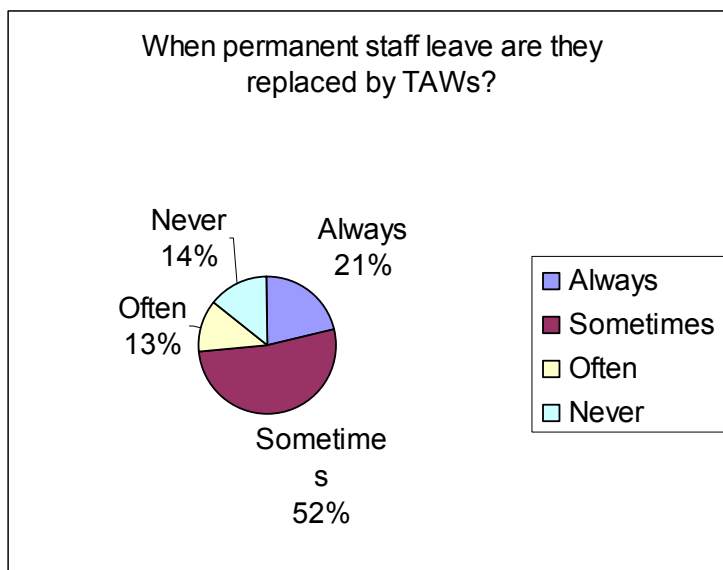


Fig. 2 Replacement of Permanent Staff

Numerous responses from the branches surveyed -stated that temporary and agency workers are being used long-term. It would be reasonable to suggest that there must be a lot of rolling contracts as more than **40% of temporary contracts rarely last more than a week.**

This reveals a high degree of instability and vulnerability of employment for the temporary or agency worker. **In one of the worst cases, the temporary and agency workers are on just 2 hours notice.**

3. Pay and Conditions

The survey revealed that **temporary and agency workers are paid less than their permanent colleagues in 56% of workplaces.**

Nor do they receive the same holiday entitlements (Fig. 3). 62% of workplaces surveyed said that the holidays are not the same for temporary or agency workers.

Furthermore, in 40% of workplaces temporary or agency workers are replacing what would normally be overtime for permanent staff (Fig.4).

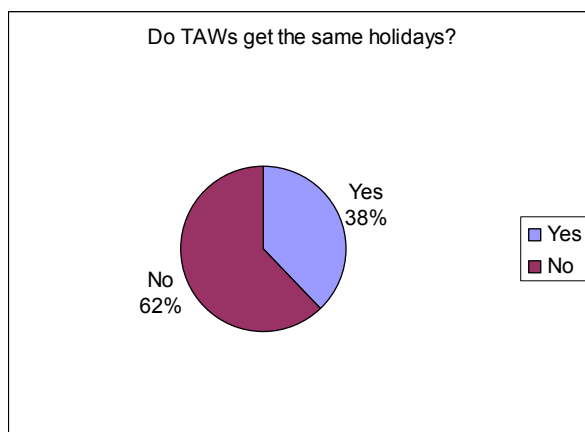


Fig.3 Holiday entitlement

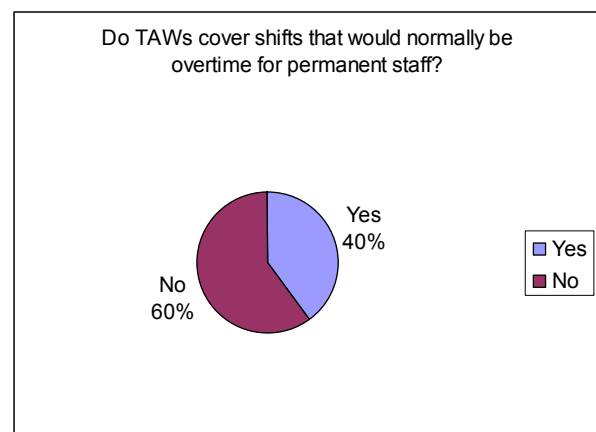


Fig.4 Overtime

This can be a source of tension within the workplace. At a time when the cost of living is increasing, most noticeably with the rising price of food and fuel, and there is a degree of economic uncertainty, overtime payments provide an important supplement to the income of many of the union's members, particularly in manufacturing industries.

When temporary or agency labour can be brought in at a cheaper rate and thus prevent the availability of overtime, many permanent employees can feel a sense of resentment towards the temporary and agency workers.

This can only add to the 'vulnerability' of the individual temporary or agency worker. It also raises challenges for unions in how best they can represent both temporary and agency members and permanent employees. The principle of equal treatment and rights for temporary and agency workers, backed by legislation, would assist unions in overcoming some of these issues.

There is an added dimension to this issue. The union is aware that in many workplaces temporary workers are often members of new immigrant communities – particularly from Eastern European workers. The extent of demographic change and the ensuing concerns that are generated, be they myth or reality, can often be magnified in the workplace.

Community is concerned that the inequality of pay and conditions between permanent employees and temporary and agency workers – who, let it be clear, often do the same job at the same time – can be exploited by far right political organisations such as the BNP. Therefore, any action to give legal, equal rights to temporary and agency workers would assist in building stronger communities and combating political extremism.

Community believes that Government needs to act to stop the exploitation of temporary and agency workers and it needs to act to stop other workers slipping into vulnerable employment as their pay and conditions are undermined.

4. Union membership

Community believes that it is important that CoVE looks at the way in which unions can reach out to and successfully organise vulnerable workers.

As part of the survey Community wanted to find out the extent to which branches had been able to sign-up temporary or agency workers. From some of the comments received from union representatives, it was clear that **some unscrupulous employers actively discourage temporary and agency workers from joining a union** – again, something that adds to the vulnerability of the workers concerned.

Despite employer hostility, Community has had some success – **over 40% of branches had recruited temporary or agency workers** (Fig. 5).

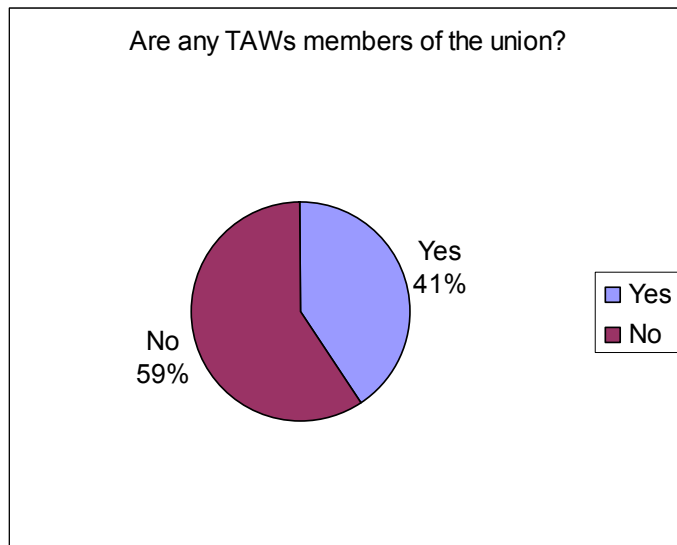


Fig. 5 Union Membership

Community is determined to rise to the challenge of offering the opportunity to join the union to all temporary or agency workers within our branches' workplaces.

The union is currently working with appropriate partner organisations to create new approaches to organising temporary and agency workers.

Community is playing its part in trying to organise these vulnerable workers but it would be greatly assisted by a legislative guarantee of equal treatment for temporary or agency workers.

5. Conclusion

As already stated, the object of Community survey was to answer two crucial questions:

- iii. Are temporary and agency workers being exploited?
- iv. Are temporary and agency workers being used by unscrupulous employers to undermine the pay and conditions of permanent employees?

Unfortunately, the answer to both questions is yes. Therefore, temporary and agency work is an example of vulnerable employment.

Furthermore, **the presence of vulnerable employment alongside more secure employment can have a destabilising effect on both workplace relations and community cohesion.**

Temporary and agency workers are in vulnerable employment because they do not get the same pay or benefits as permanent employees.

At a time when the cost of living is increasing, most noticeably with the rising price of food and fuel, and there is a degree of economic uncertainty, overtime payments provide an important supplement to the income of many of the union's members, particularly in manufacturing industries.

The Report reveals that that, even in these workplaces temporary or agency workers can be brought in on lower pay and with inferior terms and conditions, which undermines the pay and benefits of permanent employees. This does not bode well for the many workplaces with no union representation.

Urgent legislative action is needed at EU or UK level to ensure that there is equal treatment between permanent and temporary and agency workers to prevent the exploitation of the latter group and, through their exploitation, the undermining of the terms and conditions of the former.

There are distinct challenges to trade unions in terms of the need to organise temporary or agency workers



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