

Jobseekers being forced into zero-hours roles

Letter from Conservative minister reveals plans to sanction unemployed people if they fail to agree to controversial contracts

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Jobseekers face losing their benefits for three months or more if they refuse to take zero-hours contract roles, a letter from a Conservative minister has revealed.

For the first time, benefit claimants are at risk of sanctions if they do not apply for and accept certain zero-hours jobs under the new universal credit system, despite fears that such contracts are increasingly tying workers into insecure and low paid employment.

Last week, the Office for National Statistics revealed the number of contracts that do not guarantee minimum hours of work or pay but require workers to be on standby had reached 1.4 million.

More than one in 10 employers are using such contracts, which are most likely to be offered to women, young people and people over 65. The figure rises to almost half of all employers in the tourism, catering and food sector.

Currently, people claiming jobseekers' allowance are not required to apply for zero-hours contract vacancies and they do not face penalties for turning them down.

However, the change in policy under universal credit was revealed in a letter from Esther McVey, an employment minister, to Labour MP Sheila Gilmore, who had raised the issue of sanctions with her. The senior Tory confirmed that, under the new system, JobCentre "coaches" would be able to "mandate to zero-hours contracts", although they would have discretion about considering whether a role was suitable.

Separately, a response to a freedom of information request to the Department for Work and Pensions (DWP) published on its website reveals: "We expect claimants to do all they reasonably can to look for and move into paid work. If a claimant turns down a particular vacancy (including zero-hours contract jobs) a sanction may be applied, but we will look into the circumstances of the case and consider whether they had a good reason."

Higher level sanctions – imposed if a jobseeker refuses to take a position without good reason or leaves a position voluntarily – will lead to a loss of benefits for 13 weeks on the first occasion, 26 weeks on the second occasion and 156 weeks on the third occasion.

The government is already consulting on whether to ban this type of contract altogether.

Critics raised concerns that the new policy will force people into uncertain employment and restrict the ability of claimants to seek better work while still placing a burden on many to increase their hours.

Labour's Sheila Gilmore said she was concerned about the situation because JobCentre decision makers already do not appear to be exercising enough discretion before applying sanctions under the old regime.

Andy Sawford, a shadow minister who has pushed for reforms of the contracts with his zero-hours bill in parliament, also expressed concern about the change, as universal credit will require many people on low hours to try to increase their work.

"How can you commit to training, undertake a proper job search or agree to participate in interviews when you are on a zero-hours contract and may be required to work at any time?"

Sawford said. "Requiring people to take zero-hour jobs is a big change from the past. It will create further insecurity for many of the lowest paid people."

Labour has promised to crack down on abuses of zero-hours contracts, with leader Ed Miliband saying their use has reached "epidemic" proportions in some industries.

(590 words)