

Young people's experiences of precarious and flexible work - A report by Progressive Partnership for the Scottish Government - Evidence Review



ECONOMY AND LABOUR MARKET



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Executive Summary

Introduction

Progressive Partnership was commissioned by the Scottish Government to undertake research on the experiences of young people in Scotland of precarious and flexible work.

A desk study phase was carried out as part of the early stages of research, to identify and understand the existing knowledge on this topic, both within Scotland and further afield across the rest of the UK and other relevant areas.

Approach to the review

The Scottish Government set out nine research questions (RQ) to be addressed by the research project overall, of which 5 have been addressed by the initial evidence review and are shown in table 1.1 below (see table 2.1 for the full RQ list):

Table 1.1: Research questions addressed in the review

Research Questions

RQ1 - What are the range of potentially precarious or flexible working conditions experienced by young people in Scotland?

RQ3 - What are the circumstances whereby young people find themselves in precarious work / contractual conditions (e.g. ZHCs)?

RQ4 - What are the experiences (e.g. positive, negative, mixed) of young people in a range of potentially precarious or flexible working conditions (e.g. ZHCs, low wages, lack of progression opportunities)?

RQ5 - Are there any particular disadvantages, challenges, advantages, opportunities etc. of different potentially precarious or flexible working conditions?

RQ8 - What are the barriers that prevent young people who want to change jobs from doing so?

A fluid search strategy was adopted, whereby initial key search terms were identified based on information from the brief and the project team's existing knowledge. The project team carried out searches across a range of sources using those terms.

On completion of the search a final list of 40 documents was identified. The abstract, executive summary, conclusions or initial information from documents and articles were reviewed and prioritised, based on the extent to which the evidence addressed the research questions. Other exclusion criteria were also considered (e.g. studies were excluded if they were not reported in English, published before 2010, or exclusively covered countries outside the EEA). A small number of studies that fell within the exclusion criteria have been included due to their relevance on a

topic where sources were limited. On completion of the prioritisation exercise 27 documents were reviewed in more detail.

Summary of key findings from the review

What constitutes precarious working conditions?

This chapter addresses the types of employment relationships identified in literature as potentially precarious. Key findings include:

- There was no universally accepted definition of what constitutes precarious working. Different sources discussed precariousness in relation to a range of types of contract and/or organisational/labour models.
- Indicators for potential precariousness were identified in some of the
 evidence, suggesting the risk of precariousness may be present in any
 employment type. These included low pay and in-work poverty, as well as a
 range of other factors such as an unequal power balance between employee
 and employer, employment insecurity, limited rights and protections, and
 limited opportunities for career development and training.
- The evidence reviewed describe a number of specific types of employment experienced by people across the UK and Scotland as at risk for precariousness. Amongst these were zero hours contracts, marginal parttime work, 'bogus' self-employment, fixed term contracts, agency work and work in the gig or platform economies.
- 'Flexibility' was noted as a characteristic of many of the employment types
 highlighted as potentially precarious. Flexibility is considered a strength of the
 UK labour market by the *Taylor Review of Modern Working Practices* (2017),
 however the literature reviewed also commented on the potential for flexible
 work to become precarious if, rather than being a desired characteristic of
 employment for the worker and one they actively choose, it is accepted
 because more secure forms of employment are not available.

What are the circumstances whereby young people find themselves in precarious work/contractual conditions?

This chapter reviews research which explores motivations for working in potentially precarious employment. Key findings include:

- Limited evidence could be found with respect to reasons people choose, or find themselves in, the types of employment highlighted as potentially precarious; with much of the literature instead focused on experiences of precarious employment. The chapter looks at a specific piece of research, undertaken by the Chartered Institue of Personnel and Development (CIPD), which explored motivations among UK workers in the gig economy.
- The CIPD research identified a number of reasons for working in the gig economy, the most cited (given by approximately a third of respondents to the CIPD's survey) being that gig economy work provided a supplementary income, followed by it being a short term solution to achieve an end goal. A

minority also reported working in the gig economy because they could not find 'traditional' (i.e. more secure) employment.

What are the experiences of young people in precarious working conditions?

This chapter brings together evidence on the experiences of those in work considered precarious, and the impact on workers. Key findings include:

- Evidence relating specifically to the experiences of young people in Scotland was limited, however the review includes research which identified priorities for 'decent work' for 16-24 year olds in low paid employment in Scotland as being a decent hourly rate of pay, paid leave, lack of discrimination, job security and a supportive manager.
- More widely the review found evidence from a number of sources indicating
 that working conditions associated with precarious employment could impact
 negatively on workers' lives. Links were noted between precarious working
 conditions and poor health outcomes (in relation to both chronic stress and
 other health conditions, as well as poor occupational health and safety
 outcomes).
- The evidence reviewed also found precarious working associated with financial constraints, and in some cases this resulted in pressure to accept unsuitable work, for example to avoid benefits sanctions or being 'starved' of future work by employers.
- Several sources noted recent collective industrial action and other developments in worker representation for those in potentially precarious work. However this is described in the context of an 'erosion' of workers' rights, considered to be linked to the increasing levels of flexible or precarious employment in the UK labour market.
- The literature identified certain employment sectors in the UK at higher risk of precariousness. These included sales, retail, and customer services; logistics/parcel delivery; process, plant and machine operation; hospitality; caring; and higher education.

What are the advantages and disadvantages of precarious working conditions?

This chapter looked at evidence on elements of work considered potentially precarious that could be advantageous to workers, and those that could be a disadvantage. Key findings included:

In examining evidence it was apparent that aspects of work described as
precarious are considered an advantage to some but a disadvantage for
others (for example flexibility was cited as an advantage to those balancing
work with other priorities, but flexible hours were also associated with
pressure to fulfil short notice working requests for some workers).

- Flexibility was the most frequently cited advantage of potentially precarious employment, with flexible working conditions described as providing opportunities to people with different needs and priorities and at different stages in life. Autonomy and independence were also identified as benefits of some types of potentially precarious work – for example work in the gig economy – as well as this work providing a stepping stone to other employment or opportunities.
- Examples of the disadvantages of precarious working were more prevalent throughout literature. Evidence reviewed strongly suggests that most employment types considered potentially precarious or flexible are associated with low rates of pay and/or pay insecurity. Insecurity of working patterns was also highlighted as problematic for many workers. This included having little choice over contracts or hours and sometimes unpredictability of working hours. Lack of training or opportunities for progression were also noted as a characteristic of some forms of potentially precarious work.
- The decision to choose flexible or potentially precarious work is described in some evidence as a tradeoff between its advantages and disadvantages, for example workers trading job security for the flexibility they want; or accepting certain conditions to ensure they have some form of income; however there is evidence to suggest that these tradeoffs contribute to dissatisfaction with working conditions.

What barriers to changing jobs do young people face if in precarious / flexible employment?

This chapter reviews evidence on leaving precarious/flexible employment. Key findings include:

- Dissatisfaction with elements of precarious/flexible employment amongst workers is consistently highlighted across evidence reviewed, however information on the barriers to leaving these employment types was limited.
- Some studies did however note a lack of suitable opportunities as a barrier, including limited opportunities that would accommodate workers' need for a flexible working pattern.
- Accordingly, recommendations made in evidence were most likely to be around improving working conditions rather than focusing on removing barriers to accessing other forms of employment; for example recommendations were made around continued work to encourage organisations to become Living Wage employers, or increased regulation of potentially precarious employment.

Introduction

Progressive Partnership was commissioned by the Scottish Government to undertake research to better understand young people's experiences of precarious and flexible work. The research included secondary desk research, as well as primary research in the form of focus groups and a large Scotland-wide face-to-face survey.

The Scottish Government acknowledged that the existing information, knowledge and data on precarious working conditions, such as zero hours contracts, is limited across Scotland. A desk study phase was undertaken to identify and understand the existing information and research available on this topic, both within Scotland and further afield across the rest of the UK and other relevant areas.

This report documents the results of the desk research phase of the research project. The Scottish Government set out nine research questions that the research was to address. The key purpose of this report is to help address these research questions; however, it is also important that this report both informs the primary research, and provides context to and supports interpretation of the final data set.

Approach to the review

The purpose of the review was to identify and review existing research and information on young people's experiences of precarious and flexible work.

Defining the scope

The Scottish Government set out nine research questions (RQ) to be addressed by the research project. Different stages of the research project will answer different research questions. All nine research questions are shown below; however the documents and literature reviewed at this stage only answered some of the research questions. These have been identified in Table 2.1 below.

Table 2.1: Research questions and sub-questions

Research Question	Sub-research question	Included in desk research
RQ1 - What are the range of potentially precarious or flexible working conditions experienced by young people in Scotland?	Which of these are the most important / critical (e.g. in terms of their prevalence)?	Yes
RQ2 - To what extent are young people aware of their contractual status (e.g. whether they are on a ZHC)?	What factors (if any) determine levels of awareness (e.g. sector of employment, demographic characteristics)?	No
RQ3 - What are the circumstances whereby young people find themselves in precarious work / contractual conditions (e.g. ZHCs)?	Do they choose them voluntarily or have no option?	Yes
RQ4 - What are the experiences (e.g. positive, negative, mixed) of young people in a range of potentially precarious or flexible working conditions (e.g. ZHCs, low wages, lack of progression opportunities)?	What factors (if any) determine these experiences (e.g. sector of employment, demographic characteristics)?	Yes
RQ5 - Are there any particular disadvantages, challenges, advantages, opportunities etc. of different potentially precarious or flexible working conditions?		Yes
RQ6 - What is it about the terms of employment that cause specific disadvantages? What type of contracts appear to be the most problematic and to who?		No (Overlap RQ5)
RQ7 - To what extent can different potentially precarious or flexible working conditions be considered as 'positive destinations' for young people (e.g. do they offer opportunities for	Which young people are benefitting? What are their specific working conditions?	No (Overlap RQ5)

progression, fitting in around lifestyle / caring responsibilities etc.)?		
RQ8 - What are the barriers that prevent young people who want to change jobs from doing so?	Does this differ by contractual status (e.g. ZHC) or other potentially precarious or flexible (depending on perspective) working conditions (e.g. low wages, lack of progression opportunities)?	Yes
RQ9 - What (if any) type of information, advice and guidance do young people who want to change jobs require and what are their preferences for accessing this support (e.g. digital, online, face-to-face)?	Does this differ by contractual status (e.g. ZHC) or other potentially precarious or flexible (depending on perspective) working conditions (e.g. low wages, lack of progression opportunities)?	No

When reporting on the findings for RQ5, it was apparent that some of the evidence overlaps with RQ6 and RQ7. A decision was made to report on the findings under RQ5 as a whole to avoid unnecessary repetition. Research questions not included in this report will be explored via the primary research.

Developing the search strategy

A fluid search strategy was adopted, whereby initial key search terms were identified based on information from the brief and the project team's existing knowledge. The project team carried out searches across a range of sources using those search terms. The majority of searches were carried out via Google and Google Scholar. No academic databases were used. The list of search terms evolved over time based on the literature and information gathered.

A database was developed and used to record all relevant sources identified. Some documents or articles pointed to other relevant sources. These were added to the search and recorded on the search database. The search terms used are shown in table 2.2.

Table 2.2: Search terms used

Search terms used			Additional criteria used in search
Precarious working	Zero hours contracts	Agency work	In Scotland
Flexible working	Casual work	Insecure work	Young People
Atypical working	Seasonal work	Gig economy	In UK

Identifying and collating relevant literature

On completion of the search approach detailed above a final list of 40 documents was identified. Key information about the documents was recorded in an excel database. The abstract, executive summary, conclusions or initial information from the document and articles were reviewed and prioritised. The prioritisation was based on the extent to which the article answered the research questions. Other exclusion criteria were also considered, such as excluding studies reported in languages other than English, studies published before 2010 and studies that do not cover countries from within the EEA. A small number of studies that fall within the exclusion criteria have been reviewed and included due to their relevance on a topic where sources were limited.

On completion of the prioritisation exercise 27 documents were reviewed in more detail.

Limitations

The value of any literature or desk research review is limited by a number of factors relating to the documents included. These limiting factors include:

- When the report was produced the data, even though relevant, could be old or out of date
- Relevance the research may have been conducted for a very specific purpose, which may not be directly relevant to the objectives of the review
- **Sample** the report may focus on a different population group or another geographical area, compared to the population of interest for the review (in this case, 16-24 year olds in Scotland)
- Research method the method used to gather the data and the sample size may mean that data is unreliable or not directly comparable to data described in other documents
- Sample sizes for some reports the sample size of quantitative research studies is not known. This means that statistical testing to explore differences and trends is limited

These limitations must be considered when drawing any conclusions from the desk research review. A table of the reports reviewed, the year it was published and information on its purpose is shown in Appendix 2.

It is important to note that there were limited reports and publications on this topic that specifically cover Scotland and/or 16-24 year olds. It has therefore been assumed that the experiences, advantages and disadvantages of those in precarious working positions across the UK or the EU would also broadly apply to those in Scotland.

Chapter 1. What constitutes precarious working conditions?

This part of the review refers to Research Question 1 (RQ1): What are the range of potentially precarious or flexible working conditions experienced by young people in Scotland?

Although there is no universally accepted definition of precarious working, the European Parliament's 2017 resolution on working conditions and precarious employment defines it as 'employment which does not comply with EU, international and national standards and laws and/or does not provide sufficient resources for a decent life or adequate social protection' (Eurofound, 2018).

Benach et al. (2016) describe three approaches to defining precarious working common in existing research: (1) defining precariousness as relating to certain sectors of the labour market; (2) defining it as referring to any non-standard work type such as zero hours (i.e. any employment that is not through a permanent, full-time contract); and (3) defining it in relation to the attributes of a job, taking into account various aspects of the employment context.

The third definition implies the potential for precariousness in any employment and leads to the identification of indicators for precariousness. Benach et al. (ibid) cite employment insecurity (often related to contract type), an unequal power balance between employers and individuals, low wages, limited rights/protections, and the powerlessness to exercise legally granted workplace rights, as indicators of precarious employment.

A study for the European Parliament's Employment and Social Affairs (EMPL) Committee similarly adopts a multi-dimensional understanding of precarious employment based on a range of risk factors:

"The most relevant indicator for individual risk of precariousness is in-work poverty and low pay, though interpretation needs to be cautious, as in-work poverty is the result of multiple factors in addition to low earnings, such as levels of working hours, the labour supply, jobless households, household size, meanstested social benefits, and poverty thresholds. Other indicators are social security, labour rights, stress and health, career development and training, and low levels of collective rights." (Broughton et al., 2016, p.10)

The EMPL Committee report identifies informal or undeclared work and zero hours contracts as being the type of employment relationships with the highest risk of precariousness. In the UK it regards the main risks of precarious employment as being found in zero hours contracts (considered most likely within the retail and hospitality sectors) and in part-time work; with the UK singled out as having above average levels of marginal part-time work (less than 20 hours per week) in comparison with other EU countries. Risk of precarious employment is also

identified in standard employment (defined in the study as full-time, open ended employment) in some sectors, due to the risk of low wages within these; specifically within the cleaning, care, hospitality, security and construction sectors.

Research and articles reviewed describe a range of specific types of employment experienced by people across the UK, including Scotland, which are considered at risk for precariousness:

Zero hours contracts: (where there are no guaranteed hours of work in a given week, ONS, 2018) are often held by young people aged 16-24 (Taylor, 2017) and are considered high risk for precariousness. Risk increases if employees need a regular income and may not feel able to refuse work, meaning the flexibility is not truly reciprocal but instead benefits disproportionately, or only, the employer. Zero hours contracts are also considered to be high risk for precariousness as they may involve unpredictable and irregular working hours (including on-call working), leaving workers less able to plan ahead and resulting in variable earnings which may affect benefits entitlements. Those on zero hour contracts also have fewer employment rights than those on traditional contracts, for example in relation to sick pay, maternity pay and bonuses, as well as a limited pension entitlement. According to a report for Co-operatives UK, those on zero hours contracts are likely to be lower earners (earning £3.80 per hour less than the average employee in 2016), suggesting there may also be a higher risk of in-work poverty for those in this type of employment (Conaty et al., 2018). According to the Labour Force Survey, 7.4% of people aged 16-24 in employment in Scotland were on a zero hours contract between October and December 2018, which compares to 2.6% of all those in work (ONS, 2018).

Marginal part-time work: (part time work of less than 20 hours per week, often within health and education, retail and trade and other service sector employment, Broughton et al., 2016) is also identified as potentially precarious, with risks associated with this type of work considered to be low levels of job security, fewer career opportunities and less training investment from employers. The Taylor Review of Modern Working Practices (2017) advises that 12.4% of all part-time workers in the UK are in part-time employment because they cannot find full time work and research by the UWS-Oxfam Partnership (2016a) notes that in 2015 9.2% of the workforce in Scotland were underemployed. Part-time workers who are in a contract with less hours than they need/want may be experiencing in-work poverty or financial pressures that make them more likely to accept undesirable working conditions. Both marginal part-time workers and those on zero hours contracts are also considered to experience lack of representation and little access to HR policies, which may contribute to a limited understanding, or confusion around, employment rights (Koukiadaki et al., 2017).

'Bogus' self-employment: (where individuals do the same work as formal employees but have a self-employed status, Hudson-Sharp et al., 2017) is associated with risks of not being paid social security and limited access to labour rights. According to the *Precarious Employment: Patterns, Trends and Policy Strategies in Europe* report those in 'bogus' self-employment have the lowest

incomes of all categories of workers. The report describes 'bogus' self-employment as:

"a relationship that is, in all but name, a dependent employment relationship....Individuals who are working in such a way that could be classed as 'bogus' self-employment would be classed as workers even though they are acting as employees. Employers use 'bogus' self-employment as a way of avoiding the payment of social security charges for these individuals, which limits access to benefits that are dependent on social security contributions."

(Broughton et al., 2016, p. 94)

Fixed term contracts: (employment where there is a predetermined end-date or an agreement that work will end after a particular task has been completed, Hudson-Sharp et al., 2017) can also be high risk for precariousness. The risk of precarious employment within fixed term contracts is considered particularly high for seasonal workers due to the low pay typically associated with this type of work, and seasonal work often involving irregular working hours (Koukiadaki et al., 2017). Those undertaking seasonal work include a high proportion of 16-19 year olds, who are also considered vulnerable to exploitation due to potentially limited knowledge and experience of workplace rights and responsibilities (Broughton et al., 2016). The Labour Force Survey shows that temporary employees accounted for approximately 5% of all workers in Scotland for the period between April 2018 and March 2019.

Agency work: (where workers have a contract with an agency but work temporarily for an employer, Citizens Advice, 2019) was estimated to impact on rates of pay for workers, who were calculated as having earned 22p less per hour in 2016 than other workers (Judge *et al.*, 2016). Workers who are officially employed by an agency but work for another company, sometimes described as 'indirect workers', may also be at risk of finding themselves in situations where neither the agency nor the company they provide work for take responsibility for their rights.

Franchise employees: (those who work for an organisation; usually an SME, which operates using the brand name, product and/or system of business of another firm – often multinational businesses such as McDonald's or Starbucks – but is legally and financially independent, Koukiadaki et al., 2017) were also highlighted as an at risk employment type in a 2017 European Parliament report for the Committee on Petitions (PETI Committee), which notes that there is significant franchise activity in the UK, stating that "in terms of GDP, in 2009 franchising contributed £11.8 billion in the UK". As with agency work the risk to workers employed in an organisation with this type of business model comes from "blurred organisational boundaries" which may result in a lack of clarity over responsibility for workers' rights and lack of direct communication between workers and organisational decision makers; as well as limited worker representation (Koukiadaki et al., 2017).

Posted workers: (employees sent to work temporarily from one European Economic Area country to another, Broughton *et al.*, 2016) are another group identified as at risk of precarious work conditions. This is due to potential lack of access to social security in moving between countries, risk of breaches of employment rights related to the exploitation of legal loopholes by some employers, and the risk of isolation, with potentially limited access to trade union representation.

Internships: (where work is undertaken, often by students, to develop skills and knowledge to put them in a better position in the job market, McLister, 2012) are also highlighted in some evidence as having the potential for precariousness due to often being paid at a very low rate, or not paid at all (Broughton *et al.*, 2016).

Undeclared work: (any paid activities that are lawful as regards to their nature, but are not declared to the public authorities European Commission, 2007) was also identified in the evidence reviewed as being high risk for precariousness, as this type of work does not entitle workers to formal rights and legal protections. As tax and contributions are not paid, undeclared workers' entitlements to benefits and pensions may also be affected (Broughton *et al.*, 2016).

Digitalisation and the platform economy: (whereby economic activity is facilitated by digital platforms that allow individuals or organisations to access a group of other individuals or organisations for services or products, Hudson-Sharp *et al.*, 2017) is also considered to pose a risk of precariousness to workers. Risks associated with the platform economy are low pay, pay insecurity and lack of access to in-house company benefits or training and development, with little workplace protection available (such as unemployment insurance or disability insurance). The Working Together – Trade union and co-operative innovations for precarious workers (2018) report comments on the growth of this sector in the UK:

"Uber is often in the news, mostly in relation to taxi driver protests, but there is now a growing fleet of online labour-sourcing corporations including: TaskRabbit for small jobs, Handy for residential cleaning, Clickworker for surveys, data management, etc., MyBuilder for household repairs and improvements, Helpling for domestic help on demand, Axiom for tech-assisted legal services, Upwork for higher skilled freelancers and most recently the arrival of SuperCarers for social care and Teacherin for supply teachers.

Promoted as the 'sharing economy', these digital corporations operate to extract value via a 'black box' system that blocks any direct relationships between producers and consumers. Decision making in respect to pricing and policies are not co-determined and profits are definitely not shared by the platform owners. Command and control is the old name of this rapidly growing money making game" (Conaty et al., 2018, p. 18).

The *gig economy* (in which organisations contract independent workers for short-term engagements or individual tasks, often also using technology enabled business models and associated with self-employed/freelance workers and micro-

entrepreneurs, Broughton *et al.*, 2016) shares the risks of those faced by platform economy workers: fragmented, insecure employment and a lack of worker protections. Research by CIPD suggests that 4% of all UK employment is in the gig economy, with a higher proportion of gig workers aged 18-29 (39%), compared to other workers (of which 21% were in this age range). The research found a high proportion of gig workers (58%) engaged in gig economy activity as well as also having other employment, which could indicate this type of work is used to top up income (CIPD, 2017).

Workers in the gig economy often provide services through digital platforms and likewise there is overlap between other forms of employment mentioned above (fixed term contracts are often a characteristic of agency working for example), with precariousness associated both with some types of contract and some types of organisational/labour models.

The employment types listed above have in common the characteristic of flexibility, considered a strength of the UK labour market by the Taylor Review of Modern Working Practices (2017). Flexible employment becomes precarious when, rather than being a desired characteristic of employment for the worker and one that they actively choose, these types of work are only accepted because more secure forms of employment are not available (Broughton et al., 2016). Where flexibility is an involuntary feature of employment there is the potential that the balance of power transfers away from the employee/worker, who may be in a position where choice is more likely to be dictated by necessity than suitability, and in which they are subject to the pressure of securing ongoing/future employment. The types of flexible work highlighted above are all associated with a potential reduction in the security of employment, a key concern for Scottish workers highlighted in Taking the High Road - Work, Wages and Wellbeing in the Scottish Labour Market which notes that "job security, or lack thereof, was cited by many witnesses as an overarching concern in relation to in-work poverty and the health concerns related to poor quality employment' (Scottish Parliament; Economy, Energy and Tourism Committee, 2016, p. 23).

Table 3.1 provides a summary of the types of employment highlighted above as at risk of precariousness.

Table 3.1 Summary of types of employment highlighted in evidence as at risk for precariousness

Type/category of precarious work	Definition	Associated risks	Sources
Zero hours contracts	Work with no guaranteed minimum hours	Unpredictable and/or irregular hours, limited employment rights, lack of representation, little access to HR policies and low earnings	ONS, 2018 Taylor, 2017 Conaty <i>et al.</i> , 2018 ONS, 2018 Broughton <i>et al.</i> , 2016
Marginal part- time work	Part-time work of less than 20 hours per week	Limited career progression and training opportunities, lack of representation and little access to HR policies Sometimes also associated with under employment and in-work poverty	Broughton <i>et al.</i> , 2016 Taylor, 2017 UWS-Oxfam Partnership, 2016a Koukiadaki <i>et al.</i> , 2017
'Bogus' self- employment	Where individuals have a self-employed status but do the same work for organisations as formal employees	Associated with risks of not being paid social security, limited workers' rights and low pay	Hudson-Sharp <i>et al.</i> , 2017 Broughton <i>et al.</i> , 2016
Fixed term contracts	Employment where there is a predetermined end-date or agreement work will end after a particular task has been completed	Irregular working hours, limited access to HR policies and low pay. Includes seasonal work considered particularly at risk for these factors	Hudson-Sharp <i>et al.,</i> 2017 Koukiadaki <i>et al.,</i> 2017 ONS, 2019
Agency work	Where workers have a contract with an agency but work temporarily for an employer, sometimes called 'indirect' work	Associated risks are low rates of pay and lack of clarity over responsibility for workers' rights	Citizen's Advice, 2019 Judge <i>et al</i> ., 2016
Franchise employees	Those who work for businesses who are legally and financially independent but operate using the brand name, product and/or system of business of a larger organisation	Associated risks are lack of clarity over responsibility for workers' rights, lack of communication between workers and organisational decision makers and limited worker representation	Koukiadaki <i>et al.,</i> 2017
Posted workers	Employees sent to work temporarily from one European Economic Area country to another	Associated with risks of lack of access to social security in moving between countries, breaches of employment rights and limited worker representation	Broughton <i>et al.</i> , 2016
Internships	Where work is undertaken, often by students, to develop skills/knowledge to	Associated risks are low pay or lack of pay	McLister, Citizens Advice Scotland, 2012 Broughton <i>et al.</i> , 2016

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	put them in a better position in the job market		
Undeclared work	Defined as 'any paid activities that are lawful as regards their nature, but are not declared to the public authorities' (European Commission)	Associated risks are lack of rights and protections alongside taxation and legal issues	Broughton et al., 2016
Digitalisation & the platform economy	Economic activity that is facilitated by digital platforms that allow individuals or organisations to access a group of other individuals or organisations for services or products	Associated risks are low pay, pay insecurity, lack of training and development and little workplace protections	Hudson-Sharp <i>et al.,</i> 2017 Conaty <i>et al.</i> , 2018
Gig economy	Where organisations contract independent workers for short-term engagements/individual tasks, often also using technology enabled business models and associated with self-employed/freelance workers and micro-entrepreneurs	Risks, like platform economy work, are low pay, pay insecurity, lack of training and development and little workplace protections	Broughton <i>et al.,</i> 2016 CIPD, 2017

Chapter 2. What are the circumstances whereby young people find themselves in precarious work / contractual conditions?

This section of the review reports on RQ3: What are the circumstances whereby young people find themselves in precarious work / contractual conditions?

As reported later in the review in Chapter 3, it is evident that a large number of workers feel under pressure to accept a job even if the terms of employment do not suit, and that some also feel pressure to work additional hours or at short notice, even if it disrupts their life. However there was limited evidence relating to the reasons people choose, or find themselves in, the types of employment highlighted in Chapter 1 as potentially precarious. Evidence referenced for this RQ does not relate specifically to those aged 16-24, or Scotland only workers; however does provide some insight into decision making for those in one of these types of work – the gig economy.

CIPD report To gig or not to gig? Stories from the modern economy, explored the reasons people choose to work in the gig economy through an online survey with UK adults aged 18-70 (CIPD, 2017).

In this study a minority (14%), gave their reason for working in the gig economy as being because they could not find a 'traditional' job. Results showed that financial circumstances impacted on responses to this question, with those who described themselves as finding things difficult or very difficult financially more likely to be working in the gig economy due to not being able to find a traditional job than those who felt they were in a comfortable financial situation. The report also found that a high proportion of gig economy workers (58%) were permanent employees, engaging in gig economy activity on top of their more 'traditional' employment to top-up their income.

The biggest attraction of working in the gig economy was that it provided people with a supplementary income (32%). This was followed by:

- 25% stating it was a short term solution to help to achieve an end goal, e.g. buy a car, holiday etc.
- 21% stating it provided them with a back-up so that they didn't have to worry about not having the security of a regular income

A short-term solution (35%) and providing a back-up (29%) were significantly more likely to be given as reasons by those aged 18-29 than those aged 30-50 (16-17%). Assumptions were made that these findings are likely to reflect the high proportion of students working in the gig economy, who may be seeking to balance learning with earning, and so particularly benefit from the flexibility of this type of work.

According to CIPD's research, gig economy workers were less likely (50%) to state that income is the reason they work, compared to other types of worker (80%). Other workers were also more likely to cite a greater number of reasons for working compared with gig economy workers. This may be due to the fact that only a quarter of gig economy workers said that the gig work they do was their main job.

Chapter 3. What are the experiences of young people in precarious working conditions?

This section of the review refers to RQ4: What are the experiences of young people in a range of potentially precarious or flexible working conditions? Evidence relating specifically to the experiences of young people in Scotland was limited and as a result many of the sources reviewed in this chapter relate to experiences of potentially precarious or flexible working conditions more generally.

UWS-Oxfam Partnership research explored the experiences of low-paid workers in Scotland in a 2016 report however; which set out to determine what those in low-paid employment (classed as those earning less than £20,000 per year) considered to be important in making work 'decent'.

This research found that 16-24 year olds in low paid employment in Scotland were most likely to consider a decent hourly rate of pay, paid leave, no discrimination, job security and a supportive manager as the five most important characteristics of 'decent work'. Flexible hours were less important to the group, ranked 12th out of 26 listed characteristics - just below regular working hours.

The report comments further on what is important to 16-24 year olds working in low-paid work in Scotland, noting that:

"The findings show that young workers aged 16-24 valued certain factors more highly than older workers: a job with no discrimination; a sense of purpose and meaning; socially worthwhile work; supportive colleagues; opportunities for progression; and flexible hours."

"Interestingly, 16-24 year olds were significantly less likely to value training opportunities as important – indeed this was ranked last overall for that age group. This may be due to young workers being more likely to undertake non-workplace learning opportunities, transitioning in and out of employment and working in temporary jobs."

"Younger workers are twice as likely to report discrimination and are less likely to be unionised than older workers. A greater probability of balancing work with study may explain young workers' likelihood to value flexible hours while the fact that they have recently set out on their career will likely explain why they tend particularly to value opportunities for progression." (UWS-Oxfam Partnership, 2016a, p.16)

To what extent the characteristics of 'decent work' are part of the employment experiences of 16-24 year olds in Scotland was not determined by UWS-Oxfam's research however. Evidence reviewed suggests that many of the working conditions associated with potentially precarious employment (as identified in

Chapter 1, see table 3.1) can impact negatively on people's lives in a number of ways, including deterioration of health, relationships, financial constraints, low levels of job satisfaction and general dissatisfaction, and limited social life. Case studies of individual examples have been provided at section 3.7.

Both the Scottish Parliament's report, *Taking the High Road: Work, Wages and Wellbeing in the Scottish Labour Market* (2016) and research published by the TUC, *Living on the Edge* (2016), explore these factors in detail and some findings from these reports, and others, are outlined below (please note: the TUC's research covers three key employment sectors in England only: retail, logistics/delivery and higher education).

3.1. Health

According to a number of organisations that contributed to the Scottish Parliament's *Taking the High Road* research (2016), low quality contractual conditions such as insecure employment and low, often irregular, pay, can have as many negative health outcomes as unemployment. Evidence submissions included testimony suggesting workers in low quality employment are more likely to experience illnesses such as chronic stress, heart disease, obesity and mental illness, and are also more likely to engage in unhealthy behaviours such as high levels of alcohol consumption.

In the TUC's *Living on the Edge* report (2016) long working hours and performance targets were described as causing stress and anxiety for many workers in the logistics sector, whilst workers in higher education described the negative impact of insecurity on their well-being. Referring to the 'scare of precarity' respondents highlighted a constant cycle of insecurity and the search for the next contract, with this insecurity of hours and pay leading to stress and anxiety.

Links between precarious working and poor occupational health and safety outcomes were also reported by Quinlan and Bohle (2004), who developed a model to explain this relationship based on three factors considered to increase risk of injury or ill health for workers, and to be characteristics of precarious work:-

- Economic/reward pressures (whereby employment and income security, and the resulting competition for work, mean workers may be more likely to accept potentially hazardous working conditions such as working when injured, working over-long hours or multiple job holding)
- 2) Disorganisation (where workforce instability results in failure of proper health and safety procedures being followed) and
- 3) Regulatory failure (whereby employment arrangements mean workers are less aware or unaware of their health and safety entitlements, their compensation rights, or the duties of their employers in regards to health and safety).

Outsourced and home-based work (often features of gig economy or platform economy working) were highlighted as at risk for poor occupational health and safety outcomes by Quinlan and Bohle in a later review. Isolated working in a difficult to regulate environment contributed to this for home-based workers, as did a reported tendency for self-employed workers to work longer hours than other employees (Quinlan and Bohle, 2008).

Research exploring Quinlan and Bohle's model in relation to temporary agency work notes that:

"In most developed economies, agency workers are disproportionately employed in low skilled and often hazardous occupations and industries" (Underhill and Quinlan, 2011, p.2)

This research investigated the experiences of temporary agency staff who had had workplace injuries in Australia and reported a number of factors that could put these workers at risk:

"Poor training, coupled with inexperience, unfamiliarity, and mismatched placements increased the need for effective communications to enable agency workers to perform tasks safely during a placement. Yet fractured communication, manifested in communication breakdowns between the agency workers, the agency, and the host, appeared widespread. Most common was the inability of agency workers to get either party to respond to OHS concerns, both arguing that it was the other party's responsibility" (Underhill and Quinlan, 2011, p.13)

3.2. Finances

The *Living on the Edge* report found that many workers reported struggling financially and expressed considerable anxiety about 'making ends meet' and supporting themselves and their families. Higher Education workers reported experiencing pay insecurity which resulted in them not being able to access or finance what one participant called the 'normal' things in life, examples of what this constitutes was not provided. Workers in the logistics sector (such as parcel delivery workers), stated that once they had covered all their costs, including supplying and servicing a vehicle, they were often working for below the minimum wage. All respondents also highlighted the frugal life-styles they adopt in order to survive financially (TUC, 2016).

A number of other reports make reference to people living day-to-day within financial constraints, including a report by the Joseph Rowntree Foundation which concluded that while pay was not the be-all and end-all, for most low-paid workers it was the element of their jobs they liked the least, and the one they would most like to change to feel happier at work, impacting significantly on their lives and the ability to keep up with the cost of living (Hay, Joseph Rowntree Foundation, 2015).

A number of reports also discuss the gradual increase in the proportion of adults who experience in-work poverty. The Scottish Government, in its report *What do we know about In-Work Poverty?* (2015), reported that employment no longer guarantees a route out of poverty. Over half (52%) of working age adults in poverty in Scotland were found to be in 'in-work poverty', i.e. experiencing poverty while living in households with at least one adult in employment. Low-pay, often a component of the types of working identified as at risk of precariousness in Chapter 1, is considered a key driver of in-work poverty.

3.3. Pressure to take work

The Scottish Parliament reported being concerned by anecdotal evidence that jobseekers may be forced to accept a job offering an unsuitable zero-hours contract rather than face benefits sanctions, e.g. being penalised with removal of benefits for not accepting a job offered to them (Economy, Energy and Tourism Committee, Scottish Parliament, 2016).

TUC's research also reported pressure faced by workers to accept working hours that may not be suitable. Those working in 'casual' employment within the retail sector were found to experience changes to shifts at very short notice to cover fluctuations in demand. Requirements to comply with short notice requests created challenges for workers with childcare or other caring responsibilities, as well as for those receiving benefits. Workers also felt that refusing to agree to shift changes could make them vulnerable and that they could be starved of hours in the future. One participant's description of the lack of genuine choice for some workers is shown below:

"These zeros, I don't think work for anybody. To me the flexi-contracts they're exactly the same. You're either on a contract, or you're not. If you want to work six hours, that's your choice. You may only want to work one day a week. That's your choice. But if there's no other choice and you need work, you'll take it. But that's not a living, is it? No. People, you know, take it in desperation. But the reality is, you might as well not work. You might as well be on benefits, if that's what they're giving you" (TUC, 2016)

Evidence reviewed also included reports of workers being concerned that hours may be withdrawn from them, discouraging them from taking time off for sickness or from taking holidays. Campaigners from Inverclyde Advice and Employment Rights Centre related instances of experienced agency workers being dismissed for not being able to do over-time for example, providing an example of how workers may not experience true flexibility and are instead under pressure to cede to employer demands (The Herald, 2018).

3.4. Employment rights

The lack of a contract or written agreement, or even the lack of a payslip, are noted as potential contributing factors in making workers feel vulnerable. The TUC reports that workers expressed a sense of worthlessness because of the levels of insecurity that they experienced. This resulted in a sense of exploitation and that

their vulnerability was being abused; however respondents felt they had no option but to carry on, feeling they did not have sufficient rights or protections to contest treatment from employers (TUC, 2016).

The need for protections for those whose work does not entitle them to all minimum statutory employment rights is discussed by Conaty et al. in a 2018 report, Working Together, Trade union and co-operative innovations for precarious workers. The report examines developments in worker representation in response to increasing numbers of people in employment considered potentially precarious, and identifies a number of positive innovations in the UK. These include business and employment cooperatives (providing support for freelance workers through an umbrella cooperative), platform cooperatives (mobile apps which facilitate access to trade union services) and innovative local authority regulation (such as the move by employment tribunals in London to award worker rights to Uber and CitySprint workers – these being: the National Minimum Wage, holiday pay, sick pay, maternity, paternity and adoption pay, and rest breaks; as well as protections against unauthorised deductions from pay, unlawful discrimination, and less favourable treatment due to working part time or whistleblowing). While it highlights these examples of positive practice the report describes this activity as taking place in the context of, and in response to, an 'erosion' of worker rights and protections, and calls for legislative change and increased trade union and cooperative action to combat this, commenting that:

"With the erosion of the archetype of a five day week, full time for most, agreed hours job, goes the loss of a wide range of benefits in favour of precarious work with limited rights and imposed flexibility. Not all self-employment is of this form, but what tends to be characteristic of newer self-employed workers and those on zero hour contracts is low pay, limited legal protection, high insecurity, limited social security access, limited pension entitlement and limited collective representation" (Conaty et al., 2018 p.5).

Schiek and Gideon (2018) cite collective industrial action by Deliveroo and UberEATS drivers in 2016 as an example of how those working in the gig economy can use 'collective bargaining' to improve their working conditions stating that:

"Collective industrial action is far from structurally impossible for workers in the 'gig-economy', even though management of labour relies on anonymous and automated micro-management through internet platforms and apps" and noting later that "the use of information technology also offers the potential of a collaborative world of work and life where technology serves the enhancement of self-determination" (Schiek and Gideon, 2018, p.1 & 2)

However, as with Conaty *et al.*'s report cited above, industrial action by gig economy workers is deemed necessary because they are considered vulnerable due to a "*structural imbalance of labour markets to the detriment of workers*" (Schiek and Gideon, 2018, p.10), likened to that experienced by workers in industrial times, and the paper argues for an adaptation of EU competition law to protect collective labour rights in the gig economy.

3.5. Satisfaction with working conditions

The evidence reviewed makes a strong argument that many of those working in potentially precarious or flexible employment types (as outlined in Chapter 1) are dissatisfied with their working conditions or a number of aspects of their job.

However, more positively, CIPD research reported that 46% of gig economy workers were satisfied with their work over the last 12 months. This was due to the flexibility that came with the job (information was not provided broken down by age). In addition, very few differences were reported between gig economy workers and other workers when asked how they had felt whilst working during the previous 12 months (e.g. stressed, miserable etc). That said, gig economy workers were not satisfied with the amount of work available, with only one in four feeling they got enough work on a regular basis (CIPD, 2017).

3.6. Contributing factors

There is also a need to understand if any particular factors, such as sector of employment or demographic characteristics, contributed towards employment experiences. This was a subsequent question to RQ4 (see Table 2.1).

There was limited evidence that clearly identified factors that contributed towards experiences. The main factor that was reported on was sector of employment.

It was suggested by representatives of NHS Health Scotland, when contributing towards Scottish Parliament consultation, that certain sectors had higher proportions of what they considered 'unhealthy' jobs. These included elementary work (involving the performance of simple and routine tasks), sales, customer services, process, plant and machine operatives, leisure, caring and other service occupations (Economy, Energy and Tourism Committee, 2016).

Similar sectors were cited as having high levels of potentially precarious working positions by the TUC's, *Living on the Edge* report, (2016): retail, hospitality, catering, logistics/parcel delivery and higher education.

The TUC report examined if the likelihood of experiencing job satisfaction was related to worker characteristics such as age, gender and working hours. It used a logistics regression model and found that some correlations do exist. This was mainly in relation to the type of work undertaken and the hours worked rather than demographics however.

Workers in lower-level occupations were less likely to experience satisfaction than those in the highest-level occupations. Workers in casual employment were less likely to experience job satisfaction than those in permanent jobs. In addition to this, the likelihood of experiencing job satisfaction was lower for those with no regular hours of work than those with regular hours.

A difference in gender was also reported with women more likely than men to experience job satisfaction. No appreciable difference was found between those identifying as non-white and white or when age groups were compared.

A similar exercise was then carried out to show the extent to which workers experienced job-related depression and anxiety. It was reported that perceived low employment security and weekend working was associated with higher levels of anxiety and depression, and anxiety appears to be worse for workers who have no normal working times (TUC, 2016).

3.7. Case studies

When reviewing evidence in relation to RQ4 there was limited published data on individuals' own accounts; however there are a number of press articles and blogs which have shared individual experiences. It should be noted that these sources do not provide information on the prevalence of the working conditions described but instead provide a snapshot of the impact of these for some individuals in Scotland, ages unknown, whose experiences have been considered newsworthy.

In October 2018 The Herald's article *Tales from the gig economy: Real people, real stories* provided an account of life working in the gig economy for one delivery worker delivering across Scotland:

"When the bosses said jump, we had to say 'how high?'."

"We were afraid to say anything. The threat was that you could be dismissed at any moment and told your services were no longer required so we did what we were told – we all have mortgages and mouths to feed,"

"I was frightened of what was going to happen to myself and my health. I couldn't carry on there because of the hours. I don't like to admit it but I was honestly heading for a breakdown. I was bordering on tearful. I couldn't even go to the doctor to get help as I'd get hit with a £150 fine." (Neil Mackay, The Herald, 2018)

The Herald's account cited above supports the suggested correlation between precarious working and poor health outcomes. This worker reports having missed medical appointments due to fearing a fine of £150 (having previously been charged by his employer after attending a specialist renal appointment related to his diabetes). The worker relates having collapsed twice at work and in the article his wife also describes him going to work despite vomiting blood. The account dramatically illustrates how employment in which inability to fulfil the hours expected by an employer has a significant financial implication, can impact on health.

In contrast an entry into the Royal College of Nursing's *Nursing Standard*, provides an example of how flexibility can benefit workers, describing how zero hours contracts can be an advantage to people at certain times of their lives:

"I would like to comment on the long-running debate over zero-hours contracts. I had a zero-hours contract when my daughter was ill and I was unable to commit to regular hours. The contract meant I was able to work at short notice when possible. Work was not always there when I was available, but I valued the opportunity to work on an ad hoc basis. I was also able to work in a department where I received training and personal development. This was preferable to agency work." (Zero-hours contracts can work for employers and employees, Nursing Standard, Volume 28, Issue 3, 2013)

Chapter 4 - What are the advantages and disadvantages of precarious working conditions?

This section of the review refers to RQ5: *Are there any particular disadvantages, challenges, advantages, opportunities etc. of different potentially precarious or flexible working conditions?*

As with other chapters much evidence reviewed in relation to RQ5 has a wider scope than those aged 16-24 and living in Scotland, however evidence provides a basis of understanding at a UK level. In examining evidence, it was apparent that aspects of work described as precarious or flexible are considered an advantage to some but a disadvantage for others. This depends greatly on the person's circumstances, type of work, contract etc. and, as suggested by the *Taylor Review of Modern Working Practices* (2017), can differ by demographics.

4.1. Advantages of precarious working conditions

The advantages of potentially precarious working conditions described in the evidence are limited. It should also be noted that advantages may not apply to all types of employment or to all workers across one employment type.

Flexibility

It was evident that flexibility caused conflicting views across the evidence examined. For some it was seen as a positive characteristic of employment, with the Taylor Review (2017) stating that flexible jobs open up work to people with different needs and priorities and at different stages in life. According to the review certain groups are more likely to place greater importance on flexibility, such as carers, women, those with disabilities and older workers. For some people within these groups, flexibility allowed them to participate more fully in the labour market by enabling them to balance work around other priorities. CIPD research also found that gig economy workers were more satisfied (60%) than other workers (44%) when it came to the amount of flexibility they have to decide their working hours (CIPD, 2017).

The Taylor Review (2017) reports that flexibility works for many people and it is clear that an agile labour market is good for protecting employment; however, there are still concerns that some workers who have limited choice are not adequately protected in this type of employment. Details of this can be found in section 4.2.

Autonomy

There is evidence to suggest that those who have less autonomy over what they do at work tend to report lower wellbeing rates (TUC, 2016).

In relation to the gig economy, CIPD research suggests that gig economy workers have more independence and autonomy, and therefore possibly more control over their work, which in turn can impact on their health in a positive way. The research found that 55% of gig economy workers expressed satisfaction with their level of independence and autonomy and 48% reported satisfaction with their physical and mental well-being experienced through work (CIPD, 2017).

However, evidence reviewed also provides many examples suggesting that autonomy is not always a characteristic of flexible working, for example, where (as discussed in Chapters 1 & 3) there is an inequal power relationship between employer and worker and workers are at risk of losing employment if they cannot accommodate the working patterns set out by employers. This suggests levels of autonomy are not consistent across all precarious working positions, varying depending on the type of position and contract held.

Stepping stone to other work

An article published by RBS, *Gig economy "a springboard for entrepreneurs"* (2019), claims that some workers in the gig economy use their job as a launchpad into longer-term entrepreneurship. It referred to the NatWest sponsored annual survey of UK entrepreneurs – Global Entrepreneurship Monitor (GEM) - which reported that gig workers were twice as likely as the wider population to be planning to start a business or be in the early stages of doing so. This survey found that 19.2% of people doing gig work for firms like Uber and Deliveroo were intending to start a business within three years, compared to 8.5% of the general population.

However, the GEM report also showed that the rates of entrepreneurship among the BAME population in Britain has significantly decreased, suggesting the changing shape of the UK economy may only be benefitting particular groups (RBS, 2019).

4.2. Disadvantages of precarious working conditions

The evidence reviewed identified a number of disadvantages for those in the types of employment highlighted as being at risk for precariousness (as outlined in Chapter 1). An overview of these have been detailed below. As with the advantages listed, it should be noted that disadvantages may not apply to all types of employment or to all workers across one employment type.

Insecurity / unknown hours

As reported in the previous section, for some flexibility is seen as an advantage, however it can also be viewed as a drawback. Being able to work when you want is a positive thing; not knowing whether you have work from one day to the next is a disadvantage. The TUC's *Living on the Edge* report references previous research which found that new recruits (in many cases younger workers), were often employed on 'flexi-contracts' with little choice over contracts or hours ('flexi' or 'short-hours' contracts are described in the report as those in which workers have a core number of guaranteed hours per week with additional hours of work also available). Unpredictability of working hours was described as an issue for workers,

as shifts were changed at less than 24 hours' notice, often as a result of staff sickness or absenteeism. It was highlighted that unpredictable hours had a significant impact on work-life balance as staff could not easily make plans outside of work or had to cancel appointments at late notice (TUC, 2016).

While CIPD research makes a case for flexibility in the gig economy being an advantage to workers; it also reports that 50% of respondents to its survey thought people working in the gig economy make a decision to sacrifice job security and workers' benefits in exchange for greater flexibility; thus suggesting that decisions are made based on a trade-off of different working conditions (CIPD, 2017).

Lack of autonomy

Living on the Edge compares the experiences of those in permanent, fixed-term and casual positions across specific sectors in England. It reports that workers in casual employment were less likely (22%) to state they had a high degree of automony in their jobs compared to those in permanent positions (42%). This difference was further heightened by 52% of those in casual employment stating they had no automony over hours they worked, compared to 36% of those in permanent positions.

Please note: the report's definition of casual work "includes agency work, seasonal work and other types of non-permanent work, excluding fixed-term employment" (TUC, 2016 p.4). Though not defined in the report, fixed-term contracts are understood to be as outlined in Chapter 1 (employment where there is a predetermined end-date or agreement work will end after a particular task has been completed, Hudson-Sharp et al., 2017), and permanent work to be work for which a continous contract is agreed, i.e. for which there is no predetermined end date.

Lack of skills / progression

One of the challenges for those working in employment considered at risk for precariousness may be progression to higher-quality, higher-paid jobs. Where employment is on a fixed-term or casual basis, or in cases of indirect employment (for example agency working), there is a risk that employers will not be willing to invest in worker training or development. According to CIPD research, for example, more than a third (35%) of gig economy workers reported that their employer or digital platform is unlikely to provide opportunities for them to go on training courses or learn new skills. Just under half (48%) also agreed that gig economy employers should invest in the training and education of the people they engage to provide services (CIPD, 2017).

UWS-Oxfam Partnership's 2016a report *Decent work for Scotland's low-paid workers: A job to be done* documents a YouGov survey carried out in 2016 which also found a high incidence of low paid workers experiencing limited opportunities for progression: according to this survey 59% of workers in Scotland (aged 18-64) who earned less than £20,000 per year felt they did not have any career opportunities in the job they were in.

Low pay

While rates of pay will differ depending on type of employment, sector, contract type and other factors, evidence reviewed strongly suggests that most employment types considered potentially precarious or flexible are associated with low rates of pay and/or pay insecurity.

The TUC reported an inreasing pay gap for some forms of potentially precarious work when comparing average wage increases over a 10 year period, from 2006 to 2016. On average the hourly pay for zero hours workers increased by just 67p between 2006 and 2016, and these workers earned a third less than the average employee in the UK (across all types of employment) in 2016, compared to a quarter less in 2006. According to the report casual workers were also paid nearly 40% less per hour than the average worker (data is for 2016).

CIPD research reported that gig economy workers' median average hourly rate was between £6 and £7.70 per hour depending on type of work; which is less than the National Minimum Wage (CIPD, 2017). An article for the Child Poverty Action Group has estimated that both members of a couple with two children would need to be employed full time and paid at a rate of £13 per hour before they could reach even the most basic minimum income standard to enable them to participate in society (Hirsch, CPAG Poverty, 2017, *Not by Pay Alone*).

UWS-Oxfam Partnership's labour market analysis of Scotland includes a survey of low-paid workers in which 37% registered disagreement with the statement that they were fairly paid compared to other similar jobs (a representative sample of 18-64 year olds, in Scotland, earning less than £20,000 per year were surveyed). This study also notes that Scottish Government data shows that 19.5% of workers in Scotland were paid less than the voluntary Living Wage in 2015 (UWS-Oxfam Partnership, 2016a).

Trade-offs and sacrifices

People value different facets of work. In return for greater job security individuals may decide to reduce their flexibility. Likewise, those opting for maximum flexibility may find that pay suffers as a result, with fewer opportunities for further development through training, as suggested by research among those working in the gig economy (CIPD, 2017).

As alluded to earlier in this section (Insecurity/unknown hours) there is a sense that workers are having to trade poorer working conditions for the flexibility they need or want; or to accept certain conditions to ensure they have some form of income. According to CIPD's report however, only 16% of 18-29 year olds agreed that having fewer rights and benefits is a fair deal in exchange for the independence they enjoy by working in the gig economy. Fewer, (11%), agreed that they don't want to work for a traditional company in case they lose flexibility (CIPD, 2017).

Interestingly, there are examples of companies using a trade off system to achieve certain goals such as flexibility in hours worked. An article in The Independent relates how in 2017 Asda offered a pay rise and an opportunity to gain a broader

level of experience across the store to its 135,000 employees if they signed a new "flexible" contract. The new contract introduced a requirement to be available to work during bank holidays and not be paid for breaks. The increase in pay was £1 per hour more than the National Living Wage (£7.50). Asda stated they understood the flexibility would not suit all employees and therefore it was offered on an opt-in basis (Rodionova, *Asda offers 135,000 staff pay rise in exchange for 'flexible' contracts*, The Independent, 2017).

There is evidence to suggest that conflicts between employers and their staff are familiar territory for legal practitioners (as are disciplinary scenarios that follow) when the employer expects co-operation over requests to work more hours (Puttick, Industrial Law Journal, 2019). It is expected that this will only increase as companies start to use trade-off systems like those similar to Asda's above.

In his blog Workers would give up half their hourly wages in exchange for a steady job (2019) researcher Nikhil Datta describes research in which respondents were offered ficticious job choices to determine which employment characteristics they most valued. This research suggests that the trade-off between security and flexibility is not in line with what is most important to workers, concluding that:

"Workers do value the characteristics associated with atypical work arrangements, though on average far less so than security. The most highly valued atypical work attribute was the ability to work from home, with both UK and US respondents willing to give up around 24 per cent of their hourly wage for such a benefit" (Datta, London School of Economics and Political Science Business Review, 2019)

Expectations of work

Much of the research and articles reviewed in relation to the advantages and disadvantages of flexible working report information at a UK wide level rather than Scotland specific level. There is also limited data relating to the 16-24 age group.

However research by the UWS-Oxfam Partnership *What Scotland's future* workforce think about decent work (2016b) explores the views and expectations of young people in Scotland in relation to the world of work.

Research found that expectations of work among secondary school pupils were highly positive, with most expecting to find 'decent work' that would be likely to include in-work training, pay that allows them to live comfortably, and in which they would be protected from 'exploitative and unsafe work'. 52% of students also expected working hours to be regular and 'at a time that suits me' (UWS-Oxfam Partnership, 2016b).

Expectations and aspirations of work among the future workforce in Scotland are therefore not consistent with descriptions of flexible working found in much of the evidence reviewed, making it likely that the working conditions which some young people will experience upon entering the world of work are likely to fall far short of what they hope for and expect.

Chapter 5. What barriers to changing jobs do young people face if in precarious / flexible employment?

This chapter examines evidence relating to RQ8: What are the barriers that prevent young people who want to change jobs from doing so? Does this differ by contractual status or other potentially precarious or flexible working conditions?

Dissatisfaction with elements of employment amongst workers is consistently highlighted across evidence reviewed.

Research into agency working, for example, estimated that 60% of temporary agency workers would prefer to be in permanent employment (Judge *et al.*, 2016), and the *Working Together – Trade union and co-operative innovations for precarious workers* report references research stating that 63% of the UK gig economy workforce want basic employment rights and holiday pay that is not currently available to them (Conaty *et al.*, 2018).

Taking the High Road – Work, Wages and Wellbeing in the Scottish Labour Market, which reports an inquiry into the quality of employment in Scotland by the Economy, Energy and Tourism Committee for the Scottish Parliament, found that 26% of respondents to an online survey carried out as part of the inquiry classed their jobs as 'bad' (39% as a result of low pay, 28% due to poor management, 17% due to hours and 16% because their job was insecure), Economy, Energy and Tourism Committee, 2016.

Research by the Joseph Rowntree Foundation concluded that:

"while many workers valued the overall flexibility and convenience offered by low-paid work, they often described their day-to-day experience as stressful, characterised by ever-changing targets, feeling understaffed, overstretched and unsupported by senior management" (Hay, Joseph Rowntree Foundation, 2015, summary)

This research explored the attitudes of low-paid workers, including their attitudes to changing jobs when it came to career progression within their current workplaces. Research found mixed attitudes to career progression, with perceptions of an association between progression and increased stress noted, and, among low-paid workers in the hospitality and retail sectors, it was found that career progression was perceived as being linked to more regular hours and "consequently, much less flexibility compared to the shift working that first attracted them to the industry" with some workers constrained by the need for flexibility and therefore less likely or able to consider leaving their current employment. This evidence is supported by the Decent work for Scotland's low-paid workers: A job to be done report, in which low-

paid workers in Scotland reported limited opportunities for progression in current roles (UWS-Oxfam Partnership, 2016a).

While these reports show that many workers would like to experience improved working conditions and that lack of suitable opportunities may be one barrier to career progression, little other evidence was found exploring what people (and young people specifically) say prevents them from accessing alternative employment, or what assistance they would like to help them to do so.

Accordingly, recommendations made in evidence reviewed were most likely to be around improving working conditions rather than focusing on removing barriers to accessing other forms of employment; for example recommendations around continued work to encourage organisations to become Living Wage employers (Economy, Energy and Tourism Committee, 2016) or increased regulation of potentially precarious employment such as more consistent taxation of labour across different forms of employment etc. as reported in the *Taylor Review of Modern Working Practices* in 2017.

Regulation to establish an appropriate balance between flexibility and security of employment is highlighted as lacking in comparison to other European countries by research conducted for the TUC by the National Institute for Economic and Social Research (NIESR), which comments that "while insecure work in other European countries has been characterised by the emergence of regulation and policy, the UK has noticeably lacked much needed new legislation. The UK therefore stands out for having very precarious forms of work, and for creating arrangements where workers are at particular risk of insecurity" (Hudson-Sharp, et al., 2017).

Appendix 1: References

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Appendix 2: Summary of literature reviewed

Source details			Relevant h	neadline res	search que	estions	
Author(s) & year	Title	Scope	RQ1	RQ3	RQ4	RQ5/6/7	RQ8
Benach <i>et al.</i> 2016	What should we know about precarious employment and health in 2025? Framing the agenda for the next decade of research	Paper proposing an agenda for ongoing research on precarious employment and health, with reference to existing evidence and research techniques at an international level	✓	X	X	X	X
Broughton <i>et al.</i> 2016	Precarious Employment in Europe Part 1: Patterns, Trends and Policy Strategy	Study prepared at the request of the European Parliament Employment and Social Affairs Committee, examining precarious employment in Europe . Explores the risk of precariousness of different types of contract, using information from EU data analysis, literature review, and case studies (including UK specific information and case studies)	√	X	X	X	X
Cheese, P 2013	Zero-hours contracts can work for employers and employees	Article by the Chief Executive of the Chartered Institute of Personnel and Development, London. Discusses Zero Hour contracts at a UK wide level	X	X	√	X	X
CIPD 2017	To gig or not to gig? – Stories from the modern economy	Research designed to help inform the Government commissioned Taylor Review of Modern Working. Explores the experiences of people engaged in the gig economy and their views on what it is like to work in this way, through a nationally representative sample of UK adults aged 18 to 70	√	√	√	√	Х
Conaty <i>et al.</i> 2018	Working Together, Trade union and co-operative innovations for precarious workers	Report identifying innovations in technology, cooperation and self-organisation by workers in the UK, including comparisons with global activities through partnership with the cooperative network CICOPA	✓	X	X	X	✓

Economy, Energy and Tourism Committee 2016	Taking the High Road – Work, Wages and wellbeing in the Scottish Labour Market	Inquiry, conducted between June and November 2015, to establish the quality of employment in Scotland , including evidence review, consultation, interviews and workshops and an online survey of 607 people in Scotland (all ages), disseminated through the Scotlish Parliament's website and social media channels, stakeholder organisations and local authority networks	√	X	√	X	✓
JRF 2015	What do low-paid workers think would improve their working lives?	Qualitative study exploring the experiences and perceptions of low-paid, low-income workers in the retail, hospitality and care sectors in England through 14 focus groups	X	X	√	X	√
Hirsch, D	Not by Pay Alone	Article by Professor Donald Hirsch, Director of the Centre for Research in Social Policy at Loughborough University, for the Child Poverty Action Group, discussing poverty in the UK	X	X	Х	√	X
Hudson-Sharp et al.	International Trends in Insecure Work	Report for the Trade Union Congress by the Institute of Economic and Social Research, comparing international trends in insecure work through a case study approach in which the UK is used as a benchmark case study	√	X	X	X	√
Judge <i>et al.</i> 2016	Secret Agents: agency workers in the new world of work	Resolution Foundation report on agency work in the UK	✓	X	X	X	✓
Puttick, K 2019	From Mini to Maxi Jobs? Low Pay, 'Progression', and the Duty to Work (Harder)	Industrial Law Journal paper arguing for new approaches to labour and social security legislation in the UK	X	X	Х	√	X
Koukiadaki <i>et al.</i> 2017	Temporary Contracts, Precarious Employment, Employees' Fundamental Rights and EU Employment Law	Study commissioned by the European Parliament's Policy Department for Citizens' Rights and Constitutional Affairs at the request of the Committee on Petitions, discussing the nature and extent of employment precariousness in the framework of EU fundamental rights and employment law at a European level	√	X	X	X	X

McLister, M 2012	Degrees of Insecurity, Graduate employment issues in Scotland	Report for Citizen's Advice Scotland on ways in which better support can be provided to graduates to make a successful transition into the workforce, including a survey with graduates in Scotland	√	X	Х	X	√
Neil Mackay 2018	Tales from the gig economy: Real people, real stories	Article in The Herald detailing experiences of a selection of gig economy workers in Scotland	X	X	√	Х	Х
Nikhil Datta 2019	Workers would give up half their hourly wages in exchange for a steady job	London School of Economics and Political Science blog reporting results from research with UK and US workers	X	X	Х	√	Х
Quinlan, M, & Bohle, B 2004	Contingent work and occupational safety, The Psychology of Workplace Safety	Evidence review of international studies of the occupational health and safety (OHS) effects of contingent working	X	X	✓	X	Х
Quinlan, M, & Bohle, B 2008	Under pressure, out of control, or home alone? Reviewing research and policy debates on the occupational health and safety effects of outsourcing and home-based work	Review of international studies of the occupational health and safety (OHS) effects of subcontracting and home-based work undertaken over the previous 20 years	X	X	√	X	Х
RBS 2019	Gig economy "a springboard for entrepreneurs"	RBS article commenting results from the NatWest sponsored annual survey of UK entrepreneurs , the UK edition of the Global Entrepreneurship Monitor	X	X	Х	✓	Х
Schiek, D, & Gideon, A 2018	Outsmarting the gig-economy through collective bargaining – EU competition law as a barrier	Paper for the International Review of Law, Computers and Technology discussing the barriers posed by EU competition law for collective labour rights of gig economy-workers	X	X	✓	X	Х
Scottish Government Social Research department 2015	What do we know about In-Work Poverty? A summary of the evidence	Evidence review on the extent and impact of in-work poverty in Scotland	X	X	√	X	X

Taylor, M 2017	The Taylor Review of Modern Working Practices	Government commissioned independent review considering the implications of new forms of work on worker rights and responsibilities, and on employer freedoms and obligations in the UK labour market	✓	X	Х	√	√
Trade Union Congress (TUC) 2016	Living on the Edge	Report exploring changes in the relationship between employers and working people in the UK	X	X	✓	√	√
Underhill, E, & Quinlan, M 2011	How Precarious Employment Affects Health and Safety at Work: The Case of Temporary Agency Workers	Study undertaken in Australia , of occupational health and safety amongst temporary agency workers drawing upon workers' compensation claim files for injured agency and directly hired workers from 1995-2001, and focus groups of temporary agency workers conducted in 2003	X	X	√	X	X
UWS-Oxfam Partnership 2016a	Decent work for Scotland's low-paid workers: A job to be done	A UWS-Oxfam Partnership report with the support of Warwick Institute for Employment Research, presenting findings from a mixed method research programme exploring priorities for 'decent work' for low-paid workers in Scotland and their current experiences of the workplace, through focus groups, individual interviews, street stalls and an opinion poll	√	X	√	√	√
UWS-Oxfam Partnership 2016b	What Scotland's future workforce think about decent work	Study documenting 82 Scottish secondary school pupils' (aged 13-17 and from the West of Scotland area) views on and expectations about 'decent work' through 16 focus groups between September and December 2015	X	X	√	√	X
Zlata Rodionova 2017	Asda offers 135,000 staff pay rise in exchange for 'flexible' contracts	Article in the Independent discussing a flexible contract offer by Asda to its UK staff	X	X	X	✓	X



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