Employers' role in the low-pay/no-pay cycle

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Basis of the project

- 26 case studies of employers with low-paid workers
  - Teaching assistants and childcare workers
  - Sports and leisure assistants
  - Cleaners/operatives in waste management, food processing and packing
- Mix of gendered jobs, organisation size and sector
- Plus interviews with
  - Four employment agencies
  - Seven major purchaser organisations
  - Four trade unions
- Fieldwork took place in 2008 and 2009

Findings

- Causes of use of temporary labour in search of lower costs
  - Competitive pressures; demand fluctuations; low skill requirements and a ready labour supply
- But economic pressures do not wholly determine employment organisation - employers' responses differ
- Emphasis on cost in public sector purchasing has encouraged temporary/insecure employment
  - Conflict between purchasing policy and anti-poverty policy?
- Dominant purchaser power may exacerbate fluctuations and cost pressures on suppliers

Policy implications

- ‘Living wage’ policies change production techniques, leading to more secure employment as well as higher wages
- Some employers could offer greater job security without jeopardising their business
  - But the state, trade unions and consumers need to take action
- Develop good practice examples demonstrating how reliance on temporary jobs can be reduced
- Fair competition policy could help address the power of dominant purchasers
- The legality of the ‘fair wage’ approach for public-sector purchasing needs clarification