

# Evaluation of zero hour contracts within ecoliteracy in New Zealand (NZ)

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## **Abstract**

Zero hour contract is an arrangement between employers and employees which does not include minimum working hours and employees have to be available in order to work in any time. There is a legal definition of it in New Zealand recently however it might be carried out under casual contract which is legal. Zero hour contract is a big problem in terms of employees and ecoliteracy because it causes exploitation of the employees' rights. The aim of this study is therefore to evaluate the applications of zero hour contracts within ecoliteracy in New Zealand. It will then focus on specific points, negative aspects -in terms of employees-, and the local implications of zero hour contracts. In conclusion, it may be said that the zero hour contract should be checked by the government regularly and employees' rights should be protected legally in New Zealand.

**Keywords:** Zero hour contract, employee, ecoliteracy, social intelligence, New Zealand

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## **Introduction**

Globalisation and economy are very popular subjects for people's lives recently because these concepts explicitly or implicitly direct people how to live and work (Giddens, 2013; Weiss, 2002; Horkheimer& Adorno, 2002). For example McDonald's fast food franchise is a global company; they have many employees around the world and massive effect on people's diets. Globalisation and economy are also important in terms of environmental subjects such as ecoliteracy, ecological intelligence (Okur-Berberoglu, 2018). Okur-Berberoglu (2018) evaluates social intelligence and economy as subsets of ecoliteracy in her research because these subsets are also important in terms of social justice and peace.

### *Social intelligence within ecoliteracy*

Social intelligence refers to social responsibilities of people in terms of thinking about how goods are produced or whether there is any environmental or social/human exploitation within the production process (Goleman 2006, 2009; McCallum, 2005; Orr, 2002). Economy is also one of the important parts of human life and it is not only important earning or spending money. People should also be able to think about what is going on while earning and spending money and whether there are any human or environmental exploitations taking place. For example, migrants are one of the most popular subjects in the world recently.

Some people have been leaving their home cities and countries recently due to reasons such as war, coup d'etat or economic crisis (Horkheimer& Adorno, 2002). These people become cheap labour sources for their host cities/countries, and this is named 'brown revolution'. Brown revolution is massive in developing countries due to globalisation and industrialisation (Economist, 2002; Weiss, 2002; FAO, 2003). Migrant populations usually settle in urban areas and this massive population places stress on urban life (FAO, 2015). The rural population is also exposed to nonadaptation in urban social life and a gap appears between expectation and reality in terms of social and economic lives (Horkheimer& Adorno, 2002). On the one hand the Economist (2002) says that the

brown revolution is unstoppable. On the other hand, stopping the brown revolution is not desirable in terms of an economic perspective; however, it may be slowed (FAO, 2003) however there is another problem for employees in terms of working condition and that is zero-hour contracts.

### *Zero hour contract*

Zero hour contract, which heavily impacts on employees, is very widespread in the fast food sector and well-known after the strikes of McDonald's employees in April, 2015 in New Zealand (New Zealand Herald, 2015). New Zealand is a very popular country for migrant people. According to New Zealand Immigration Office Statistics, nearly 800,000 immigration decisions were made in 2016-2017 and 243,000 of them were for work visa application. These decisions were made involving more than a million people (New Zealand Immigration, 2017). Zero hour contract is a colloquial term (Pyper & Dar, 2015) and there was not any legal definition of it in New Zealand until 2016 (Minister of Business, Innovation & Employment, 2016). Zero hour contract is an arrangement between employers and employees which does not include minimum working hours and employees have to be available in order to work in any time (Brinkley, 2013; Minister for Workplace Relations and Safety, 2015; Pyper & Dar, 2015).

First and foremost, the main concern about zero hour contract is that it might be applied under casual contract which is legal (Minister for Workplace Relations and Safety, 2015). It is important that employees should especially know about the status of their contracts, their specific and negative points before signing them in order to understand what should be expected from those jobs. The second concern is job satisfaction. Long working hours, job insecurity and low salary might cause low job satisfaction and unhappiness on employees (Sousa-Poza & Sousa-Poza, 2000) and these situations could affect social dynamics as seen in the strike of McDonald's employees.

The important point within this paper is evaluation of zero hour contract within ecoliteracy. There are research related to zero hour contracts (Brinkley, 2003; Lopes & Devan, 2005; French, 2018) or ecoliteracy (Bangs, 2018; Okur-Berberoglu, 2018; Vargas-Madrado, 2018) however there is no research related to connection of these two subjects. This paper therefore aims to evaluate the applications of zero hour contract in New Zealand within ecoliteracy. It will then focus on specific points, negative aspects - in terms of employees-, and the local implications of zero hour contract.

### **Specific points and negative aspects of zero hour contracts**

As seen in Table 1, zero hour contract causes exploitation of employees' rights. Employees do not have any proper working hours, job securities, regular and sufficient incomes. In addition, these conditions heavily impact on the family life an employee.

Table 1.

*Specific points and negative aspects of zero hour contract*

<b>Specific points</b>	<b>Negative aspects</b>
There is no guaranteed work or working hours (Brinkley, 2013; Pyper & Dar, 2015).	Irregular working hours, for example An employee might work two hours in a week, thirty hours in the next week (New Zealand Herald, 2015).
Employer only pay for the actual working hours (Brinkley, 2013).	Insufficient income (New Zealand Herald, 2015).
Employees have to be ready to work in any time (Minister for Workplace Relations and Safety, 2015).	Unable to find another part-time or casual job. (Minister for Workplace Relations and Safety, 2015)
There is not any compensation due to being available for working (Minister for Workplace Relations and Safety, 2015; Pyper & Dar, 2015).	Potential insecurity of income (Brinkley, 2013)
Employers can easily cancel or change employees' working shift or hours without noticing them. (Minister for Workplace Relations and Safety, 2015)	Not to have any regular life (New Zealand Herald, 2015).

However Brinkley (2013) points out that a zero hour contract could be used if the work load is unsteady, employer wants to ignore employees' right such as redundancy, maternity or employees want to work under flexible working hours such as retired people who want to earn extra money.

### **The usage areas of zero hour contracts**

The usage of zero hour contract has started to increase in hospitality, service and care businesses despite of starting to use in the fast food sector (French, 2018; Minister for Workplace Relations and Safety, 2015). While the most dramatic impact of zero hour contract is on the employees who have low incomes and education levels, it has also started to show a significant impact on the employees of higher education (Lopes & Devan, 2015; Pyper & Dar, 2015). Some tutors and lecturers have been working under zero hour contract conditions and it has been carried out in the USA, Australia, European countries such as England, Portugal, France, Spain despite the fact that the negative aspects of it are very obvious (Table 1). One of the employees of McDonald warns that zero hour contracts might be also used as a bullying tool despite the fact that people need job security. If an employee does not work appropriately according to the schedule hours of McDonald then next week h/she can have eight hours a week (One News, 2015).

Furthermore, the media in New Zealand warned about how zero hour contracts were prevalent and they caused trouble in employees' lives at the end of 2014 (Radio NZ, 2014). McDonald's staffs went on strike in April, 2015 in order to protest the usage of zero hour contract (Stuff, 2015). As to this strike, McDonalds and the other fast food companies such as Pizza Hut, KFC, and Burger King reached an agreement with the Unite Union. McDonald claimed that it would guarantee 80% of working hours of their employees on the schedule (New Zealand Herald, 2015). It should not be forgotten that

there is no zero hour contract legally, this application is carried out under a casual contract (Minister for Workplace Relations and Safety, 2015) therefore it is difficult to determine the framework of a zero hour contract as seen in the case of Tracey Jinkinson. The zero hour contract has started to be heard since 2014 however the usage of it reached to 2005.

### **A case study related to a zero hour contract**

Tracey Jinkinson worked as a grade controller more than 19 months between 2005 and 2006 in Oceana Gold Company which was in central Otago. She signed an agreement with Oceana Gold Company. When her agreement came to an end, the company made her redundant therefore she appealed to Christchurch Court in order to compensate her right. (Christchurch Employment Court Judgement Report, 2009)

Ms. Jinkinson started to work 45 hours per week. The company, which started to pay lower salary after 10 months, changed the roster hours and she started to work more than 53 hours per week. Moreover, she had to work in spite of being on annual leave. However, the Oceana Gold Company defended itself according to the contract's details. The contract included those statements:

'You are employed on a casual basis to support our permanent workforce at peak times, to provide cover when required, or to undertake work that is only required irregularly. You are employed hour by hour to work as and when required. There is no guarantee any hours of work will be offered to you, unless an offer of a specific engagement for hours within a particular period of days has been given by us in writing. These terms of employment apply to each hour's engagement.' Christchurch Employment Court Judgement Report (2009, p. 2)

The court firstly decided whether Ms Jinkinson signed a casual contract or an ongoing contract. The result was that it was a casual contract. The second decision of the court was that her claims were not concrete according to the contract's details notwithstanding the court pointed out that this was a preliminary case in New Zealand. (Christchurch Employment Court Judgement Report, 2009). Finally, the court wanted additional documents from the company and adjudged in 2010. Ms Jinkinson returned to her job according to the judgement however she could not compensate the last three years' emolument in spite of being unemployed between 2006 and 2010. (McBride Davenport James, 2010)

As seen above, Ms. Jinkinson's contract implies and overlaps to the characteristics of zero hour contract as seen in Table 1. She could return to her job however the process was long and also unsatisfactory in terms of compensation. The last five years, zero hour contracts have significant impacts on people as seen in media reports (New Zealand Herald, 2015; One News, 2015; Radio NZ, 2014; Stuff, 2015). It might be related to that more people have been affected by zero hour contracts however there should be more implications to do.

New Zealand Government did required arrangement about zero hour contract in 2016 because of the complaints about employees' exploitation. This arrangement is defined under The Employment Standards Legislation Bill. According to this arrangement, the contract between employer and employee has to include "the number of guaranteed hours of work, the start and finish times, the days of the week the employee will work, and any flexibility related to these subjects". If there is a problem related to these subjects, employee is able to apply to the Employment Relations Authority for a penalty against employer (Minister of Business, Innovation & Employment, 2016)

## Conclusion

The purpose of this study is to evaluate the usage of zero hour contracts in New Zealand where is very popular among immigrant people. It is clear that zero hour contracts was a big problem in terms of employees' rights and social justice due to not to have a legal status and not to allow employees to defence themselves in front of a court. As seen in Ms. Jinkinson case, the court firstly decided with regards to the contract's status. This process took time and caused financial loss. In conclusion, fortunately, it is a positive development to be defined zero hour contract legally by the New Zealand Government however it is thought that the application of zero hour contract should be checked by the government regularly. There has been still misusing of contracts in New Zealand and one of these misconducts happened at a Turkish Kebab Shop after legal definition of zero hour contract in New Zealand (Stuff, 2016).

In addition, zero hour contract is also a very important subject in terms of ecoliteracy, social justice and peaceful community (Okur-Berberoglu, 2018). If a group of people is exploited by employers while the others work under humane situation and have good life conditions then it will cause imbalance in the society therefore these people will strike as seen in the example of McDonald (New Zealand Herald, 2015). This situation is very important in terms of the job satisfaction and performance of an employee (Sousa-Poza & Sousa-Poza, 2000). Employers want to compete and earn more money in these capitalist and business perspectives (Brinkley, 2013; Horkheimer & Adorno, 2002). If they expect more performance from their employees then they should consider employees' humane working situations and should not misemploy them (Okur-Berberoglu, 2018). Both sides of business, employers and employees should fulfil their responsibilities (Minister of Business, Innovation& Employment, 2016) .

Furthermore employees should be aware of the contract details. They should consult to a solicitor and find out what their rights and working conditions are. (Minister of Business, Innovation& Employment, 2016) It might be understandable that people might want to work under any condition if the population is high, there is competition among people or there is an economic crisis in a country (Horkheimer & Adorno, 2002). However after for a while it might be unbearable if an employee is sick as said one of the employees of McDonald (Radio NZ, 2014) or have any other problem with the family members of an employee. In another word, the consultation might be useful either in long term or in short term in order to protect employees' right.

The zero hour contract seem that it is a way in order to have high profit and compete in business. When the government passes legislation with regard to zero hour contracts, business sector might find another way to exploit employees' right therefore the government and employees should be aware of the definitions of the contracts. Employees should also not hesitate to look for own right in a legal way because they are the first who experience any exploitation (Minister of Business, Innovation& Employment, 2016).

Finally, zero hour contract is evaluated within New Zealand because of being a popular destination for migrants in this paper. However this problem might happen in every country because it is very open to exploitation. For example exploitation of Thai fishermen or port workers of Pakistan. These examples might be enlarged. The other important point is evaluation of zero hour contract within ecoliteracy. There are research related to zero hour contracts (Brinkley, 2003; Lopes& Devan, 2005) or ecoliteracy (Okur-Berberoglu, 2018; Vargas-Madrado, 2018) however there is no research related to connection of these two subjects. Different subjects, therefore, might be evaluated within ecoliteracy in further research.

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# Yeni Zelanda'da 'sıfır saat sözleşmesinin' ekolojik okur-yazarlık kapsamında değerlendirilmesi

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## Özet

'Sıfır saat sözleşmesi', çalışan ve işveren arasındaki bir sözleşme olup çalışanın, minimum saat çalışma koşulunu içermemektedir. Bu nedenle çalışan, istenilen her saatte işe gelmek zorunda kalmaktadır. 2016 yılından sonra Yeni Zelanda'da bu sözleşme ile ilgili yasal bir tanımlama yapılmıştır fakat 'geçici sözleşme' altında uygulanmaya devam etmektedir. 'Sıfır saat sözleşmesi', çalışanlar ve ekolojik okur-yazarlık açısından büyük bir problemdir, çünkü çalışan haklarının sömürülmesine neden olmaktadır. Bu çalışmanın amacı, Yeni Zelanda'daki 'sıfır saat sözleşmesi' kavramının ekolojik okur-yazarlık çerçevesinde değerlendirmektir. Sırasıyla bu sözleşmenin önemli noktaları, çalışan açısından olumsuz yönleri ve sözleşmenin yerel olarak nasıl kullanıldığı bir örnek olayla açıklanmıştır. Sonuç olarak, Yeni Zelanda'da 'sıfır saat' uygulamasının devlet tarafından düzenli olarak kontrol edilmesi ve çalışan haklarının korunması önerilmektedir.

**Anahtar Kelimeler:** sıfır saat sözleşmesi, çalışan, ekolojik okur-yazarlık, sosyal zeka, Yeni Zelanda