

## Workers' rights reforms could benefit economy by over £13bn a year

9 months ago



New [TUC](#) analysis published this week shows that even modest gains from the government's workers' rights reforms would benefit the UK economy by over £13bn a year.

The analysis models some of the key benefits of the Employment Rights Bill – identified by the government's impact assessment of the Bill.

The research shows that even if the Bill just delivers small improvements in areas such as employee wellbeing, industrial relations and labour market participation the economic gains will outweigh any costs.

The analysis looks at the scale of the benefits implementing the Employment Rights Bill could bring across a range of workplace measures:

- Workplace stress: Between £490 million and £974 million would be gained by reducing the number of working days lost to stress, depression or anxiety.
- Staff well-being: Between £310 million and £930 million a year would be gained from improving staff well-being.
- Minimum wage compliance: Between £42 million and £168 million a year would be gained through improving minimum wage compliance.
- Strikes: Between £255 million and £510 million a year would be gained through resolving disputes that lead to workers taking action.
- Industrial relations: Between £2.7bn and £8.1bn a year would be gained through reduced workplace conflict
- Increased labour market participation: Between £1.3bn and £2.6bn a year would be gained through

increasing employment for people currently looking after family or home.

The research shows that the cumulative impact of even modest improvements would be £13.3bn a year – and stronger outcomes could generate even greater gains.

The TUC says the analysis confirms the view of the government's impact assessment that there is "clear, evidence-based benefits of government action through the Bill."

The impact assessment also warns that "not acting would enable poor working conditions, insecure work, inequalities and broken industrial relations to persist."

#### Evidence to MPs

The findings are published as TUC General Secretary Paul Nowak prepares to give evidence to MPs this morning – as the Employment Rights Bill enters its committee stage.

Nowak will tell parliamentarians that improving the quality of work in Britain is an "urgent national mission" that will benefit workers and businesses alike.

Polling published in July revealed huge backing across the political spectrum for boosting workers' rights.

And polling published in September revealed that an overwhelming majority (75%) of employers support the government's measures, including nearly seven in 10 (69 per cent) of small businesses.

TUC General Secretary Paul Nowak said:

"Far too many working people are trapped in jobs that offer them little or no security. We can't carry on with this broken status quo.

"Improving the quality of work in this country is an urgent national mission that will bring real economic gains.

"Driving up employment standards, improving employee well-being and increasing labour market participation is good for staff and good for businesses.

"When workers are treated well they are happier, healthier and more productive.

"The Employment Rights Bill is a historic opportunity to make work pay – and to create a level playing field that stops good employers from being undercut by the bad.

"It must be delivered in full."

Commenting on the impact of the Bill on employers, Paul added:

"The TUC stands ready to work with the government and employers. We recognise that businesses and unions will need advice to understand and implement these changes.

"But there is no case for delaying the reforms. People need jobs they can build a decent life on.

"Many of the arguments being used against this legislation are the same ones that were used against

introducing the minimum wage – one of the great policy successes of the last 25 years.

“They were wrong then and they are wrong now. When working people thrive so do businesses and the wider economy.”