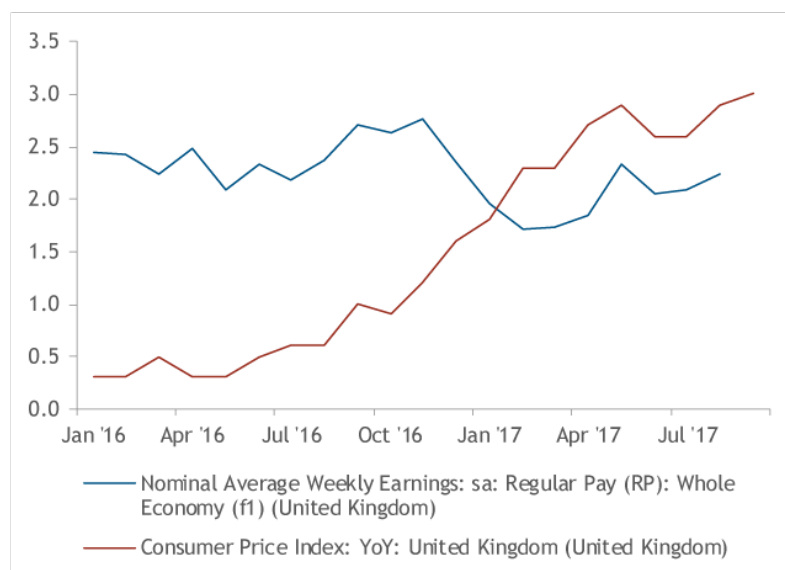


# Good work? Will the UK government act on the Taylor Review

Blog post by Research Associate India Lucas, 10 November 2017

The UK government's official response to the Taylor Review on Modern Working Practices is expected imminently. However, there are major questions over whether ministers will be able to support many, if any, of Matthew Taylor's wide-ranging recommendations for reforming UK employment law. While a wholesale reform of employment law seemed unlikely when May commissioned the Review with a majority government, the prospect for comprehensive reform seems even less likely now she has lost it.

May's conundrum is this: on one hand, for her to implement the Review's recommendations, she would almost certainly have to cooperate with opposition parties and run the risk of being seen as anti-business by her own. On the other, failing to act ignores the underlying imperative which prompted the review in the first place - the need for a Conservative political offer to voters squeezed by low wages and increasing living costs. So, what can we expect in the government's response?



A stripped back version of the Review is almost inevitable. Taylor made a number of ambitious recommendations which would add new costs for hundreds of thousands of employers, including applying statutory sick pay to agency workers and introducing a high minimum wage for overtime hours. However, as with May's other initially ambitious social reform agendas, such as corporate governance and takeover policy, the government's position is likely to be watered down significantly in the face of possible rebellions from Conservative MPs over any 'hard' legislative

measures. For the Taylor Review, this means many of its weighty recommendations, particularly those needing primary legislation, will likely fall by the wayside.

Where the government may find it more politically amenable to implement Taylor's recommendations will be on the handful of non-legislative and self-regulatory initiatives and those enforcing greater transparency. This could include, for example, the recommendation for 'gig economy' companies to publish data on their workers' average wages. May deployed similar tactics in the corporate governance reforms when she required listed companies to publish their pay ratios, gender pay differentials and bonus data. As the government looks to salvage a headline policy from the Taylor Review that will not risk backbench resistance, pushing a 'soft' transparency agenda in this way could prove appealing.

When the government releases its official response, it is likely to be piecemeal. This means far reaching reform over worker classification, the minimum wage and agency workers will be deferred until at least the next election. In its place, transparency initiatives are more likely to form the backbone of the government's approach. For now, some employers, particularly those gig economy platforms who have found themselves in the political firing line, may breathe a sigh of relief. At least until they contemplate what a possible Corbyn government might do with the same material in the May government's place.