

Chapter 1: Introduction to employment law

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In light of prevailing attitudes amongst employers that employment regulation is burdensome and a barrier to business, are you convinced by the justifications in favour of the introduction and maintenance of labour laws? If not, why not? If so, why?

Author's answer: A student's answer to this question will depend on his/her social, economic and political outlook, e.g. whether he/she believes the empirical evidence that shows that employment rights backfire to hurt the very same workers that they are intended to protect and/or impose costs on business on the one hand, and/or on the other hand, the findings which suggest that higher levels of employment rights have positive effects on firm-specific innovation and productivity. If one is sympathetic to the neoclassical economic account of employment laws as destructive of economic growth, one will tend to reject the various justifications presented in favour of the subject that are discussed in chapter 1, namely the correction of imbalances in bargaining power inherent within the employment relationship, the regulation of labour market failures to achieve efficient labour markets and/or the realization of social justice through the repulsion of the economic logic of the commodification of labour. In such circumstances, one's position will be that labour markets are efficient without the need for any intervention through employment law regulation. However, if one is persuaded by the economic case for imperfections and failures in labour markets, then will be more inclined towards accepting the need for employment rights to address them. Meanwhile, if one is wedded to the case for social intervention in employment relationships from the perspective of equity rather than economic efficiency, then one is more likely to be convinced by the traditional justifications for employment law intervention.