

How long will it be before Labour does a U-turn on its ...

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One of the few remaining vaguely radical policies to which Labour is supposedly committed is the reform of worker's rights.

This is from the front page of The Timed today, via Twitter:

Don't rush to rewrite staff rights, Labour told

Bosses fear 'full fat' plan would hurt economy

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Businesses are calling on Labour to rethink plans for a "full fat" reform of employment laws, warning it could significantly increase costs and damage Britain's economic recovery.

Angela Rayner, Labour's deputy leader, is driving proposals for the biggest overhaul of workers' rights in a generation. The plans include a "right to switch off" and not be contacted after hours, along with greater access to flexible working.

As part of the package, the party would scrap zero-hours contracts, clamp down on "bogus" self-employment, make it easier for unions to go on strike and give workers new rights to enhanced sick pay and to claim for unfair dismissal.

Labour is promising legislation within 100 days of taking office and says that the plans would be implemented in full during the next parliament. The party insists the reforms will not follow its green spending plans in being scaled back, with architects of the package boasting it will be "the biggest transformation of the economy for aeons".

Companies have shown support for the aspirations behind the plan but there is alarm among many business groups, which fear that Labour will impose significant new costs and discourage them from hiring at a time when the economy is stuttering.

Yesterday official figures showed that

the economy contracted by 0.3 per cent in the three months to December, worse than market expectations. This means that the UK has met the technical definition of a recession — two consecutive quarters of negative growth.

The Office for Budget Responsibility has also downgraded the headroom that Jeremy Hunt, the chancellor, has for tax cuts at the budget next month. Treasury sources have admitted that plans for a two-pence cut in income tax or national insurance are now "out of the window".

Labour has sold its workers' rights package as a key element of its economic strategy, arguing that it would help to grow the economy and boost productivity.

However, privately many businesses have deep reservations. Alex Hall-Chen, principal policy adviser for employment at the Institute of Directors, said: "The concern we have is that if Labour goes ahead with the 'full fat' version of some of these proposals, they will impose very significant costs on businesses when many are struggling with a difficult trading environment."

"Labour needs to make sure that the result of these changes is not that British firms become uncompetitive. These changes are not something that should be rushed through in 100 days. They need to be thought through."

Jane Grattan, deputy director of public policy at the British Chambers of Commerce, said: "We have made clear

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Is there any great surprise that business does not like what Labour is suggesting?

Will there be any more surprise when Labour caves in, as it surely will?