

[The costs of employment regulations](#) [1]

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Employers are just so beastly, aren't they? Attempting to get around their responsibilities to the workers. Why, some of them even decide to hire temporary workers instead of loading up on full time long term peeps that they have to pay extra costs to employ!

This example comes from [the US](#) [3]:

Labor Ready's business customers are billed for the temp workers' wages, plus fees that cover things like workers compensation insurance, payroll taxes, and, of course, a significant markup. The clients save cash on HR and training, and they save even more by eliminating the need for health insurance, paid sick leave, vacation time, and other standard employee benefits.

We could call this beastly: indeed I will call it beastly. But no, it's not the employers who are being so by trying to dodge those costs like health insurance, paid sick leave, vacation time and other standard employee benefits. Rather the beasts are those who load all of those things onto wages while insisting that they're not really costs at all.

The truth is, as ever in this dismal science of economics, that there is no such thing as a solution. There are only trade offs. It may well be that a decent and civilised society will provide these desirable things to the people who do the scut work of that society. I certainly think it desirable as I'm sure do most of you. But we must also recognise that there are costs associated with this. Here, the obvious costs being those people who cannot get any job at all because of the costs of providing those desirable things.

We can see that there are some such as well: for some do get jobs when those costs are not imposed while they do not get jobs while they are imposed.

The solution here, for all that there are no solutions so let us say a better trade off, would be to abolish all the laws that insist upon those extra costs. That way the maximum number of people who want a job will be able to find one: a desirable outcome. But, I can already hear the cries, what about paid vacation, what about paid maternity leave? Interesting examples: for the US has no national legislation insisting upon either of these. And yet just about everyone in full time employment in the US gets both of them. Proving that both employers and employees think them desirable and entirely worth having if as and when the value added of the labour is sufficient to provide them. And also not worth having when their provision bites too deeply into the value added and thus reduces cash wages too much: and most certainly showing that there is no need at all to have a law insisting upon them.

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