

# WAGES, INEQUALITY, AND WORKER RIGHTS: THE CONSEQUENCES OF BANNING ZERO-HOUR CONTRACTS IN THE UK

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**Abstract:** *The labour party's new administration has seen the passing of a law to ban "exploitative zero-hour contracts." The passing of such a law aims to diminish the instability of UK's labour market in an attempt to bring forth a more viable and anchored income source for all UK citizens. However, while this law does have the opportunity to provide security within the labour market, the beneficial freelancing and openness of these contracts may be lost in the process. Therefore, this paper aims to delve into the expected outcomes of such a law and its impact upon workplaces across UK regarding the stakeholders of individuals, firms and governments. This research reveals the complex interplay between the labour policies and income inequality, particularly among low-income and freelance workers. Stemmed from this, the policy does not focus on the main underlying economic issue of wage inequality and job security. Therefore, through this policy, policymakers have inadvertently traded one form of instability for another.*

**Keywords:** *Labour market, Employment Inequality, Workplace protection*

## Introduction

Imagine waking up each day unsure if you'll have work, income, or the ability to make ends meet by the week's end. For thousands of workers on zero-hour contracts in the UK, this uncertainty is their reality. These contracts, once hailed for offering flexibility to employers in fast-paced sectors like hospitality, retail, and the gig economy, have left many workers trapped in a cycle of financial instability. With no guaranteed hours and few benefits, the trade-off between flexibility and security has become a point of growing debate, as more people in low-wage jobs are forced to navigate the precarious balance between opportunity and exploitation.

Zero-hour contracts represent a specific type of employment agreement that allows employers to hire workers based on their fluctuating needs, without the assurance of a minimum number of working hours which has become particularly prevalent in sectors such as hospitality, retail, and the gig economy. While these contracts offer businesses the flexibility to respond quickly to varying demand, they often place workers in precarious situations characterized by income insecurity. Workers on zero-hour contracts can experience significant fluctuations in their hour's week to week, leading to uncertainty in their earnings. Moreover, they typically lack access to crucial benefits like paid leave, sick pay, or pension contributions. According to the UK Office for National Statistics (ONS), around 3.6% of the UK workforce was employed under zero-hour contracts in 2021, with many of these workers concentrated in low-wage sectors that are particularly vulnerable (ONS, 2021). This flexibility, while advantageous for employers, often comes at the expense of job security for workers. Over time, concerns regarding worker exploitation have emerged, especially as many individuals employed on these contracts were expected to remain available for work on short notice, despite having no guarantee of regular hours or consistent income. In light of these issues, the UK government enacted a ban on zero-hour contracts in 2023 as part of broader labour market reforms which aimed to curb the exploitation of vulnerable workers and foster greater stability in employment. The ban was designed to address systemic problems related to zero-hour contracts, particularly the insecurity and lack of benefits faced by low-income workers. Many individuals in this demographic struggle with unpredictable schedules and insufficient pay, making the need for reform pressing.

By eliminating zero-hour contracts, the government sought to enhance the financial stability of workers by compelling employers to provide more predictable working conditions which would ideally enable workers to access essential employment rights, such as paid holidays and pensions. However, the introduction of this ban has also ignited debates regarding its potential downsides, particularly for freelance and gig economy workers who appreciated the flexibility that zero-hour contracts afforded them. As businesses began to adjust to these new regulations, there were rising concerns about possible job losses and diminished opportunities for freelance work, which had previously thrived under the flexible nature of zero-hour agreements.

This paper intends explore how the ban on zero-hour contracts affects income inequality and wage distribution in the UK, especially among low-income and freelance workers. By meticulously analysing wage data, investigating changes in income inequality, and exploring

the experiences of workers directly impacted by the ban, this research aims to assess whether the policy has successfully mitigated exploitation and improved wage distribution or whether it has inadvertently introduced new challenges within the labour market. Such challenges may particularly affect freelancers and other flexible workers who might have preferred the liberties afforded by zero-hour contracts.

### **Literature Review**

Labour economics, particularly its relationship with income inequality, has been a significant area of study among economists. The foundational research conducted by David Card and John DiNardo emphasizes the crucial influence of labour policies, such as the minimum wage, in shaping wage disparities. Their findings reveal that policy interventions can exert both direct and indirect effects on income distribution, particularly for low-income workers (Card & DiNardo, 2002) which is especially pertinent to contemporary discussions about labour market reforms, including the recent ban on zero-hour contracts in the UK. By exploring the ways in which labour policies shape wage structures and employment conditions, Card and DiNardo provide a framework that helps elucidate the potential impacts of eliminating flexible contracts like zero-hour agreements, especially in relation to income inequality.

Building on this foundation, Katz and Krueger (2016) examined the broader implications of alternative work arrangements, such as gig economy jobs and zero-hour contracts, on income distribution within modern labour markets whose research indicates that the rise of such contracts has led to a more polarized labour market, wherein an increasing number of workers endure precarious employment conditions characterized by fewer benefits and lower wages compared to those in traditional roles. It presents a growing challenge for policymakers, who must balance the flexibility provided by these contracts against the necessity of safeguarding vulnerable workers from exploitation and income instability.

Critics of zero-hour contracts have pointed out their role in exacerbating wage inequality. Research conducted by Adams and Deakin (2014) highlights the economic disadvantages faced by individuals employed under zero-hour contracts, revealing that these workers typically earn 25-30% less than their counterparts in traditional employment, even when performing similar tasks which suggests the tendency of zero-hour contracts to sidestep labour protections that are otherwise essential for ensuring fair pay. The findings from Adams and Deakin suggest that the lower wages associated with these contracts contribute directly to

the widening of income inequality, particularly affecting low-income workers who are disproportionately represented among those employed under such terms. Furthermore, their research indicates that the combination of job insecurity and unpredictable hours further compounds the financial instability experienced by these workers, thereby entrenching wage disparities within the labour market.

Similarly, reports from the International Labour Organization (ILO) regarding European nations with bans on flexible contracts, such as Belgium and Denmark, reveal a mixed bag of outcomes influenced by the specific industries involved and the broader economic context. In Belgium, for instance, the ban on certain flexible contracts led to improvements in wage equality, yet it also posed challenges for businesses that depend on seasonal or fluctuating demand, such as those in agriculture and tourism (ILO, 2020). In Denmark, the effects were less pronounced, largely due to the country's robust social safety net, which alleviated some risks associated with the elimination of flexible contracts.

These comparative studies indicate that while the ban on zero-hour contracts has the potential to reduce income inequality by creating more stable employment conditions for workers, the economic ramifications are not uniform across different sectors or countries. The extent to which wage distribution is affected often hinges on various factors, including the structure of the labour market, the availability of alternative employment arrangements, and the specific industries that heavily rely on flexible contracts. Given the UK's considerable gig economy and the significant proportion of its workforce engaged in sectors such as retail, hospitality, and healthcare, the ban on zero-hour contracts is poised to produce complex and multifaceted effects. While it may enhance wage equality for workers transitioning to more stable contracts, there remains a risk that businesses might respond by cutting their workforce or exploring alternative forms of flexible labour, including freelance or gig work.

### **The Socioeconomic Context of the Ban Pre-Ban Employment and Wage Distribution**

According to data from the UK Office for National Statistics (ONS), these industries were the largest employers of zero-hour contract workers in 2022, with many of these individuals concentrated at the lower end of the wage distribution spectrum (ONS, 2022). For example, in hospitality, a substantial portion of the workforce relied on these contracts to manage the variable demand typical in restaurants, hotels, and event services. Similarly, retail businesses frequently employed zero-hour contracts to adapt to fluctuations in consumer traffic, while healthcare services, especially in home care, utilized such contracts to accommodate the unpredictable needs of patients which ultimately resulted in a workforce that not only faced

instability in their income but also lacked access to essential benefits like paid sick leave, pensions, and health insurance.

As the years progressed leading up to the ban, concerns about the link between zero-hour contracts and wage distribution intensified. Research from the Resolution Foundation (2023) revealed that workers in low-wage sectors, particularly in retail and hospitality, experienced significant wage volatility attributed to the unpredictable nature of zero-hour contracts. This wage instability played a substantial role in exacerbating income inequality in the UK. Workers often found themselves called in at short notice, making it challenging to plan for their financial futures, and their earnings fluctuated dramatically from week to week. Many struggled to meet basic living expenses as a result. It was further compounded by the fact that many individuals employed under zero-hour contracts possessed little bargaining power; the oversupply of low-wage labour allowed employers to dictate terms with little fear of losing their workforce. A retail worker, for instance, might have 20 hours of work one week and only five the next, creating a situation where unpredictability was the norm. Such circumstances left numerous workers in a state of ongoing financial insecurity, contributing to rising income inequality across the nation.

Conversely, freelancers and gig economy workers often found that zero-hour contracts provided a level of flexibility unattainable through traditional full-time employment. Those in creative industries, technology, and delivery services, for example, benefitted from the ability to accept or decline work as it suited them, allowing them to juggle multiple projects or commitments. However, this flexibility came with its own set of challenges. Many freelancers lacked access to fundamental employment rights and benefits, such as health insurance, paid leave, or pension contributions, rendering them vulnerable to financial instability in cases of illness or other unforeseen circumstances. Although zero-hour contracts offered a temporary solution for those seeking flexibility, they fell short of providing long-term security, ultimately contributing to a fragmented labour market where many workers were left to navigate their circumstances without a safety net. Research by the Trades Union Congress (TUC) highlighted these disparities within the gig economy, illustrating that while some workers appreciated the freedom that zero-hour contracts offered, the majority were disadvantaged by the absence of protections (TUC, 2022). In light of these mounting concerns, the UK government introduced the ban on zero-hour contracts as part of a wider labour market reform initiative aimed at reducing wage inequality and enhancing workers' rights. The government's strategy sought to transition the labour market away from

precarious forms of employment and toward more stable, full-time contracts, which would provide low-wage workers with greater financial security and access to benefits. By eliminating zero-hour contracts, the government aimed to compel employers to offer guaranteed hours and stable wages, thereby reducing the income volatility that had troubled sectors such as retail and hospitality. Additionally, the ban was designed to address the exploitation of workers who had limited recourse under zero-hour agreements, ensuring they would enjoy the same rights and protections as those on traditional contracts.

Nevertheless, the ban has prompted a debate regarding its broader economic implications, particularly for sectors that have long depended on flexible labour arrangements. Critics contend that eliminating zero-hour contracts might inadvertently harm businesses that rely on flexibility to adjust their workforce according to demand. For instance, many employers in retail and hospitality have expressed concerns that the ban could result in increased operational costs, as they would now need to provide guaranteed hours and potentially higher wages to attract workers. Some businesses have cautioned that this situation could lead to job losses, as companies may opt to reduce their workforce or automate tasks wherever feasible. Additionally, there are apprehensions that the ban could limit employment opportunities for freelance and gig economy workers who depend on flexible contracts to balance multiple jobs or personal commitments.

The potential impact on the gig economy is particularly significant with freelancers in industries like technology, media, and delivery services expressing concerns that banning zero-hour contracts could restrict their ability to take on short-term, ad-hoc work, which allows them to maintain their independence. Many gig economy workers favour the flexibility that zero-hour contracts provide, enabling them to accept work when it is convenient and decline it when it is not. However, despite the freedom that comes with such arrangements, these workers often find themselves without access to benefits like health insurance or pensions, leaving them exposed to income insecurity and financial instability in the long term. Thus, the challenge for the government lies in finding a balance between enhancing worker protections while also ensuring that flexibility remains for those who benefit from it.

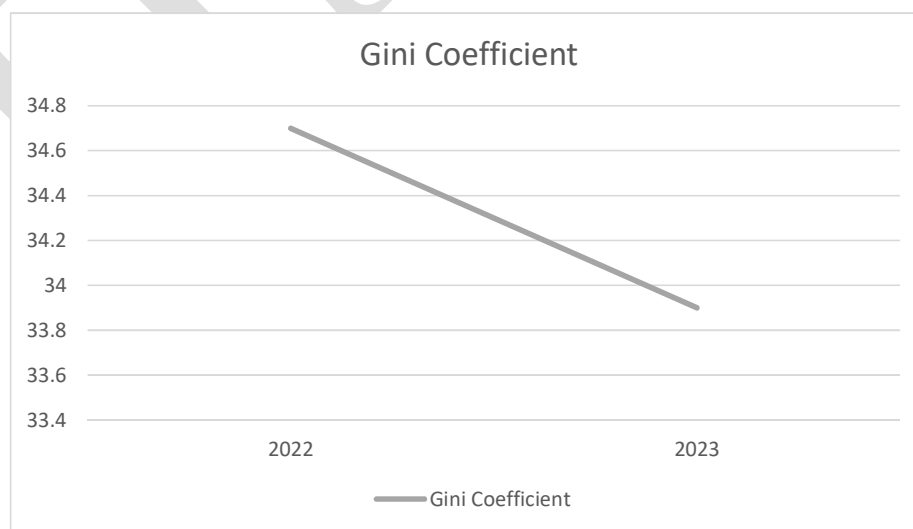
### **Analysis of the Ban's Immediate Impact on Income Inequality and Wage Distribution**

The immediate impact of the UK's 2023 ban on zero-hour contracts on income inequality and wage distribution is a multifaceted issue, with both positive and negative consequences for different sectors of the labour market. By examining wage distribution trends before and after

the ban, as well as its effects on income inequality and the livelihoods of freelancers and gig economy workers, it becomes clear that while some low-income workers have benefited, others have experienced significant challenges in adjusting to the new employment landscape. Post-ban wage distribution data show modest wage increases across low-wage sectors such as retail, hospitality, and healthcare.

Sector	Median Wage (2022)	Median Wage (2023)	% Change
Retail	£9.00	£9.75	+8.3%
Hospitality	£8.25	£9.00	+9.1%
Health Care	£10.00	£10.50	+5%

While these increases reflect the intention behind the ban—to provide more financial stability and fairer wages for low-income workers—it's important to note that the gains were not evenly distributed across sectors. Workers in retail and hospitality saw the largest wage increases, largely due to the sectors' historical reliance on zero-hour contracts, where wages were often suppressed by the precarious nature of employment while, in contrast, healthcare workers, many of whom were already employed under more traditional contracts, saw smaller wage gains, as their wages were less directly impacted by the shift away from zero-hour agreements. This uneven distribution of wage increases suggests that while the ban has had a positive impact on wage growth in certain low-wage sectors, its effects have been less pronounced in areas where zero-hour contracts were not as prevalent.



Here, the decline in the Gini coefficient is consistent with the wage increases seen in low-wage sectors, where the elimination of zero-hour contracts has led to more stable employment and higher wages for workers who were previously at the bottom of the income distribution. However, the modest nature of the decrease also indicates that the ban has not been a panacea for addressing broader structural inequalities in the labour market. Other factors, such as regional disparities in wage growth and the varying impacts of the ban on different industries, continue to influence overall income inequality in the UK.

The impact on freelancers and gig economy workers has been more complex. While the ban on zero-hour contracts was intended to improve working conditions for all workers, including those in non-traditional forms of employment, it has had unintended consequences for freelancers and gig workers who valued the flexibility that zero-hour contracts provided. A 2023 study by the University of Warwick found that the number of self-employed workers dropped by 3.2% in the year following the ban, as many freelancers struggled to find flexible work arrangements under the new regulatory framework (University of Warwick, 2023). Furthermore, 40% of freelancers surveyed reported difficulties in securing new contracts that allowed them to maintain the same level of flexibility they had enjoyed under zero-hour agreements. This has led to a significant reduction in income for many gig economy workers, particularly those in industries like food delivery, ride-sharing, and creative services, where the ability to take on short-term, ad-hoc jobs is crucial to sustaining their livelihoods.

The social and economic ramifications for low-income workers are equally significant. On the positive side, the ONS Labour Force Survey (2023) indicates that 65% of low-income workers in sectors such as hospitality and retail reported increased job satisfaction following the ban. The shift towards more predictable working hours has allowed many workers to better plan their lives and manage their finances, reducing the anxiety and stress associated with income volatility. In addition, workers now have access to benefits that were previously unavailable to them under zero-hour contracts, such as sick pay, holiday pay, and pension contributions. These benefits have not only improved workers' financial security but have also contributed to a greater sense of dignity and respect in the workplace, as employees feel more valued and protected under the new employment regime. However, it has also led to unintended negative consequences, particularly for businesses that relied heavily on the flexibility of zero-hour contracts to manage labour costs. Many companies in the retail and hospitality sectors, for example, have struggled to adapt to the new requirements of offering stable contracts with guaranteed hours. To cope with the increased costs associated with

providing more secure employment, some businesses have opted to reduce staffing levels, leading to job losses in certain areas. According to a report by the Institute of Directors (2023), an estimated 20,000 part-time jobs were lost in the first year following the ban, as businesses sought to cut costs by automating tasks or reducing their reliance on human labour (Institute of Directors, 2023) which has disproportionately affected younger workers and those in low-skilled positions, many of whom relied on part-time, flexible work to supplement their income while pursuing education or other commitments.

Notably, the reduction in part-time employment has also had broader economic implications, particularly for women and minority groups who are overrepresented in sectors that traditionally employed zero-hour contract workers. Women, for example, are more likely than men to work part-time due to caregiving responsibilities, and the loss of flexible, part-time jobs in retail and hospitality has made it more difficult for them to balance work and family life. Similarly, workers from minority ethnic backgrounds, who are more likely to be employed in low-wage, insecure jobs, have been disproportionately affected by the job losses resulting from the ban. This highlights the need for targeted policies to support these groups as the labour market adjusts to the new regulatory environment.

### **Social and Economic Ramifications for Low-Income Workers**

The recent ban on zero-hour contracts in the UK has initiated significant social and economic transformations for low-income workers, particularly in sectors such as hospitality and retail. One of the most striking positive outcomes is the notable increase in job satisfaction among these workers. According to the Office for National Statistics (ONS) Labour Force Survey conducted in 2023, a remarkable 65% of low-income workers within these industries reported a rise in job satisfaction following the ban. This enhancement in job satisfaction is largely due to the transition from the unpredictable and ad-hoc hours characteristic of zero-hour contracts to more stable and predictable work schedules. For many workers who previously dealt with the uncertainty of fluctuating weekly incomes, having consistent hours has empowered them to plan their finances more effectively, avoid last-minute shift changes, and alleviate the stress that often accompanies income volatility. The stability afforded by these new contracts has had a profound impact on workers' overall well-being, allowing them greater control over their work-life balance.

In addition to increased job satisfaction, low-income workers have gained access to essential benefits that were previously inaccessible under zero-hour contracts. Now, many workers enjoy benefits such as sick pay, holiday pay, and, in certain cases, pension contributions, all

of which significantly enhance their financial security. In the past, zero-hour contracts often excluded workers from these vital benefits, leaving them at risk of financial hardship during periods of illness or when they needed time off. With the introduction of more stable employment contracts, workers are now better protected during times of illness or personal need, fostering a greater sense of security. Furthermore, these stable contracts provide clearer pathways for career advancement, as employers are more inclined to invest in the training and development of employees with long-term, stable contracts rather than relying on temporary or short-term staff. However, while many workers have welcomed these benefits, the ban has inadvertently led to negative consequences for businesses that heavily depended on the flexibility that zero-hour contracts provided. Numerous companies in sectors like hospitality and retail, which frequently face fluctuations in demand, have encountered challenges in managing the increased costs associated with offering stable contracts. With the ban mandating guaranteed hours and benefits for all employees, some businesses have responded by cutting back on staffing levels to manage these heightened costs. According to a report by the Institute of Directors (2023), approximately 20,000 part-time jobs were lost in the first year following the ban, as companies reduced their workforce or turned to automation and efficiency measures to maintain profitability.

The reduction in part-time job opportunities has had a disproportionate impact on younger workers, students, and individuals seeking supplemental income, many of whom relied on flexible, part-time work arrangements to accommodate their other commitments. Zero-hour contracts previously provided these individuals with the freedom to work when they were available without being locked into a fixed schedule which has made it increasingly challenging for some workers to balance employment with education, caregiving responsibilities, or other activities, leading to a loss of income and increased financial strain for many. Additionally, the reduction in part-time jobs has limited businesses' ability to respond flexibly to fluctuations in demand, potentially hampering their long-term growth and competitiveness.

The social implications of the ban have also been mixed, particularly for workers from vulnerable or marginalized groups. Women, who often work part-time due to caregiving responsibilities, have been especially affected by the reduction in flexible work opportunities. Many women depended on zero-hour contracts to achieve a balance between their professional and personal lives, and the disappearance of these jobs has made it increasingly difficult for them to stay in the workforce while managing family obligations. Similarly,

workers from minority ethnic backgrounds, who are more likely to be employed in low-wage and insecure positions, have encountered additional challenges in securing stable employment following the ban and so the shift toward guaranteed contracts has created barriers for those who previously benefitted from the flexibility associated with zero-hour contracts, thereby highlighting the intricate trade-offs involved in this labour market reform.

### **Wider Implications: Comparing UK with Other Countries**

Examining the broader implications of the UK's ban on zero-hour contracts becomes clearer when we compare it with countries like Ireland and New Zealand, both of which have implemented similar legislation. These international case studies provide invaluable insights into the potential long-term effects of labour market reforms, revealing a mix of positive and negative outcomes. In 2018, Ireland took the step of banning zero-hour contracts in most sectors, aiming primarily to reduce income inequality and enhance stability for workers at the lower end of the wage distribution. The results of this move were quite mixed; on one hand, it led to a notable 12% wage increase for workers in the lowest 10% of the wage distribution, signifying a clear reduction in wage inequality, especially beneficial in sectors like retail and hospitality, where employees had historically contended with low pay and unpredictable hours. However, this ban also resulted in unintended consequences, particularly a 5% decline in overall employment within the sectors most affected, as businesses, especially in industries facing fluctuating demand, such as hospitality, responded to the added costs associated with providing guaranteed hours by cutting jobs or reducing their reliance on casual labour. This situation mirrors some of the challenges faced in the UK following the ban.

Similarly, New Zealand's experience with a ban on zero-hour contracts, enacted in 2016, provides another relevant perspective. Just like Ireland, New Zealand's labour reforms aimed to enhance worker stability and reduce exploitation by ensuring that all workers received guaranteed minimum hours. The outcomes were somewhat positive, particularly in terms of worker productivity; with the assurance of regular hours, many employees found they could focus more effectively on their jobs, which led to a more engaged and efficient workforce. This increase in productivity was particularly apparent in sectors such as retail and food services, where employees had previously been subject to irregular hours. Nonetheless, New Zealand also witnessed an unintended rise in precarious part-time jobs. Although full-time employment remained relatively stable, many businesses, unable to offer guaranteed hours for all workers, resorted to hiring part-time employees instead, creating a new kind of job insecurity that left workers facing uncertain weekly hours despite a different contractual

arrangement. This shift illustrates how labour reforms aimed at addressing one form of precarious employment can inadvertently lead to the emergence of another, potentially undermining the overarching goals of reducing income inequality and job insecurity.

Here, a significant takeaway is that, while wage gains for low-income workers are attainable, they frequently come at the cost of diminished employment opportunities, especially in industries reliant on flexible labour. To alleviate the negative impacts of job losses, the UK might consider looking to models from countries like Denmark, which has effectively implemented a middle ground between full-time stability and worker flexibility. Denmark's approach utilizes "guaranteed minimum hours" contracts, allowing workers to retain some flexibility in their schedules while ensuring a baseline of guaranteed pay and benefits which strikes a balance between the rigidity of full-time contracts and the volatility of zero-hour arrangements, enabling workers to take on shifts that accommodate their personal circumstances while allowing employers the ability to adjust their labour force to meet fluctuating demand. By adopting a similar system, the UK could address the concerns of freelancers and gig workers adversely affected by the zero-hour contract ban, as providing guaranteed minimum hours could shield these workers from the financial uncertainty that often accompanies freelance work, while still preserving some of the flexibility that makes gig economy jobs appealing. One of the most striking observations is the moderate wage increases reported in low-wage sectors such as hospitality and retail. However, these wage gains highlight the dual nature of the ban's impacts; while it has seemingly improved job security and granted workers access to benefits that were previously unavailable under zero-hour arrangements, it has concurrently intensified vulnerabilities within the labour market. The documented reduction in job opportunities, reflected in estimates of job losses following the ban, raises essential questions regarding the sustainability of such labour reforms.

This tension between the aspiration for stable employment and the realities of a dynamic labour market underscores a critical flaw in the approach to worker protection. By focusing on the elimination of zero-hour contracts without thoroughly addressing the underlying economic structures that give rise to wage inequality and job insecurity, policymakers may have inadvertently replaced one form of instability with another. The experiences of other countries, such as Ireland and New Zealand, further illuminate this dilemma, demonstrating that while the intentions behind such bans are commendable, the actual execution can result in unintended negative outcomes, including job losses and the emergence of new forms of precarious employment. Moreover, the data suggesting a slight decline in the Gini coefficient

after the ban indicates that, although there may have been a marginal reduction in income inequality, the overall impact remains insufficient to bring about meaningful change in the lives of the most vulnerable workers. The qualitative experiences of low-income workers, highlighted by surveys indicating increased job satisfaction, must be weighed against quantitative evidence of job losses and the difficulties faced by freelancers and gig workers in navigating this new landscape. This complexity underscores the necessity for nuanced policy interventions that not only eliminate exploitative practices but also promote an inclusive labour market capable of supporting diverse employment needs.

### Conclusion

The findings of this research on the banning of zero-hour contracts in the UK illuminate the complex interplay between labour policies and income inequality, particularly among low-income and freelance workers. One of the most striking outcomes is the moderate wage increases observed in low-wage sectors such as hospitality and retail. However, these gains reveal the dual nature of the ban's effects: while it has ostensibly enhanced job security and provided workers with access to benefits previously unavailable under zero-hour arrangements, it has simultaneously exacerbated vulnerabilities in the labour market. The reduction in job opportunities, as evidenced by estimates of job losses in the wake of the ban, raises important questions about the sustainability of such labour reforms. By prioritizing the elimination of zero-hour contracts without adequately addressing the underlying economic structures that create wage inequality and job insecurity, policymakers may have inadvertently traded one form of instability for another. The experiences of other countries, such as Ireland and New Zealand, further highlight this dilemma, showcasing that while the intention behind such bans is commendable, the actual implementation can lead to unintended negative consequences, including job losses and the emergence of new precarious employment forms.

Moreover, the data indicating a slight decline in the Gini coefficient post-ban suggests that while income inequality may have been marginally reduced, the overall impact remains insufficient to effect significant change in the lives of the most vulnerable workers. The qualitative experiences of low-income workers, as indicated by surveys showing increased job satisfaction, must be weighed against the quantitative evidence of job losses and the challenges faced by freelancers and gig workers in adapting to the new landscape. This complexity underscores the necessity for nuanced policy interventions that not only eliminate

exploitative practices but also foster an inclusive labour market capable of supporting diverse employment needs. Ultimately, the findings compel a re-evaluation of labour policies in the UK and beyond. They suggest that a more holistic approach is needed—one that incorporates flexible work arrangements with guaranteed minimum hours, thereby safeguarding workers while also allowing for the agility required by modern economies. The challenge lies not only in reforming outdated labour practices but also in creating a resilient framework that adapts to the evolving nature of work. By learning from international examples and recognizing the multifaceted nature of income inequality, the UK has the potential to craft solutions that genuinely uplift all workers rather than simply shifting the burdens of insecurity within the labour market.

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