

# les réformes du marché du travail en Europe depuis la crise



Le Royaume-Uni 2010 - 2016

> PROF JEREMIAS PRASSL Paris, 14 III 2016

#### Labour Law Reforms



- Some Examples
  - Changes to Unfair Dismissal law
  - 2. <u>Employment Tribunal Reforms</u>
  - 3. The New Employee Shareholder 'Status'
  - 4. Regulating "Zero-Hours Contracts"
- II. Future: National Living Wage, Trade Union Bill
- III. Analysis





#### I Unfair Dismissal

- •2012: Qualification Threshold Raised
- •From 1 Year to 2 Years
  - Highest in the EU
- •Impact: at least 3m workers in the 2<sup>nd</sup> year of employment (!)
- 2013: caps (maximum amounts) significantly lowered
  - The lower of £ 78,962 or 52 weeks' salary (IV 2016)
  - but NB: median award in reality ca. £4,500





UK Labour Market Reforms under the Coalition Government

Page 3

# II Employment Tribunal Reforms

- Composition
  - No more lay members on either side in Unfair Dismissal cases
    - Lack of Industrial Relations Expertise
- Procedural Changes
  - Compulsory role for Arbitration, Conciliation and Advisory Service
    - Delay & Cost Implications
- July 2013: Fees to be paid by Claimants
  - Launch Fees (from £150)
  - Hearing Fees (from £950)
    - >>> claim volume drops by > 70% in first year (2013-14)





#### III Employee Shareholders

- 2012: a 'radical change to employment law' (G Osborne)
  - Shares for Rights
  - Significant political controversy (Beecroft report, ...)
- The New Status: Shareholders...
  - •Minimum value £2000
- ... or workers without rights:
  - Loss of 'ordinary' unfair dismissal protection and redundancy pay
  - Weakening of incidental rights





UK Labour Market Reforms under the Coalition Government

Page 5

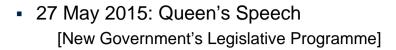
# IV Regulating "Zero-Hours Contracts"

- ZHC = contract in which an employer does not guarantee the individual any work and the individual is not obliged to accept any work offered
- Small Business, Enterprise and Employment Act 2015, s 153
  'ban on exclusivity clauses'
  - Focus on a Very Narrow Set of Problems (10%, unenforceable)
  - <u>Legitimating Precarious Work:</u> ZHC as a standard arrangement, where employees bear risks of insecurity of work & income





#### **Future Outlook**





- Trade Union Bill 2015-16: New Strike laws, 50% turnout
- + in health, education, transport, ...: 40% of all those entitled to vote
- April 2016: The National Living Wage
  - •£7.20/hour for workers >25 years old
  - •National Minimum Wage (£6.70) for most other workers

EU Referendum (23 VI 2016), Repeal of Human Rights Act 1998, ...





**UK Labour Market** Reforms under the Coalition Government

Page 7

### Assessing the Reforms

#### 3 Broad Concerns

- Aggressive patchwork reforms
- Little regulatory innovation
- Unpredictable (and often dramatic) impact







#### **SOURCES & FURTHER MATERIALS**

J Prassl et al, Zero Hours Contracts Working Paper http://ssrn.com/abstract=2507693

J Prassl, "All in it Together?" Labour Markets in Crisis' (2014) 1 Hungarian Labour Law E-Journal 23

J Prassl, 'Les seuils sociaux en Europe: Royaume-Uni' (2015) Revue de Droit du Travail 215

J Prassl, 'Employee Shareholder Status?' (2013) 42 Industrial Law Journal 307

J Prassl, *The Concept of the Employer* Oxford University Press (2015)



