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

***Le Royaume-Uni***  
***2010 - 2016***

Paris, 14 III 2016

# Labour Law Reforms



## I. Some Examples

1. Changes to Unfair Dismissal law
2. Employment Tribunal Reforms
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

# 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

# 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)
  - **Legitimizing Precarious Work:** ZHC as a standard arrangement, where employees bear risks of insecurity of work & income

# V Future Outlook



- 27 May 2015: Queen's Speech  
[New Government's Legislative Programme]
  - **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, ...

# Assessing the Reforms

## 3 Broad Concerns

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



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## **SOURCES & FURTHER MATERIALS**

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<http://ssrn.com/abstract=2507693>

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