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Euroview

Employment

Italy cracks down on strikes

In the last few years Italy has regularly been crippled by nationwide strikes, especially in the transport sector. In 2008 travellers had to cope with no less than 500 local or national transport walkouts. The government there has finally decided to crack down on this. On 27 February 2009 it approved proposals making it harder for unions to call strikes and introducing tougher sanctions for those unions that fail to comply with the new strict rules governing strikes.

Under the new rules trade unions will only be able to call a strike if they represent the majority of employees working in the relevant sector. If this is not the case they will be required to consult the relevant employees first and then obtain the agreement of at least 30% of them before commencing strike action. This is designed to stop smaller trade unions calling a walk-out based on the approval of only a handful of employees.

Going forward individual employees will also be required to state whether they intend to participate in the strike before any strike action commences, in order to make things easier to manage for employers.

There will also be tougher sanctions for trade unions that flout the rules. The National Agency responsible for monitoring compliance with the relevant legislation in this area will be given greater powers to ensure that trade unions obtain the relevant worker mandate before calling anybody out on strike.

The proposals now have to be approved by Parliament and should come into force later this year.

Spanish attempts to halt early retirement

The Spanish government is considering introducing measures to stop employers using early retirement as a way of cutting jobs in the current climate. The Labour Minister has called on firms to use early retirement only as a last resort when contemplating redundancies. He is considering imposing fines on those employers which force workers under the age of 50 to retire.

The government is concerned about the financial strain that is being placed on the social security system at a time when it is actively encouraging workers to work for longer. It has said that it will consult with employer and trade union bodies before making any legislative changes.

French Court outlaws snooping

In a recent case the French Supreme Court ruled that unless there are exceptional circumstances, such as a bomb scare, employers have no legal right to search the contents of their employees' bags unless they have given their prior consent.

Before even carrying out a search employers must inform employees of their right to object to the search and to have a witness present. The burden is on the employer to prove that it took these steps.

Employers are required to inform employees individually of their right to object and to have a witness present – it would not be sufficient for them merely to include this information in a staff manual or handbook. A failure to provide this information would render a dismissal on grounds of suspected theft unfair, denying employers the ability to rely on any inferences arising from the objections of the employee.

Employees cannot be penalised for objecting to a search. Employers are entitled to notify the Police if they suspect the employee of theft – but apparently employees are under no obligation to wait around for the Police to turn up!

Social responsibility in sub-contracting chains

The European Parliament has adopted a resolution calling for more social responsibility in sub-contracting chains, in particular the need for legislation introducing joint and several liability to deal with the cross-border dimensions of sub-contracting.

There has been a boom in sub-contracting in the European Union over the last few decades. Whilst this has resulted in rising employment it has also led to concerns about the scope for abuse, especially in long sub-contracting chains and in cross-border operations.

Eight Member States have already responded to the problems connected with the duties of sub-contractors as employers by establishing national liability schemes but the European Parliament has highlighted the need for measures at a European level. It said that companies must be liable for the conditions of workers employed by their sub-contractors.

German government promotes share ownership

In an attempt to further promote employee share ownership the Upper House of the German Parliament recently approved new legislation granting tax incentives to employees who acquire shares in the company they work for. The new legislation came into force on 1 April 2009.

The new law will increase the maximum amount that employees can receive per year free of tax and social security contributions from €135 to €360 in the form of direct ownership interests, provided all employees who have at least one year's service at the time of the offer are entitled to participate in the scheme. The income limit for entitlement to the Government Employee Savings Bonus will also increase from €17,900 to €20,000 for unmarried individuals and from €35,800 to €40,000 for married couples.

As part of its second recovery package aimed at stimulating the German economy, the German Parliament also recently approved raising the threshold at which income tax becomes payable by €170 as of 1 January 2009, with a further increase of €170 with effect from 1 January 2010, giving an increased threshold of €8,004. The measure is intended to increase the net income of workers in lower income brackets.

New legislation has also come into force allowing collectively agreed minimum wage rates to be set across six new sectors, including the security industry, waste disposal and care workers. The construction, cleaning and postal sectors are already covered.

There will also be new incentives for employees to acquire indirect interests in their employer companies through so-called "Employee Funds". These funds guarantee a return on investment.

FURTHER INFORMATION

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