



## PRESS RELEASE

London, UK

Thursday August 1<sup>st</sup>, 2019

The Federation of International Employers (FedEE) writes at 7:40 am BST

Embargo until 14:00 BST on August 1<sup>st</sup>, 2019

## Transatlantic reforms to hit world of work

**At one time, it was good enough for an employer to keep to the terms of an individual employment contract or in line with an applicable collective agreement. Then, since the 1960s and 70s, in developed economies they had to pay men and women the same for undertaking the same, or equivalent job. National minimum wage rates gradually became the norm and, in this century, the living wage. But now all is changing across the globe - and the source of most rapid and radical change for Europe and the rest of the world is the USA.**

Thanks to the US State of New Jersey - and now other States too - employers are having to not only be concerned about equal pay for men and women, but pay equality on a wide range of grounds like race, disability, age and marital status. They are also being forced to assess difference according to the principles of "equivalent worth" - which means having to incorporate objective job evaluation systems into the pay determination process.

But the revolution does not stop there. "Ban the box" laws are stopping employers enquiring about criminal records during the interview process. "Salary history" questions during job interviews are also progressively being banned. The #MeToo movement has lost none of its momentum and US employers are now finding it almost impossible to apply gagging orders to the victims of sexual harassment, or force them into mandatory arbitration to minimise press exposure. A few years back, it was fine to include a non-compete clause in the contracts of almost any US employee and thus heavily limit where a departing employee could next work. But this is no more. The rising salary thresholds for payment of overtime also mean that an increasing number of white collar workers can no longer be expected to work long hours for a basic fixed salary.

These new requirements are being thrust onto employers at a State level and increasingly through Federal law. The State of California is also introducing so much legislation that it is constantly challenging Federal limits. Like most things in the USA, it is the courts that are becoming a further force for change - as conservative politics pushes up against liberal and progressive reformers. Look closely at Trump's America and it is everything that Trump hates and opposes. But the cause of improved employment rights is a hard one to beat.



**fedEE**<sup>®</sup>

The Federation of International Employers  
Your Multinational HR Alliance

Head office: Adam House, 7-10 Adam Street,  
The Strand, London WC2N 6AA, UK  
Tel: (0044) (0)20 36084412  
Tel: (+357) 222 56381  
<https://www.fedee.com>  
[press@fedee.com](mailto:press@fedee.com)

The rest of the world is not just looking on. The **New Jersey Equal Pay** approach is being examined by the UK government (although they appear to be oblivious to its origins) and US-style class actions are becoming far more commonplace in Europe and Asia-Pacific.

According to the Secretary-General of the Federation of International Employers ([FedEE](#)), Robin Chater, *"The European Union seems to have spent its reservoir of new ideas about how to modernise the legal framework for employment and is still set on a collision course with those developing new flexible working methods through the gig economy. It has a lot to learn from across the Atlantic and, most of all, that there is nothing necessarily to fear from loosening job protection laws. As French, Spanish and Swedish employers can readily confirm, rigid job protection makes it difficult for employers to generate longer-term job commitments. Whether EU employers would welcome other US reforms, such as curbs on recruitment questions and the extension of entitlement to overtime pay, is debatable, but it is never beneficial for societies to look always inwards, so out of coming policy debates we can expect a new way to perceive the employment relationship."*

## What is FedEE?

The Federation of International Employers ([FedEE](#)) is a leading organisation for multinational companies. It was founded in 1988 with financial assistance from the European Commission. Today it is an independent body with corporate members all around the globe.