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Comparison of labor laws

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Summary

Labor laws promote worker empowerment and protect workers in a specific jurisdiction. In so doing, they regulate labor market and collective and individual employment relations, correct power imbalances between employers and workers, regulate the negotiations process of working conditions, prevent wrongful dismissal of an employee and restrictions on the freedom of contracting partners related to payment, and safety. Also, labor laws regulate the labor market, legislation limiting working hours and wages. In this regard, the labor laws of different countries differ based on various factors such as legal framework, cultural values, or religion. Therefore, the present paper compares labor laws between Saudi Arabia, the United Arab Emirate, and the United States of America.

Saudi Arabian laws are fundamentally based on the Islamic Shariah laws and governmental agencies and authorities. Ministerial Resolution is responsible for enacting implementation of its regulations. In addition, Human resources and social development enact various circulars followed the Labour Laws in this nation.

As a federal, the United Arabs Emirates consists of 7 emirates. Executive and legislative functions are grouped as Union and several emirates. The federal government is tasked with formulating laws about central and principal aspects of the Union. At the same time, each emirate is entitled to formulate and pass regulations and laws on other matters. However, in the United Arabs Emirates constitution, employment issues are constrained to the Union's legislative power.

Nonetheless, an exception allows exclusion of the power of legislation concerns of employment. This exception is extended to the economic free zones that are independent jurisdictions with the self-regulation power governing commercial and civil matters and employment. The Federal Labor Law, amended to the Labor Law, is the primary law governing its employment relationships. However, various ministerial orders and decrees regulate certain aspects of employment relations.

Employment laws in the United States are derived from state, federal, and local regulations. Federal law is the primary source of employment rules and statutes, but most legislative action has taken place in recent years at local and state levels. Local and state laws have increased employee's legal protection, rights, and benefits and expanded employers' legal obligations. The primary

legislation regarding employment is the anti-discrimination law, like the Civil Rights, the Equal Pay, and the Americans with Disability Act.

A comparison of Employment Law Saudi Arabia, United Arabs Emirates, and the United States of America in Basics of engaging in Employment Relationship involves exploring employment relationship, probationary periods, establishing presence and wages in these three countries.

In Saudi Arabia and UAE, employment relations are established by a “contract concluded workers and their employer. However, in UAE, if they hesitate to enter a contract in a written form, its validity, existence, alongside terms and conditions concerning employment relationship that should be evidenced through evidence. The Labor Law. However, most employment relationships in America are governed by the at-will doctrine. Also, employers can change the terms of the conditions and terms of employment unilaterally.

The probation period differs in the three countries; in Saudi Arabia, labor laws allow for a 90-day can terminate the contract of any party and if can be extended for more than 90 days. In UAE, labor law offers probationary periods not exceeding six months. However, in the U.S. not mandated to establish probationary periods.

Establishing a presence in Saudi Arabia requires the registration of conducting business to operate and hire directly. In another case, there are other alternatives a foreign company hires through a 3rd party contract. However, to conduct business in UAE, a license and registration are mandatory, similarly in U.S. registration in state and federal authorities to pay various payroll and business taxes.

Labor law in Saudi Arabia outlines that wages are strictly paid to the employee's account via an accredited bank in the country. Moreover, employees are only to work utmost 8 hours a day. Also, it can be for 48 hours every week when there is no holiday. Additionally, during Ramadan, it is allowed to work for 6 hours in a day and nothing more. In the UEA, Salaries are paid in the national currency. There are eight working in a day. There are utmost repetitive work hours may. Here employees work with no rest period, but under state and federal laws in the U.S., workers are entitled to a minimally hour wage as well as payment for overtime if they work like 40 hours or more within a week.

The employment laws in the different countries differ in various aspects. However, a major similarity between these laws is that all are employee-oriented as they all focus on protecting the rights of employees and their working environments.

Abstract

Labor laws promote worker empowerment and protect workers in a specific jurisdiction. Moreover, labor laws regulate collective and individual employment relations and serve various purposes in different jurisdictions. However, the primary goals of many labor laws are to correct power imbalances between employers and workers, set up and preserve a process that recognizes workers as equal partners during negotiations of working conditions; and avoid wrongful dismissal of an employee without a just cause. In addition, labor laws avoid a race to the bottom. They do this through restrictions on the freedom of contracting partners, which prevents them from contracting as they wish and sets the minimum standard overpayments and safety. Also, labor laws regulate the labor market: a jurisdiction may opt to place legislation setting the maximum and minimum limits on working hours and wages in specific sectors or nationally. In this regard, the labor laws of different countries differ based on various factors such as legal framework, cultural values, or religion. Therefore, the present paper compares labor laws between Saudi Arabia, the United Arab Emirate, and the United States of America.

Review of Saudi Arabia Employment Laws

Saudi Arabian laws are fundamentally based on the Islamic Shariah laws. This is taught in Hanbali,. Also, in this country governmental agencies and authorities' issues, royal decrees, *inter alia*, circulars, and resolutions affect binding laws, "enacted by Royal Decree No. M/51, dated 23/8/1426 H, corresponding to 27/9/2005 G (as amended) (the Labour Law) and its Implementing Regulations enacted by Ministerial Resolution No. 1982 dated 28/6/1437 H corresponding to 6/4/2016 G (the 2016 I.R.s), as well as by shariah, as interpreted and applied in Saudi Arabia" (p.509). Additionally, various circulars followed the Labour Laws, that the Human Resource and Social Development ministry enacted and they apply to any relationship that party in Saudi Arabia agrees to work for another party." In such a case, the Labor laws govern and apply to the two parties' employment relationship.

Employment disputes in Saudi Arabia are solved through a series of steps. The Commission for Settling of Labor Disputes ¹ under the aegis of the Ministry of Justice is the Saudi Arabian entity. Currently this agency has a responsibility to adjudicate labor disputes” (Balouziyeh & Burns, 2018, p. 509). However, a case must pass through Labor Office for mediation, which is mandatory before reaching the Commission that Settles Labor Disputes. A case will be forwarded or advanced to the Commission when the employees or employer refuses the non-binding decision of the mediator at the Labor Office. It is worth to note that the Labor Law of Saudi Arabian is drafted to favor all employees, and they create statutory rights that the employees cannot waive (Article 6LL). The Saudi Arabian Labor laws regulate non-Saudi Arabians' employment labor relations, employees' training and qualification, part-time work, work conditions, employment of minors and women, and protection against industrial accidents and occupational hazards (Balouziyeh & Burns, 2018). The most common area of dispute within the Saudi Arabian Labor Laws between the employee and employer relates to working hours, the scope of wages, severance and termination pay, and overtime pay.

Review of United Arabs Emirates Employment Law

Seven Emirates makes federal-state make in the United Arabs Emirates. Executive and legislative functions are grouped as the Union and several emirates. The government is formulating legislation to govern the central and principal aspects of the Union, while every emirate formulates and enacts its regulations and laws on different matters. However, based on the United Arabs Emirates constitution and as required by its Article 12, the legislative powers of the Union is where employment issues are restricted (Black, Beckett, & Terrizzi, 2018). Nonetheless, the exclusive power of legislation is an exception in employment matters, as outlined in Article 121 of the constitution of UAE. This exception is extended to the economic free zones that are self-governing jurisdictions with the powers to self-regulate on commercial and civil matters. An example is the (DIFC), which enacts its laws, including ¹ employment laws, “DIFC Law No. (4) of 2005 as amended by Employment Law Amendment Law No. (3) of 2012.”

The law that governs employment relationships in the United Arab Emirates is the Federal Labor Law No. (8) of 1980, and this is known to have been amended to be a Labor Law. However, various ministerial orders and decrees regulate certain aspects of employment relations, such as employment of young persons and women, inspection of workplaces, and health and safety issues.

It is important to mention that the Labor laws help protect workers, and any contractual agreements that are not beneficial to the workers or do not meet the ones given for in the Labor Law are deemed null and void (Black, Beckett, & Terrizzi, 2018). The employment laws in UAE set the minimum benefits for employees in employment.

The Ministry of Human Resources and Emiratization is tasked with regulating employment in the United Arab Emirates. The ministry's role includes "approving employment contracts and issuing work permits, and it is also responsible for the health and safety of employees by undertaking workplace inspections" (Black, Beckett, & Terrizzi, 2018, p. 642). Employment- the Committee first hears disputes of the labor dispute. However, the Committee of Labor Disputes hardly issues binding decisions or judgments but settlements that can be accepted or denied by the disputing parties. In addition, each court's jurisdiction has the authority to hear employment disputes that the Labor Dispute Committee does not settle. Also, cases that employees bring as per the Labor Law are "exempted from court fees at all stages of litigation, unless the claim is not accepted or is dismissed, in which case the court may order the employee to pay all or part of the court fees" (Black, Beckett, & Terrizzi, 2018).

Review of United States Employment Laws

Employment laws in the United States are derived from state, federal, and local regulations. Federal law is the source of employment rules and statutes, but most legislative action has occurred in recent years at local and state levels. It applies to all fifty states, including Washington DC. Moreover, it often pre-empts local and state laws when they conflict (Sholinsky & Popper, 2021). Local and state laws have increased employee legal protection, rights, and benefits of employees. The legal obligations of employees have expanded. Hence, employees now enjoy better rights compared to what is stated under federal law.

The primary legislation regarding employment is the anti-discrimination law that involves Americans with Disability, equal pay, and civil rights Act. The federal law outlaws discrimination in regard to, gender, race, color religion, and nationality. The United States (EEOC), coupled with its local and state legislation, oversees the implementation of the laws for anti-discrimination. In addition, other local and state agencies impose various laws that govern employment relations. An excellent example is NLRB that enforces the National Labor Relations Act. NLRB licenses non-managerial and non-supervisory staff within the private sector to engage in specific "protected

concerted activities" like collectively discussing the conditions and terms of employment, collectively bargaining with their employees, and engaging in union organizing activities. The USA Occupational Safety and Health Administration ensures healthy and safe conditions for working in America. The United States Department of Labor (DOL) promotes workers' welfare by ensuring a minimum hourly wage, overseeing healthcare benefits and retirement laws, and offering unemployment insurance.

Comparison of Employment Law Saudi Arabia and the United States of America

Significant Cases

As a jurisdiction, Saudi Arabia does not have cases that form a source of law or binding precedent of law. In addition, the case laws are unavailable for review by the public, which implies that review laws about Saudi Arabia Labor Laws need to emphasize on implementing rules, laws, circulars as well as regulations provided by the Ministry of Labor and government institutions coupled with the experience and knowledge.

In UFA, The Labor Laws mandate employers to enter a written contract with employees. Still, if they fail to enter a written contract, the validity, existence, and terms and conditions, only proof/evidence is used to prove the employment relationship. The Labor Law in Article 38 offers two contracts: a limited period contract and unlimited period contracts. A limited period contract outlines the contract term. Both parties renew a shorter period or even similar terms or contracts at the end of the term.

On the other hand, unlimited contract duration is not written. It never offers a term even if two parties continue to perform a limited contract after the expiry of the term of the limited contract without a written renewal of the contract. An unlimited contract remains in effect until either party terminates it by the mechanism provided for by the Labor law.

However, in the USA, Several significant cases have emanated from the Supreme Court of United States that address various employment-related issues. These cases include:

Comcast v. (NAAOM). The court demanded

"a claim of race discrimination under 42 USC Section 1981 requires that the plaintiff show that race was the 'but for' cause of the injury."

Babb v. Wilkie: Following *Comcast's*, opinion the Supreme Court opined on another case concerning appropriate causality standards regarding discrimination claims brought as per the provisions of the ¹ Age Discrimination Employment Act of 1967 (ADEA). In this case, the court requires ¹ that “a heightened but-for causation standard should not be applied to federal employees and applicants to prove age discrimination” (Sholinsky & Popper, 2021, p. 697).

Clayton vs. Bostock: this case, merged with “*Altitude Express v. Zarda* and *R.G. & G.R. Harris Funeral Homes Inc. v. Equal Employment Opportunity Commission*,” raised discriminatory issues ⁵ based on sexual orientation. The Supreme Court opined ⁵ that “Title VII makes it unlawful for employers who fail or refuse to hire or to discharge any individual, or otherwise to discriminate against any individual concerning his compensation, terms, conditions, or privileges of employment, because of such individual's race, color, religion, sex or national origin” (Sholinsky & Popper, 2021, p. 697).

Basics to enter an Employment Relationship.

Employment Relationship

It is clear that ¹ in Saudi Arabia, Employment relationships are established by a “contract concluded between an employer and the employee, whereby the latter undertakes to work under the management or supervision of the former for a wage” (Article 50 L.L.). Saudi employees have two options: The “at-will” and fixed-term employment contracts. The ³ non-Saudi employees have ³ fixed-term employment contracts only, which must define the duration of the contract. Also for foreign employees must keep detailed paperwork for an employment visa and “contribute to the Occupational Hazards Branch of the General Organization for Social Insurance,” among other requirements. There are unlimited foreign employees a company can have. Still, ¹ there are ¹ minimums as to the number of Saudi Arabian company employees must have compared to those ³ hired from ³ foreign countries (Balouziyeh & Burns, 2018). Failure to meet the minimums can ³ result ³ in fines and non-renewal of permits for residence. Moreover, employers must pay 2 percent of their wages from their pocket for foreign employees and 9 percent for Saudi Arabian employees for annuities. There is no union for workers in Saudi Arabia, but a proposal had been passed to form a worker's Union available to companies employing more than 100 people only.

In UEA, the Labor Laws mandate employers to enter a written contract with employees. Still, if they hesitate to contract, the validity and existence and terms and condition of the employment relationship can be proved through evidence. The Labor Law in Article 38 offers two contracts: a limited period contract and unlimited period contracts. Both, parties can opt to renew as the term end. An unlimited contract remains in effect until either party terminates it by the mechanism provided for by the Labor law.

Most employment relationships in the U.S. are directed by the doctrine viewed as at-will, which implies that an employment contract may end for any lawful reason without notice or cause. Also, employers can change the terms of the conditions and terms of employment unilaterally.

Probationary Periods

As stated in Article 53, the Saudi Arabian labor Laws accept a ninety-day probationary duration. Any party can end the contract during the probation period for any reason. Moreover, the probation period can be extended for 90 days for those parties that wish.

In UEA, Article 37 of the Labor Law provides that employers offer probationary periods not more than six months. The hiring agency may end the employment contract during the probationary period without notice. This will automatically end-of-service gratuity, with no compensation for dismissal. This applies if the contract is ended during the probationary period (Black, Beckett, & Terrizzi, 2018).

Employing Agencies in the America are not legally permitted to establish probationary periods, and in cases where it is applicable, the employees do not receive certain benefits such as health insurance.

Establishing Presence

A company from a foreign nation will not operate or employ workers in Saudi Arabia until it is registered officially to conduct business. The corporation may not employ through a third party and with no registration because the Labor Law requires that workers be under the employer's sponsorship (Balouziyeh & Burns, 2018). However, a company can bypass this requirement by "to pay a local agent to have one of the agent's employees seconded to the foreign company for a set period. During this period, the employee will remain under the sponsorship of the agency,

which will continue to pay the employee's salary and provide his or her benefits" (Balouziyeh & Burns, 2018, p. 520).

Any foreign firm that wishes to carry out ¹business in the UAE must be licensed and registered in the UAE. No foreign company can engage any business in the UAE without a valid license. Moreover, the strict immigration requirement makes it hard for companies not registered to hire employees since a licensed company in UAE must sponsor employees to get a work permit.

Companies carrying out business in the USA must be registered with state and federal authorities, get numbers for tax identification, and make payments to several payroll and taxes for businesses.

Wages

Under Saudi labor law, Article 90.2 outlines that employees' wages are paid to an employee's account. Obviously this is sent to an accredited in-country bank. Moreover, it allows employees to work only forty-eight hours a week during non-holidays. Besides no more than working for six hours a day or 36 hours particular when during Ramadan" (Balouziyeh & Burns, 2018, p. 516). “

In UEA, Salaries need to be paid in the national currency employee's nationality and often structured and broken down to monthly figures made of a basic salary and other allowances. Article 65 to 73 of the UAE Labor Laws provides, “the maximum working hours are eight hours each day and 48 hours a week, and no more than five consecutive work hours may be worked without a rest period”. “The maximum number of daily hours may be increased to nine hours per day in commercial establishments, hotels and cafes, security services and any other operations by order of the Ministry of Human Resources and Emiratization.” (Black, Beckett, & Terrizzi, 2018, p. 647). The order from the Ministry of Human Resources and Emiratization can also reduce the working hours. Work exceeding the maximum daily hours is treated and paid as overtime.

Conclusion

The employment laws in the different countries differ in various aspects. For instance, in Saudi Arabia and UAE, their laws do not allow unionized movements to negotiate in places of employees for better terms. This responsibility is left to federal laws that govern employment

relationships, unlike in the United States, which has a well-established law governing unionization of workers in private and public services. However, a major similarity between these laws is that all are employee-oriented as they all focus on protecting the rights of employees and their working environments.

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