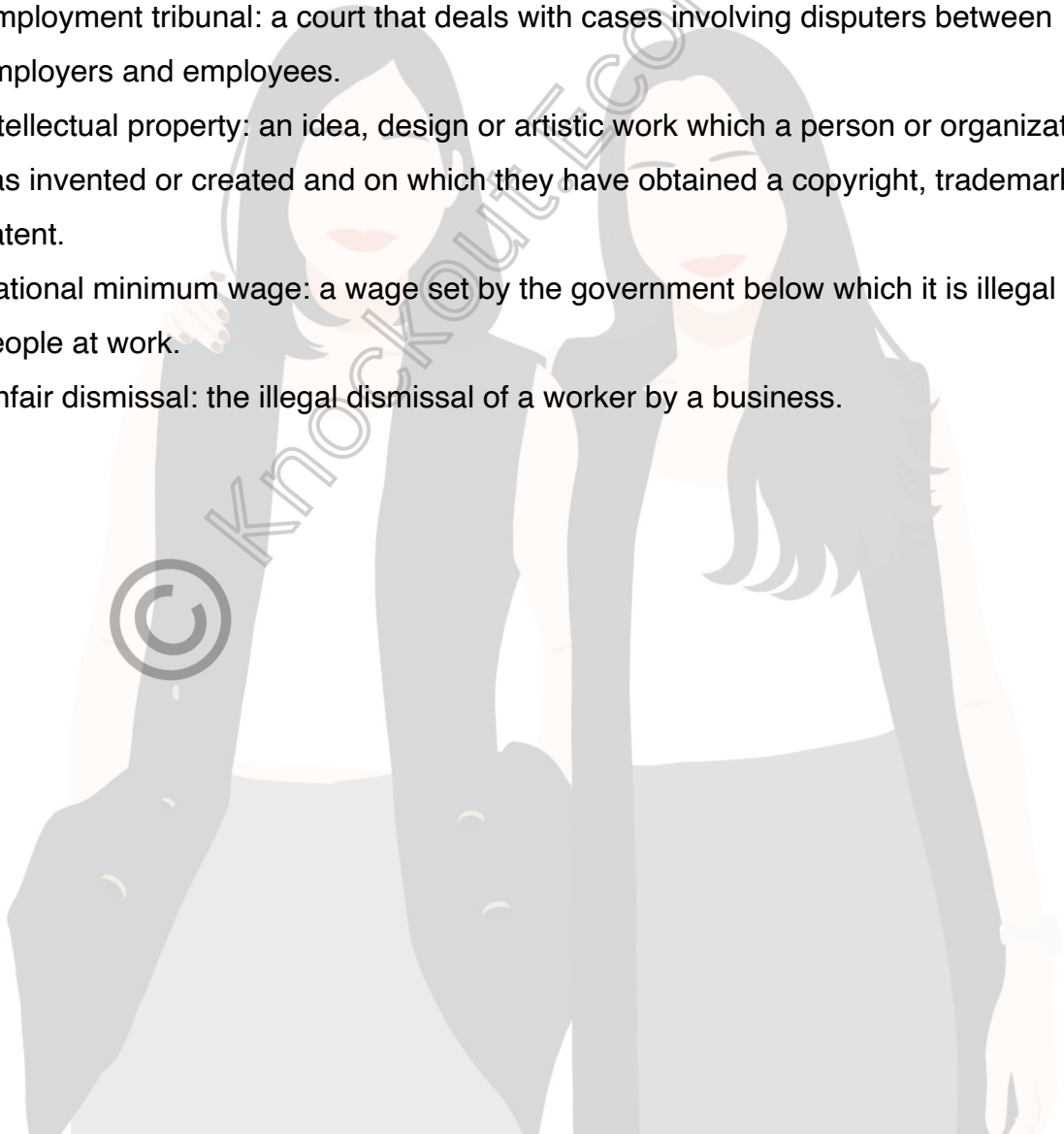


## Chapter 42 Legislation

### Key terms

1. Anti-competitive or restrictive practice: attempts by firms to prevent or restrict competition.
2. Collusion: two or more businesses agreeing to restrictive practice, such as price fixing
3. Contract of employment: a written agreement between an employer and an employee in which each has certain obligations.
4. Copyright: a legal right that grants the creator of an original work exclusive rights for its use and distribution. Usually only for a limited time.
5. Discrimination: favoring one person over another. For example, in the EU it is unlawful to discriminate on grounds of race, gender, age.
6. Employment tribunal: a court that deals with cases involving disputes between employers and employees.
7. Intellectual property: an idea, design or artistic work which a person or organization has invented or created and on which they have obtained a copyright, trademark or patent.
8. National minimum wage: a wage set by the government below which it is illegal to pay people at work.
9. Unfair dismissal: the illegal dismissal of a worker by a business.



## 1. The need for legislation in business

- Without legislation, businesses might not care stakeholders e. g. pay low wage to workers
- Government has to find the right to balance.
- Too much legislation might reduce economic growth y employment, tax revenue, consumer choice.

## 2. Consumer protection

- About quality of product, price of products and consumer right.

## 3. How does consumer legislation affect businesses?

- Increasing cost
- Quality control

## 4. Employee protection

- 1.) Employment contract : legal agreement between employees and employers
- 2.) Discrimination : it is illegal in most countries to discriminate on grounds of gender, race, disability, sexual, age.
- 3.) Unfair dismissal : unfair dismissal such as
  - ↳ joining trade union
  - ↳ refused to work on a sunday
- 4.) Equal pay : woman have not received the same pay as men in many countries

## 5. How does employment legislation affect businesses?

### Negative effects of employment legislation

1. **Compliance cost:** expense incurred by a business in meeting the requirements of employment and related legislation.
2. **High labour cost:** minimum wage
3. **Changing working practices :** Business has system to deal with compliance and human resource management.
4. **loss of flexibility** e.g. law about child labour, part-time workers.
5. **Penalties:** if businesses fail to comply with the laws outlined above there may be penalties.

## 6 Environmental protection

- Some business activities can have a negative effects on environment.
  - 1.) It pollution (air, water)
  - 2.) Destruction of wildlife habitats
  - 3.) Traffic congestion
  - 4.) Resources depletion

## 7. Competition policy

- without government regulation some businesses would exploit consumers by using anti-competitive or restrictive practice to reduce competition in the market.

## 8. Health and safety

### Businesses need to provide a safe and healthy workplace.

- 1.) it providing and maintaining adequate safety equipment and protective clothing.
- 2.) enough space for work
- 3.) guaranteeing a hygienic environment.
- 4.) maintaining workplace temperature.
- 5.) providing protection from environment, stress.
- 6.) providing adequate breaks for rest.

## 9. Intellectual property right

- **Intellectual property** is something unique that is physically created.
- **Intellectual property can be owned if:**
  - ↳ It is created patents, copy right
  - ↳ the intellectual property rights are purchased from the creator.
  - ↳ the business has a brand that could be a trademark e.g. well-known product name.