The temporary agency work sector across Europe

Denis Pennel - Eurociett Managing Director



Eurociett in a nutshell

- Eurociett represents 36,000 companies (57,000 branches), employ 250,000 internal staff and more than 3 million agency workers on a daily average (FTEs) and around 10 million a yearly basis (headcounts)
- Is the only authoritative voice representing the interests of the reputable agency work businesses in Europe:
  - Accounts for more than 90% of the total sales revenues of the industry in Europe
  - Recognised by the European Institutions as well as by key European stakeholders (e.g. ETUC, UNI-Europa, BusinessEurope)
- Eurociett is the only association representing agency work:
  - At large: brings together 30 national federations
  - In its diversity: uniting 7 of the largest multinational staffing companies as well as tens of thousands of SMEs
- Eurociett Members consist of private companies operating in the following HR activities: temporary agency work, recruitment, interim management, executive search, outplacement, training

eurociett
European Confederation of Private Employment Agencies

Eurociett National Federation members



eurociett
European Confederation of Private Employment Agencies

Corporate Members

Adecco
better work, better life

Hudson
FROM GREAT PEOPLE TO GREAT PERFORMANCE®

KELLY SERVICES

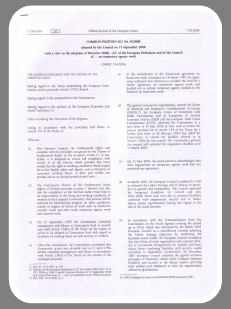
Manpower®

randstad
work solutions

Gi Group
YOUR JOB, OUR WORK

usg people

Eurociett long term objectives



Shaping appropriate regulation for the TAW industry

- Implementation of the Agency Work Directive
- Discussion on the Posting of Workers Directive
- Promoting quality standards



Striving for a better recognition of its contribution to a well-functioning labour market

- EU 2020 Strategy
- Supporting economic recovery
- Cooperation between public & private employment services



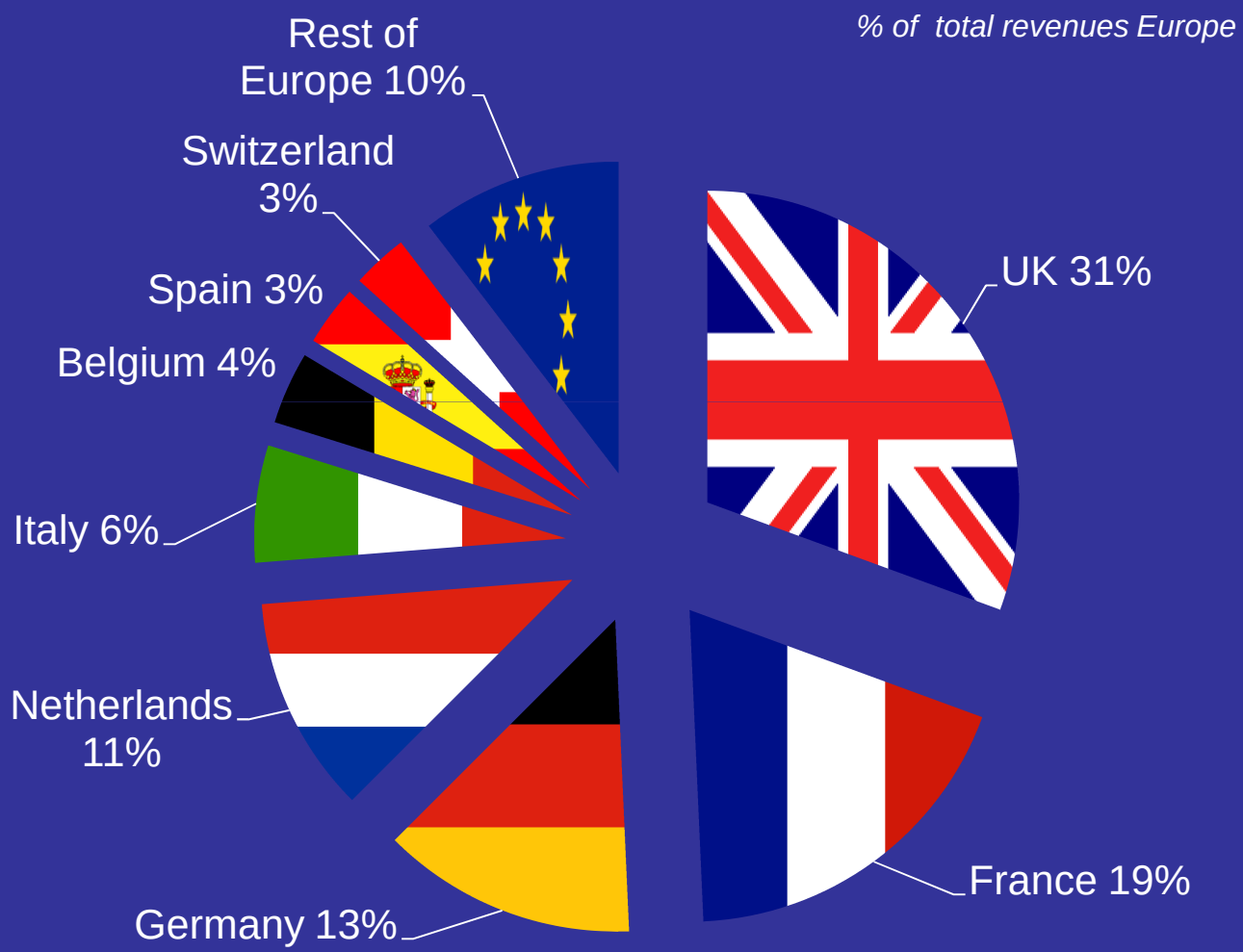
Developing constructive relationships with European trade unions to advance understanding of the TAW industry

- Eurociett recognised as an official EU social partner for the TAW sector since 2000

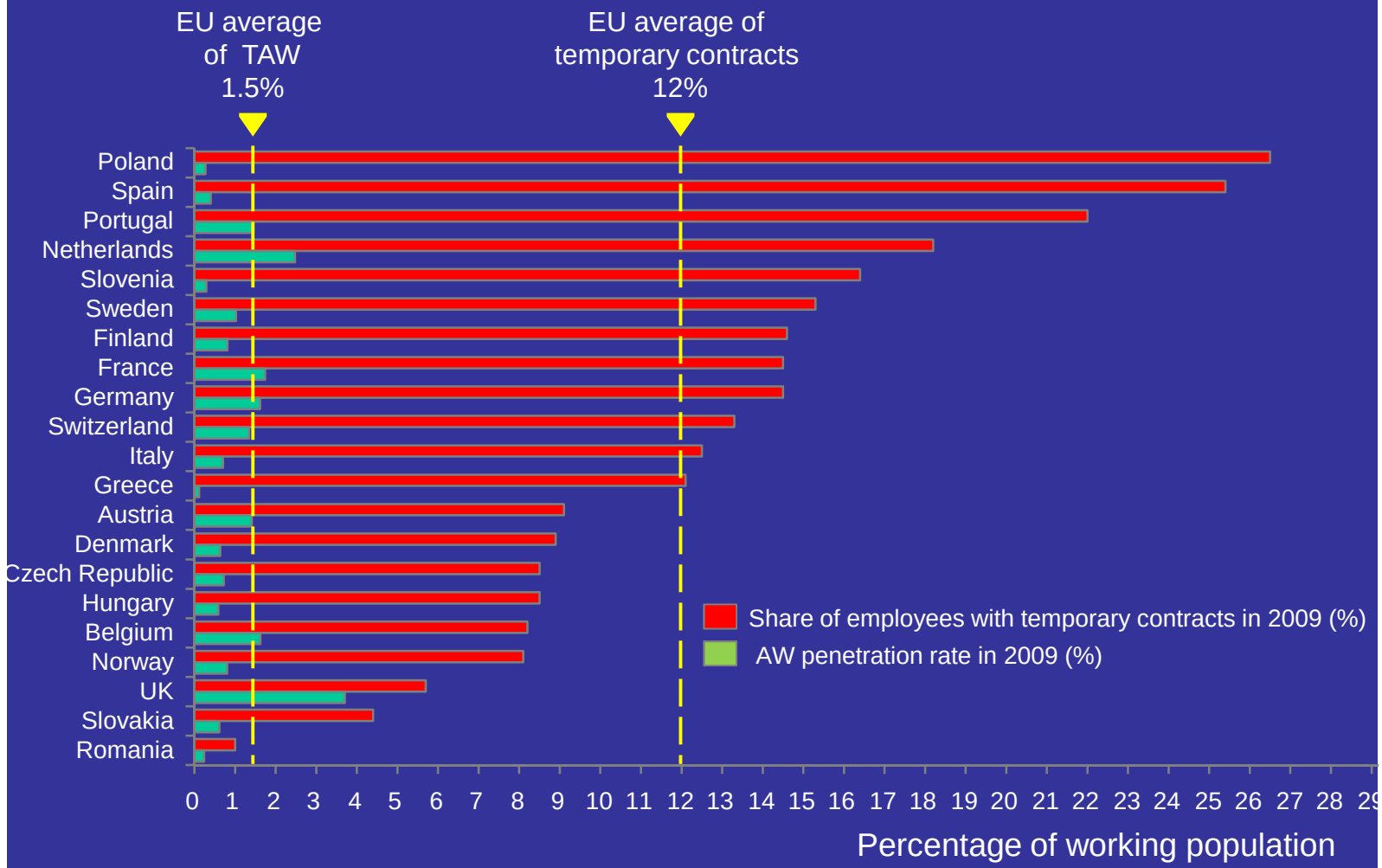
eurociett
European Confederation of Private Employment Agencies

Where does the Temporary Agency Work industry stand now in terms of development in Europe?

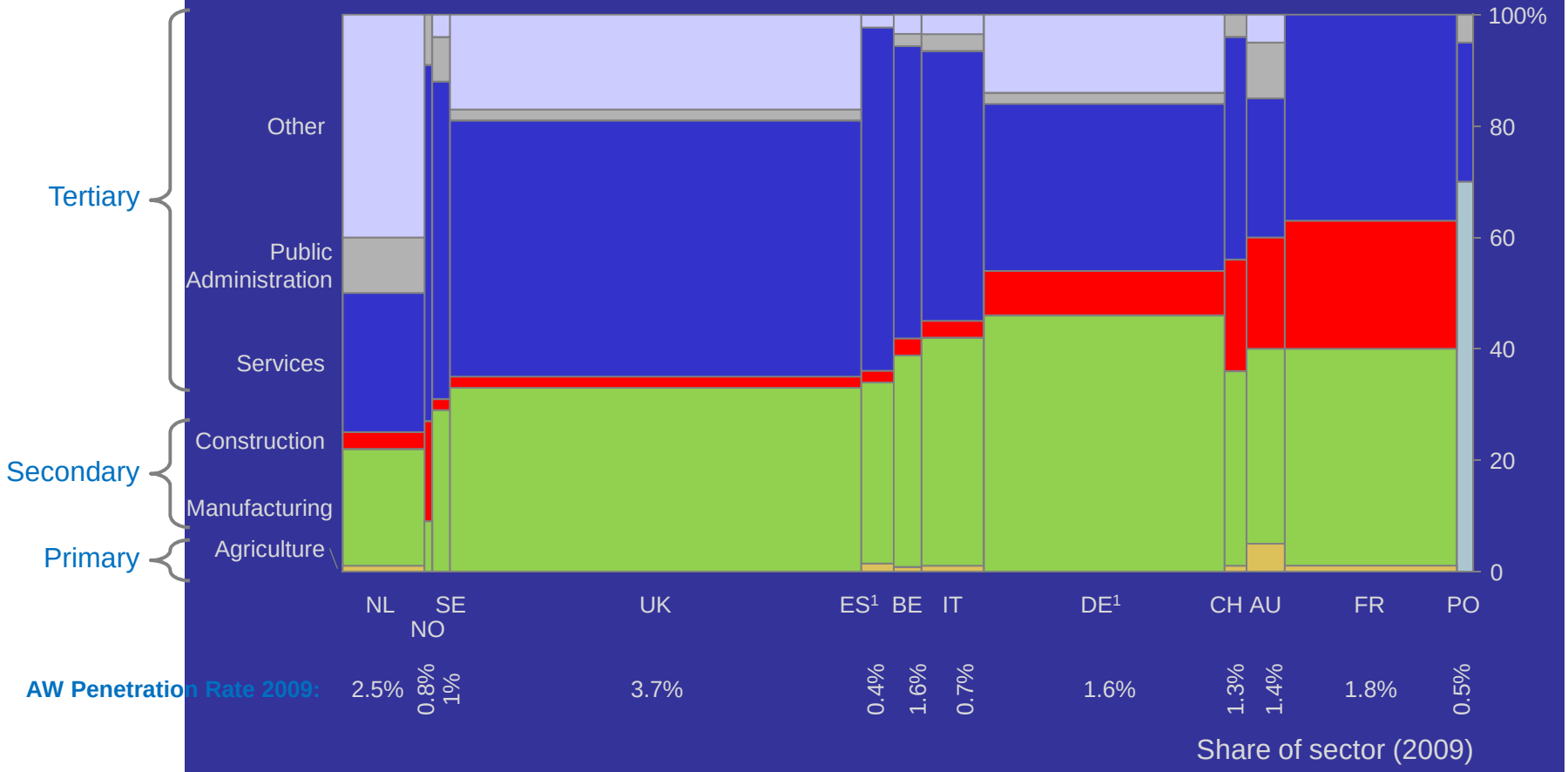
European TAW market split per country



TAW penetration limited compared to all temporary contracts (2009)



Importance of sectors differs between countries



The diversity of agency workers' profile should be recognised



Students

(make money to fund studies and/or vacations)



Workers reentering the labour market

(work as temps after period of unemployment /maternity leave)



Workers looking for a permanent job

(Second best choice but see AW a stepping stone)



First time entrants

(enter the labour market and gain first work experience)



Flex Professionals

(not looking for a permanent contract)

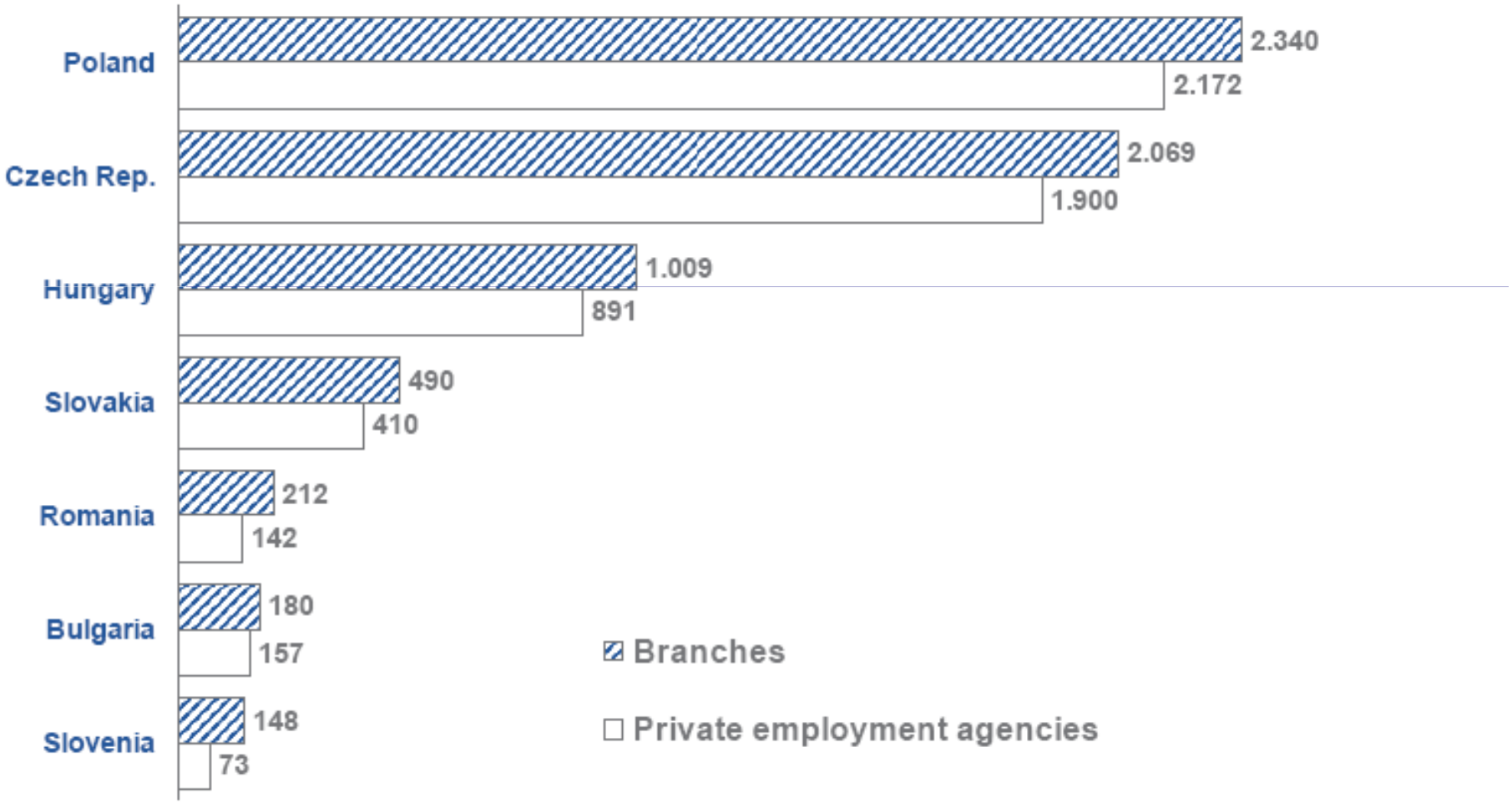


Senior workers

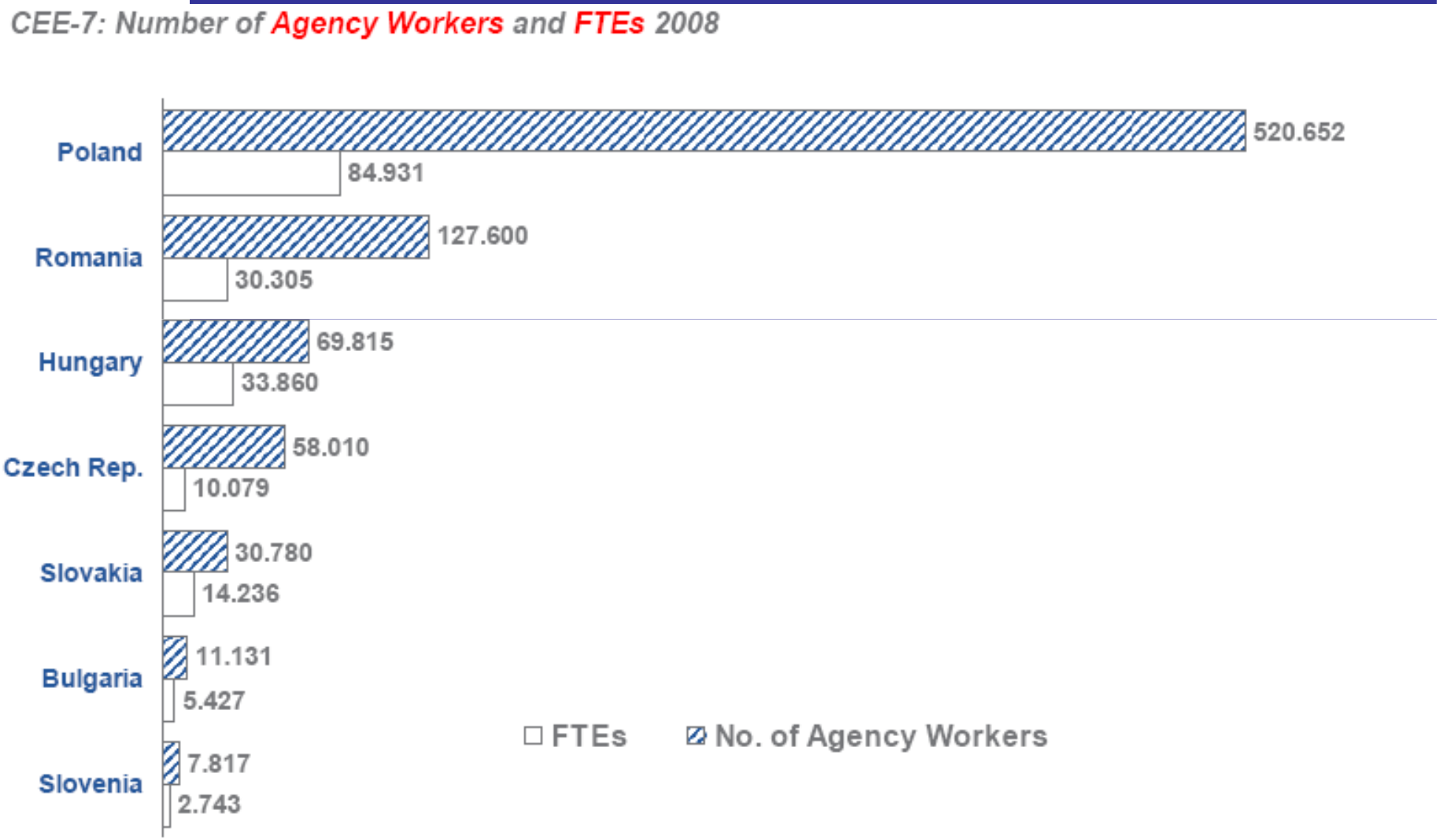
(remain employed to get additional incomes)

Number of PrEAs in CEE

*CEE-7: Number of **Private Employment Agencies** and **Branches** 2008*

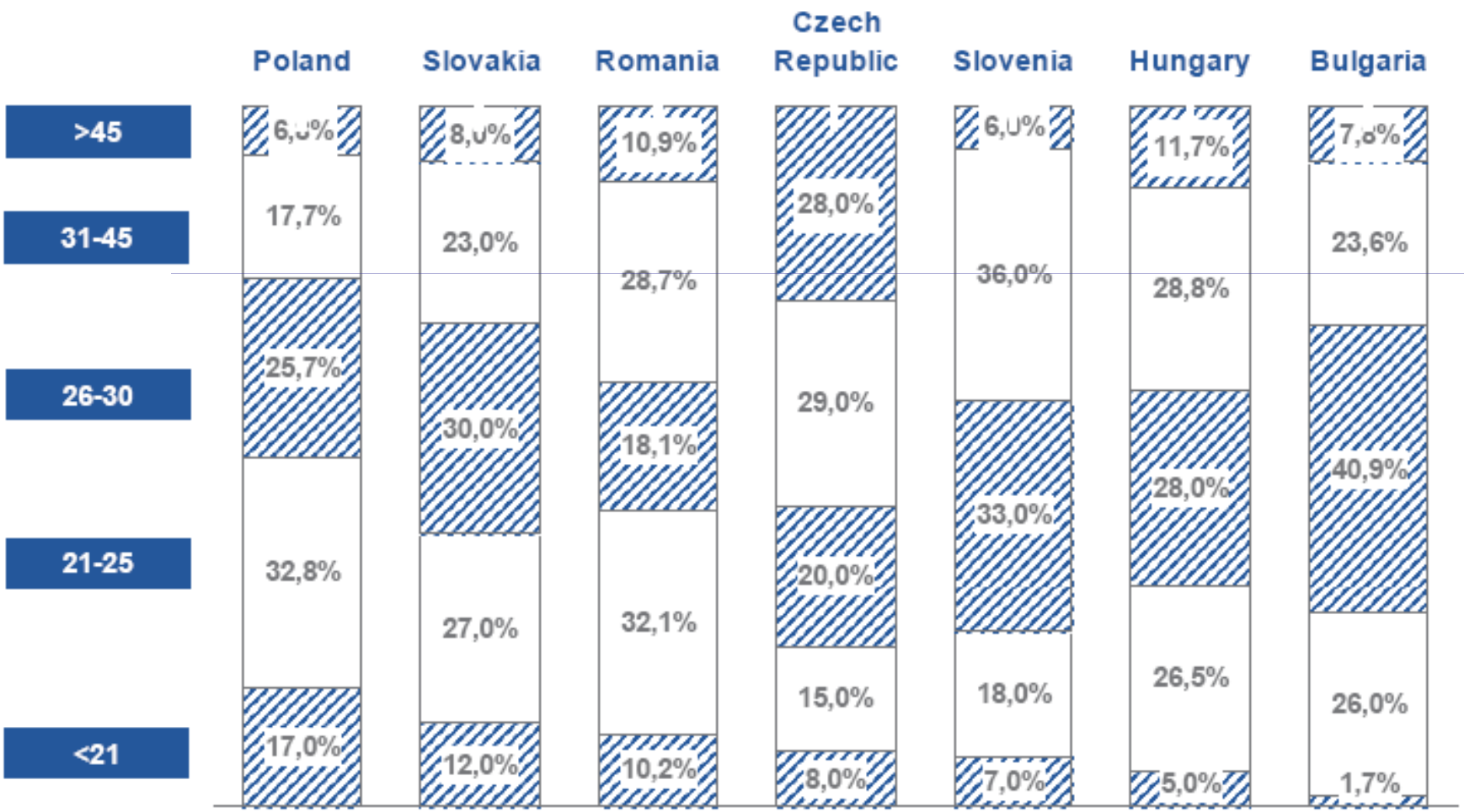


Number of temporary agency workers in CEE



Age split of agency workers in CEE

CEE-7: Age Groups 2008



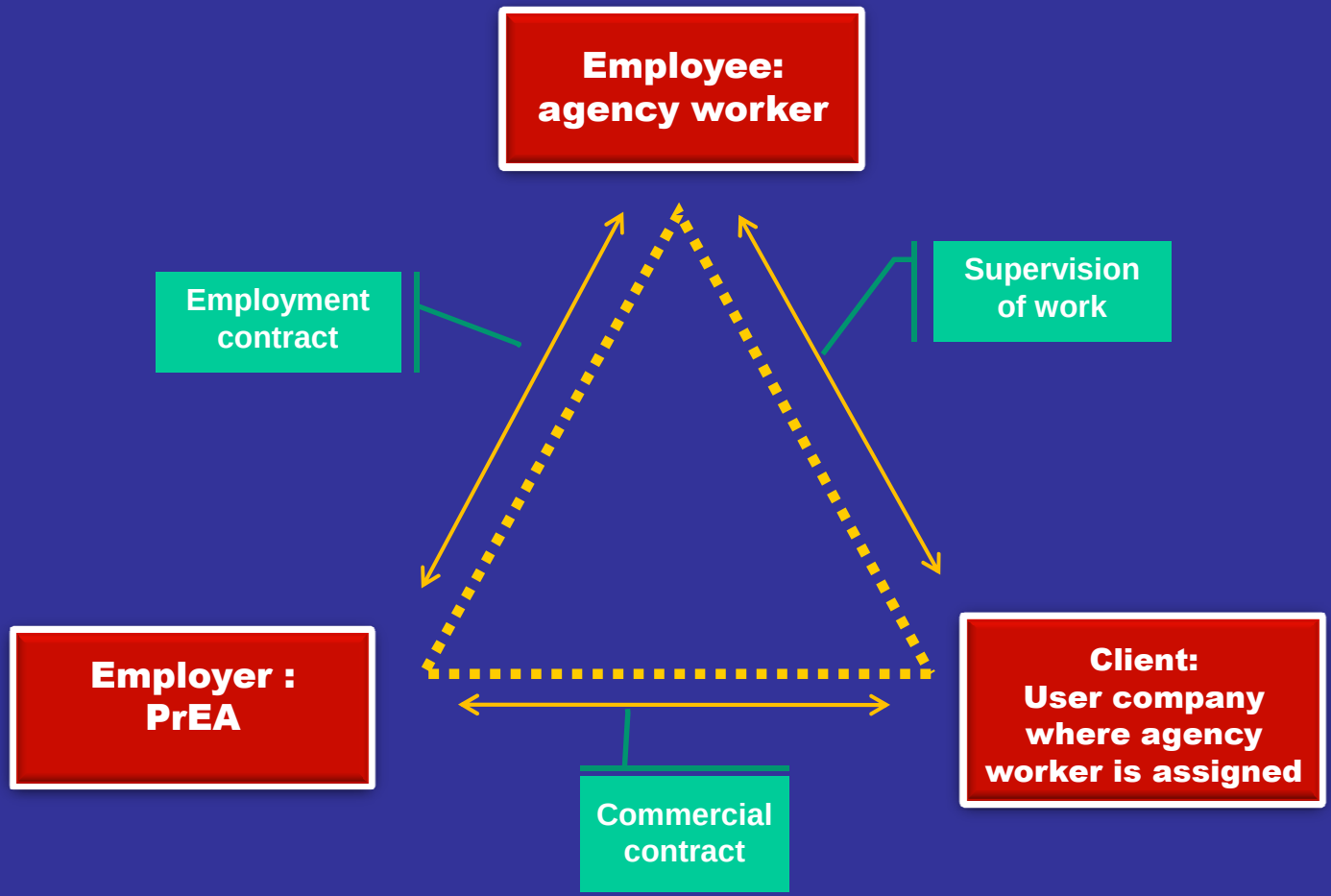
The implementation of the AWD: Towards an harmonisation of regulation at EU level?



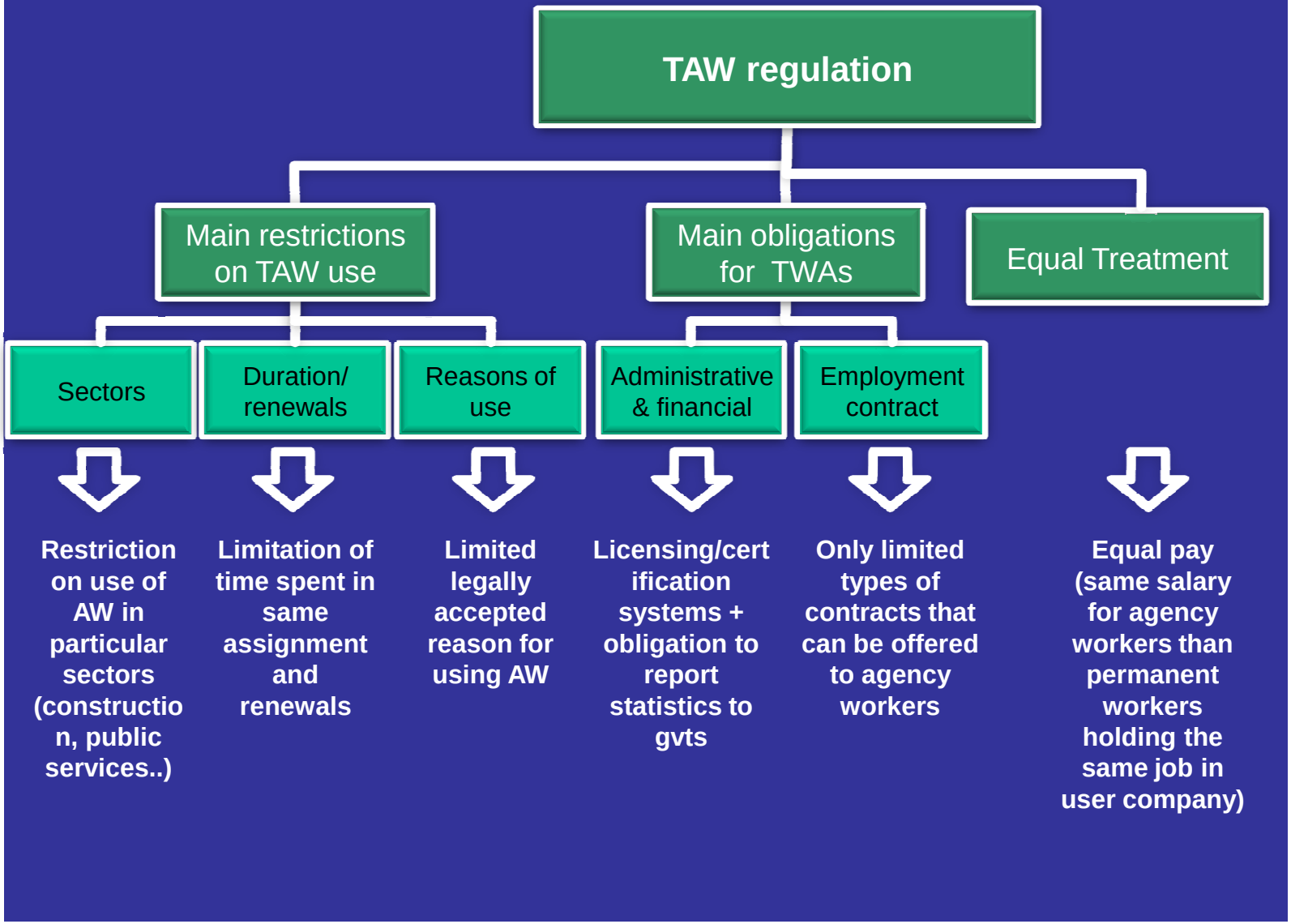
The need to recognise the specificity of the triangular work relationship

Agency Work is based on a triangular relationship between an agency, a worker and a user company

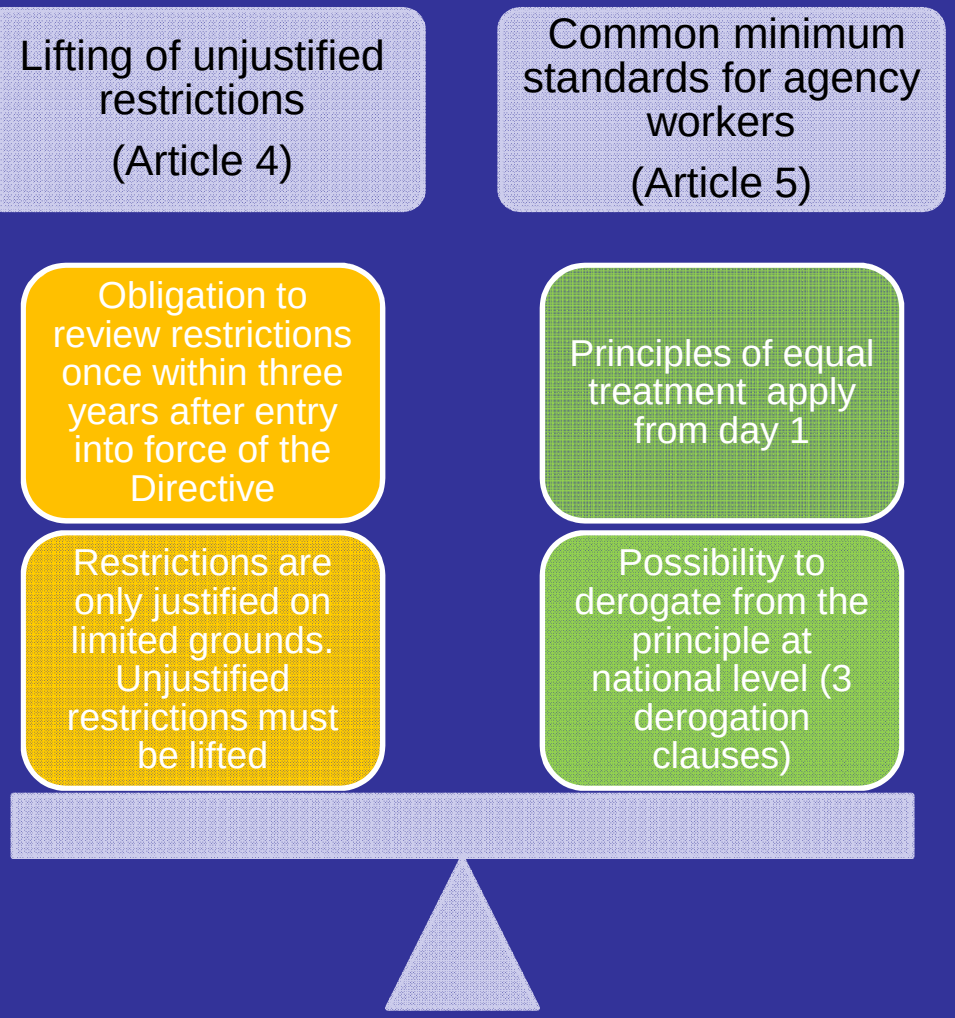
(not related to fixed-term contracts, subcontracting or self employment)



Most common conditions to the use of TAW in EU



The Agency Work Directive
A balanced solution has been found



Preamble:

"TAW meets not only undertakings' needs for flexibility but also the need of employees to reconcile their working and private lives. It thus contributes to job creation and to participation and integration in the labour market"

AWD: What kind of restrictions are to be reviewed (Article 4)

Limited length of assignment	Belgium, Czech Republic, Finland, France, Greece, Luxembourg, Poland, Portugal, Romania, Slovenia, Spain, Sweden
Sectoral bans	Belgium (removal, public sector) France (public sector, work doctors) Germany (construction) Luxembourg (public sector) Netherlands (sea shipping) Spain (construction, public sector)
Limited reasons for use	Belgium, Finland, France, Italy, Luxembourg, Netherlands, Poland, Portugal
Limitation on TAW contract renewals	France, Italy, Luxembourg, Romania, Sweden
Waiting period	France, Luxembourg, Hungary
Compulsory exclusivity of TAW services	Greece, Luxembourg, Portugal, Spain
Limitations on number of temporary agency workers	Austria, Italy, Sweden

AWD: How to apply the Equal Treatment principle (Article 5)

- Equal treatment covers “basic working and employment conditions” defined as:
  - Pay (to be defined at national level)
  - The duration of working time, overtime, breaks, rest periods, night work, holidays and public holidays

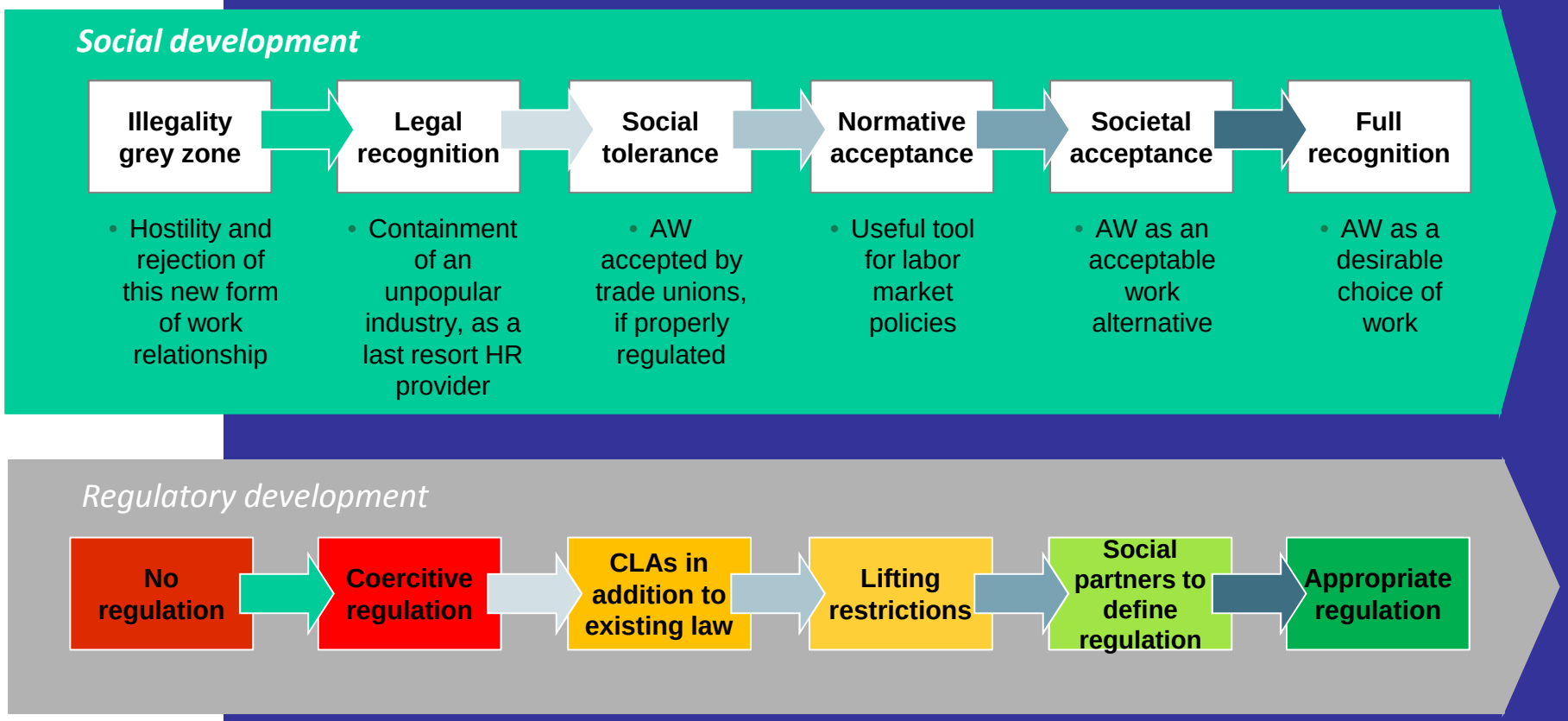
- Directive allows for three forms of derogations:
  - For open-ended contracts
  - Through collective labour agreements
  - By agreement of social partners for countries that do not have a system of universally applicable CLAs

- Eurociett is calling national social partners to discuss benefits of some derogation to the Equal Treatment principle for a limited period of time (e.g. to help long term unemployed to re-enter the labour market)

Article 5: Equal Pay/Treatment as currently in place in EU

Countries with Equal Treatment regulation	Countries with no Equal Treatment provision	Countries with no specific regulation on Agency Work
• Austria • Belgium • Czech Republic • Denmark • Finland • France • Germany • Greece • Hungary • Italy • Luxembourg • Netherlands • Poland • Portugal • Romania • Slovakia • Slovenia • Spain • Sweden	• Ireland • UK (draft law establishes a 12 week derogation)	• Bulgaria • Cyprus • Estonia • Lithuania • Latvia • Malta

Regulation: The timeline evolution of agency work acceptance



eurociett
European Confederation of Private Employment Agencies

To what extend TAW can help to improve functioning of the labour markets in East & South East Europe?

TAW ensures job creation

Almost two thirds of user organizations would not have created jobs if they had no access to AW

Alternatives to AW

% of responses (total = 101)



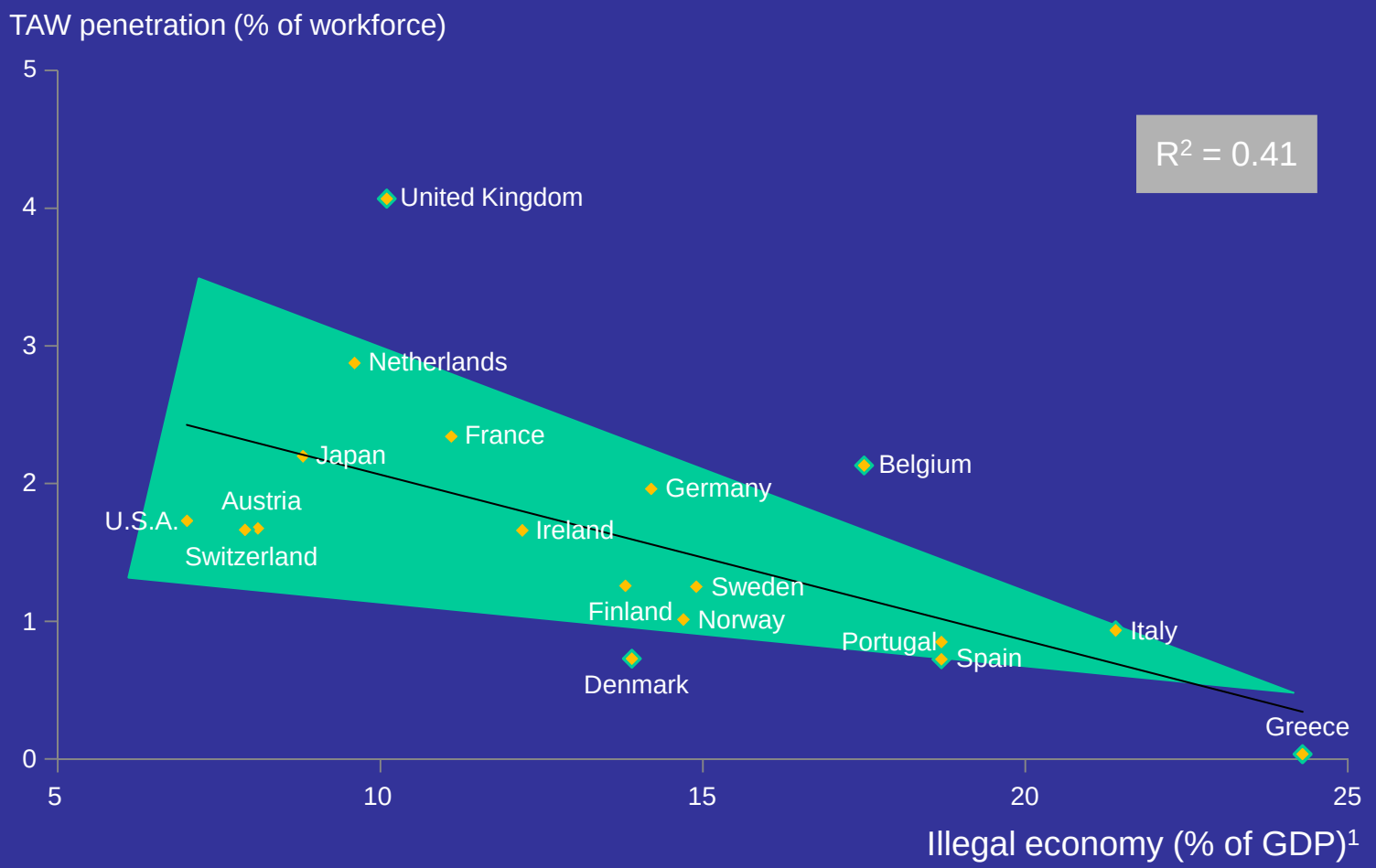
Conclusions

- 74% of companies do not consider hiring permanent workers an alternative to AW
- In 62% of the cases there would be no job creation as companies chose internal flexibility or not to do the work

Source: User organization survey, BCG analysis

TAW contributes to the fight against undeclared work

Countries with high AW have lower levels of illegal economic activity

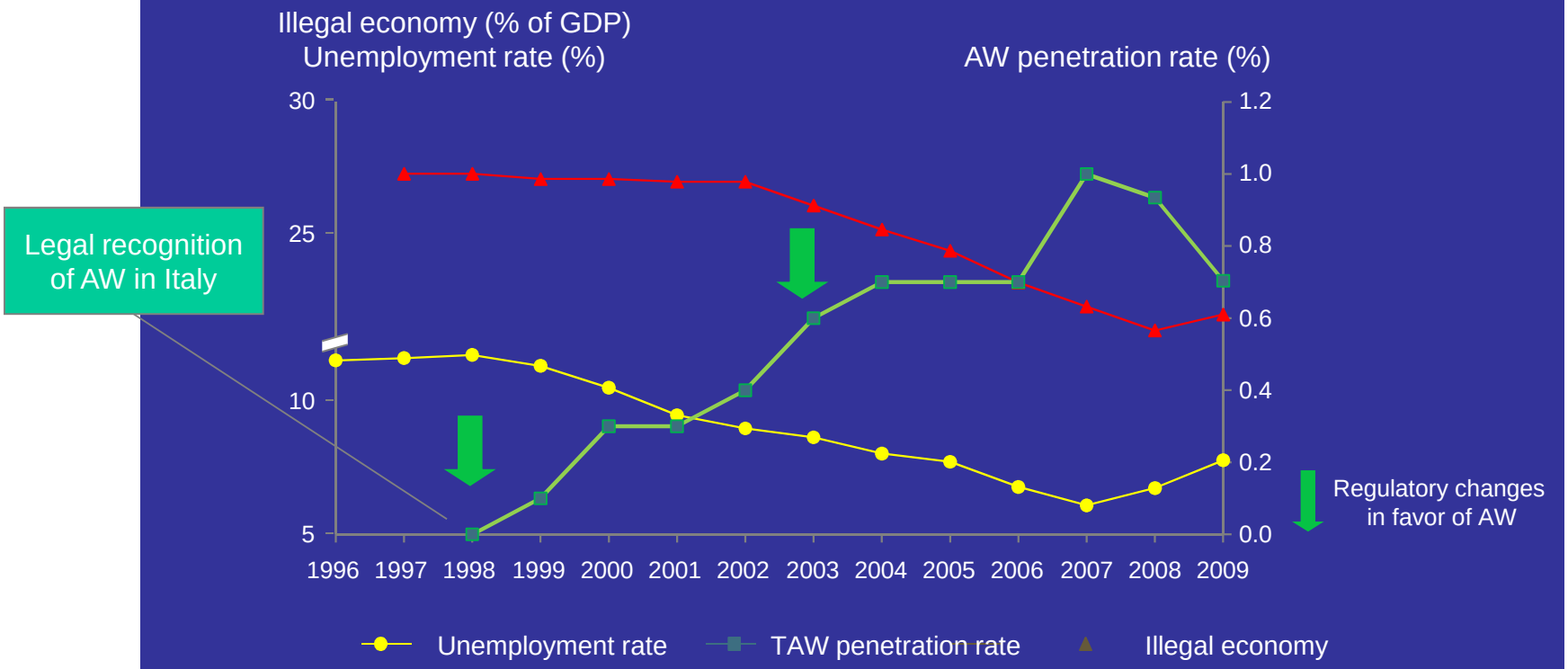


[1] Calculated using the currency demand approach and the MIMIC method; for more information see "The Influence of the economic crisis on the underground economy Germany and the other OECD-countries in 2010: a (further) increase" by Dr. Friedrich Schneider

Note: 2008 figures used in order to remove impact of crisis

Source: Prof. Dr. Friedrich Schneider, Department of Economics, Johannes Kepler University of Linz, 2010

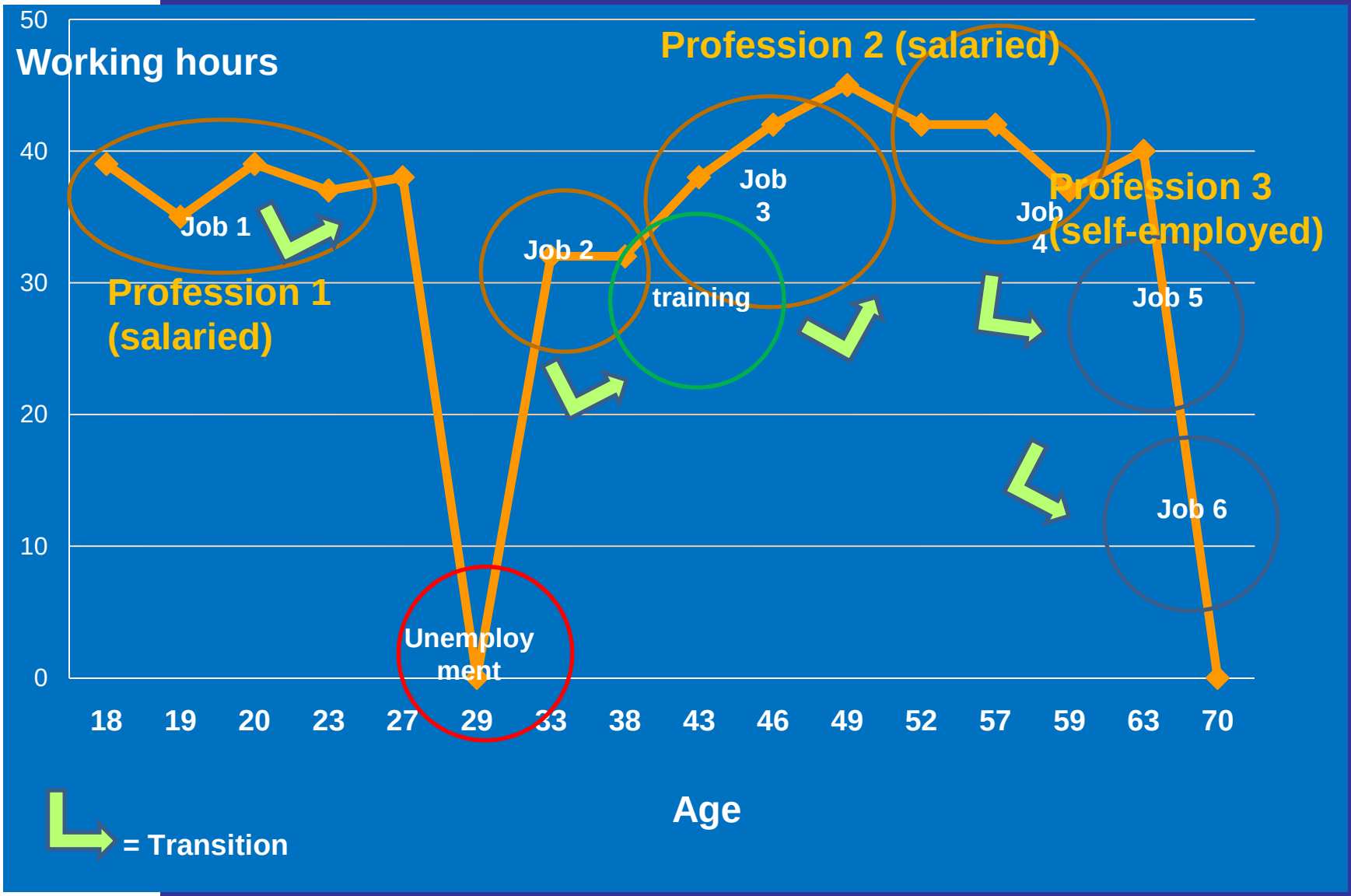
TAW helped reduce unemployment & illegal economy in Italy



Unemployment rate started to decline right after introduction of agency work

Source: OECD, Ciett national reports, GiGroup

TAW facilitates transitions through out a lifetime career path



eurociett
European Confederation of Private Employment Agencies

What can be learned from social dialogue in Western Europe?

Social dialogue:
What are the achievements so far?

- National level
  - In countries where TAW is well established, existence of robust national sector-level collective bargaining (e.g. BE, FR, IT, ES, NL, DE, AT, Nordic Countries)
  - Lead to joint actions to improve working conditions and benefits of agency workers:
    - e.g. pension funds, complimentary health insurance, training funds

- EU level (Eurociett/UNI Europa)
  - Formal EU sectoral social dialogue committee established in 2000
  - Main achievements:
    - Joint-declarations on Agency Work Directive (2001 and 2008), Flexicurity (2006) and Vocational Training (2009)
    - Promotion of national sectoral social dialogue
      - Roundtables organised in Poland (2006), Hungary (2007), Bulgaria (2009) to bring together national sectoral social partners
    - Research to improve factual knowledge of TAW:
      - Regulation of TAW in the EU 27 (2006 & 2009)
      - Joint project on vocational training provided to temps
      - Joint project on cross border activities within TAW at EU level
  - Promotion of ILO Convention 181 on PrEAs

A sector committed to social dialogue

Countries/ EUROPE	Cross-sectoral	AW sector	AW company	User companies
Austria		✓		✓
Belgium	✓	✓	✓	✓
Denmark		✓	✓	✓
Finland		✓	✓	✓
France		✓	✓	✓
Germany		✓	✓	✓
Ireland	✓			✓
Italy		✓		✓
Luxembourg		✓		✓
Macedonia		✓		
Netherlands		✓	✓	✓
Norway				✓
Poland	✓			
Portugal		✓		
Spain		✓		✓
Sweden	✓	✓	✓	✓
Switzerland		✓		✓
UK	(✓)		✓	

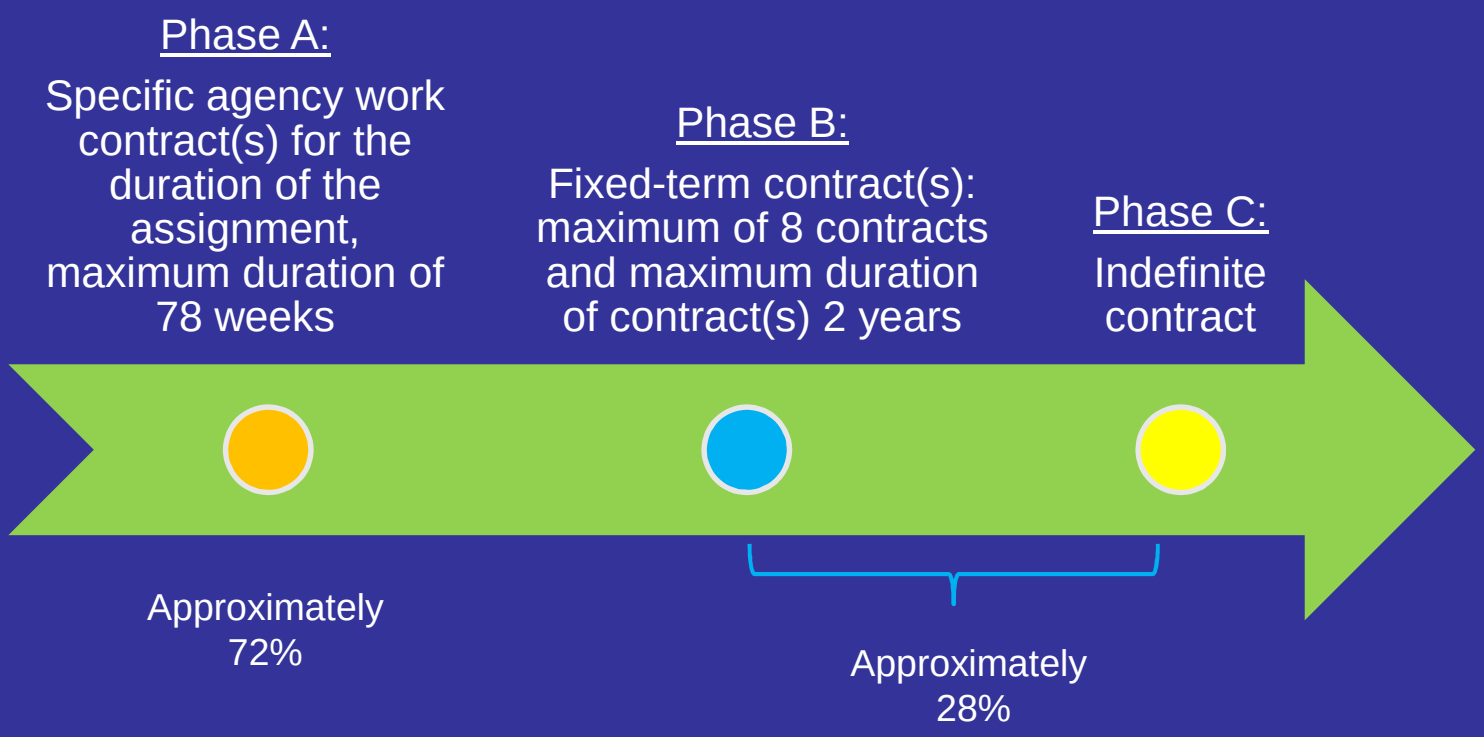
Source: Eurofound & Ciett

NB: in the UK, , cross-sectoral level refers to a single agreement between CBI and TUC rather than to collective bargaining as such.

How social partners can shape regulation TAW

The “phase model” in the Dutch CLA

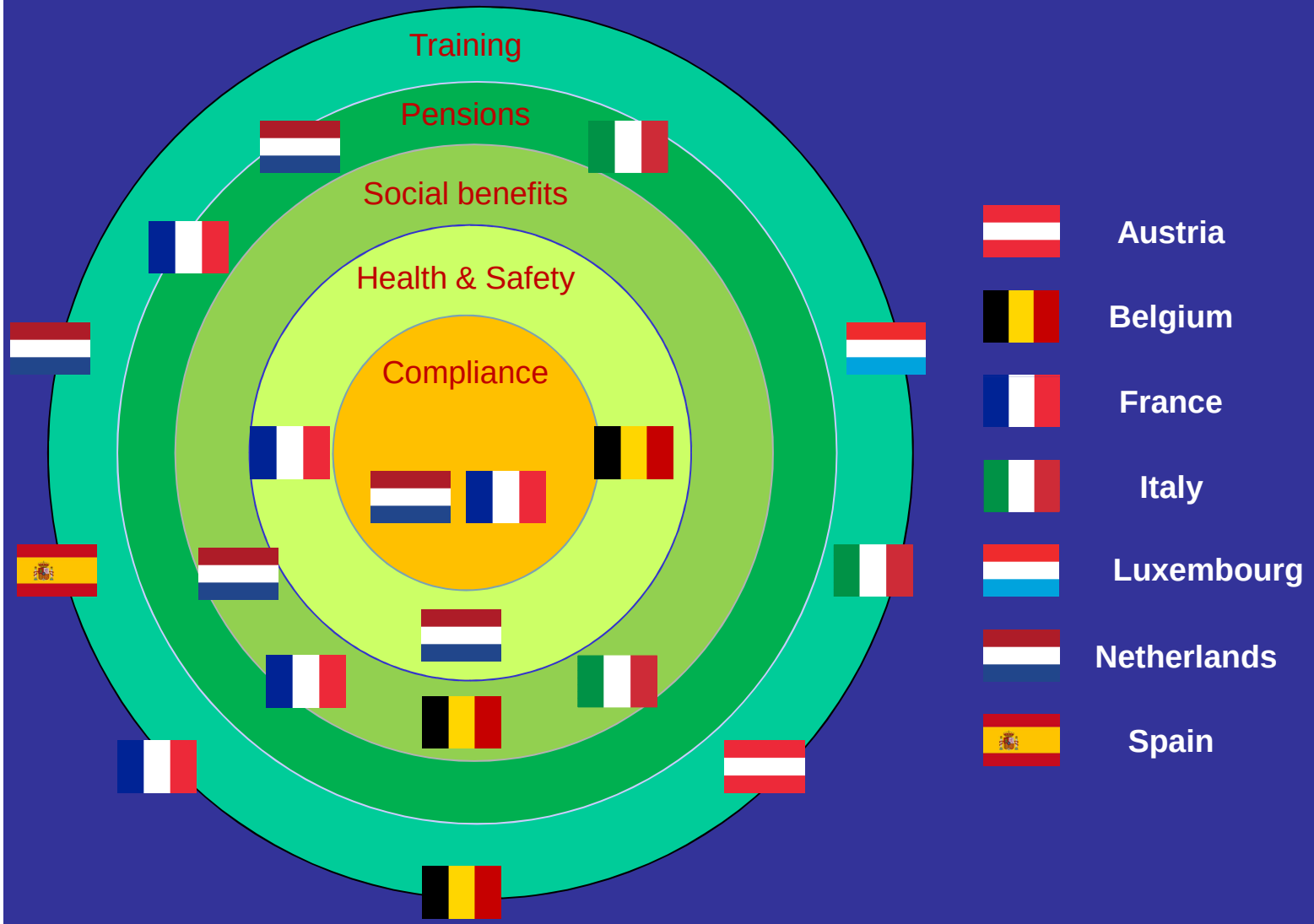
Labour contract concluded between a specific agency worker and a specific agency (= employer)



Equal pay is applied after 26 weeks in one assignment

No maximum length of assignment (since 1998 labour market reform)

Bipartite bodies in Europe for TAW



Social partners' bipartite bodies in the Netherlands for the Agency Work industry

Training (STOOF)

- Budget = € 2.6 million
- Mission= Professionalise vocational training and career development for employees & improve mobility of agency workers
- Nbr agency workers concerned = 23,120 in 2010

Social Fund (SFU)

- Budget = € 5 million (0.2% from wages)
- Mission: Providing additional benefits to agency workers regarding access to housing, credit, childcare, holidays...
- Nbr agency workers concerned = 168,271 (active) and 466,039 (inactive) in 2010

CLA Police (SNCU)

- Budget = €2,1 million
- Mission = to stimulate compliance with existing CLAs for TAW through enforcement as well as advice and educate on the application of the CLAs

Health & Safety (STAF)

- Budget = €900,000
- Mission= provide complementary instruments and information to agency workers on health & safety
- Nbr of agency workers = 211,000

Pension (StiPP)

- Budget = €107 million
- Mission= provide complementary pension benefits to agency workers
- Nbr agency workers concerned = 660,000 (including 160,000 still working for an agency)

Self-regulation (SNA)

- Mission= Deliver quality certificates to TWAs and carry out compliance audits
- 2,400 agencies with certificate
- 4,700 inspections carried out in 2010 and 322 companies removed

Social partners' bipartite bodies in France for the Agency Work industry

Training (FAF-TT)

- Budget = €150 million
- Mission= facilitate access to training for agency workers
- Nbr agency workers concerned = 40,700 in 2010

Social Fund (Fastt)

- Budget = €44.8 million in 2010
- Mission: Providing additional benefits to agency workers regarding access to housing, credit, childcare, car renting, complementary health insurance...
- Nbr agency workers = 129,000 in 2010

Inclusion (FPE-TT)

- Budget = €15.5 million
- Mission= facilitate professional inclusion of agency workers
- Nbr agency workers concerned = 40,600 in 2010

Research (OME)

- Budget = €700,000
- Mission = To commission surveys in order to increase the understanding of the TAW industry

Compliance (CPPNTT)

- Mission = to inform about and to stimulate compliance with existing legislation and CLAs for TAW

Welfare & Pension (Reunica)

- Mission= To provide welfare and complementary pension schemes to agency workers
- Nbr of affiliated agency workers = 50,000 in 2009

Health & Safety (CPNSST)

- Mission= To provide complementary instruments and information to agency workers on health & safety

Conclusions: What are our points of common interest?

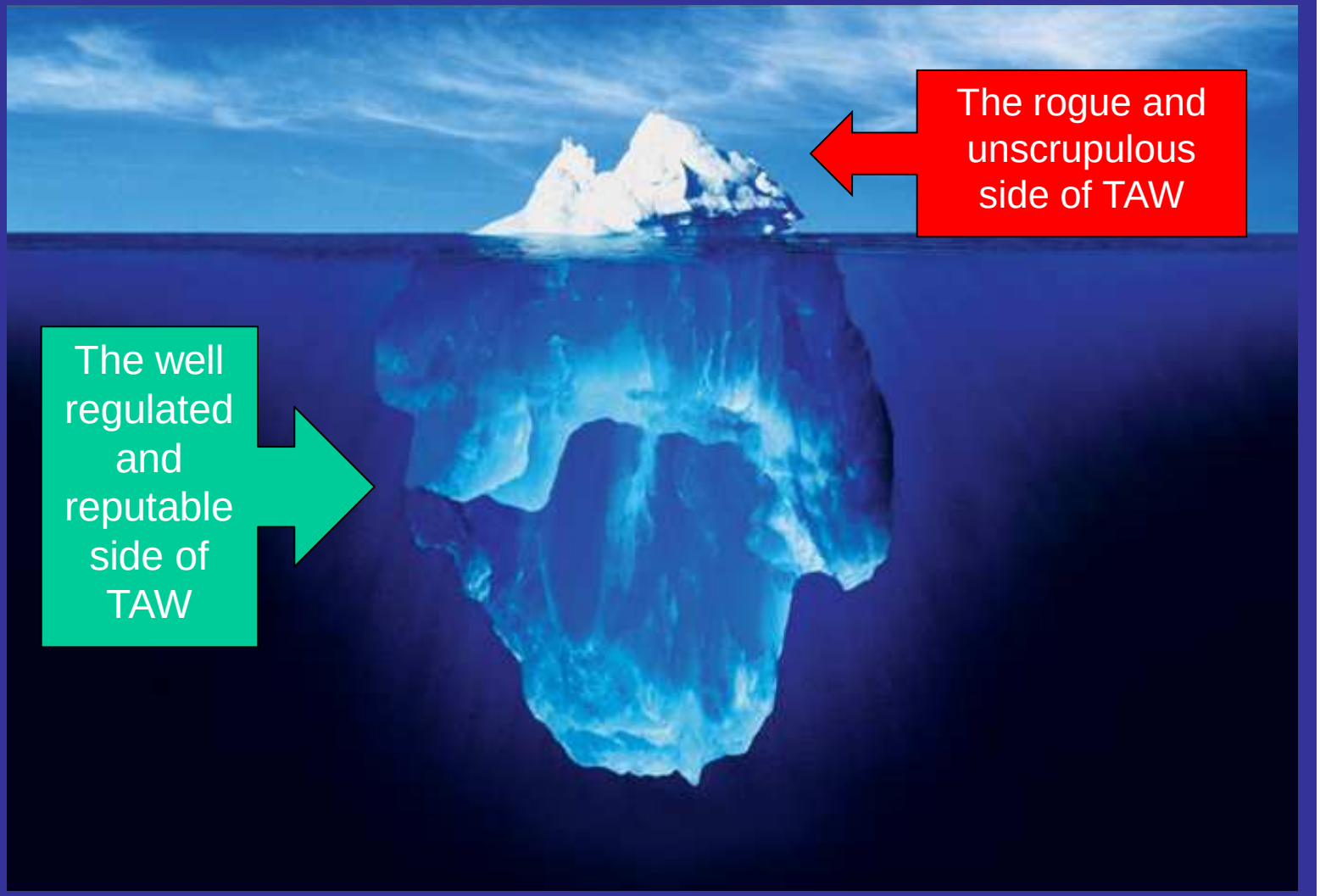
1. **TAW to be recognised as a sector on its own**
   - Freedom of establishment and to operate for TWAs
   - Freedom to establish sectoral social dialogue at national and international level and to negotiate conditions of use of TAW

2. **TAW as a sector to be regulated appropriately**
   - Any regulation on the PrEA industry should reach a balance between the need to protect agency workers and the need to allow for the sound development of the industry
   - Sectoral social partners best equipped to define right level of regulation

3. **Dark side of the industry to be eliminated**
   - To fight illegal/undeclared work and unethical agencies (= unfair competition and social dumping)
   - Enforcement of existing regulation is key

4. **Protecting and advancing the temporary agency workers through social dialogue**
   - Promotion of fair treatment for agency workers: promotion of decent work, no fees to be charged to jobseekers, no replacement of striking workers, respect of freedom of association…

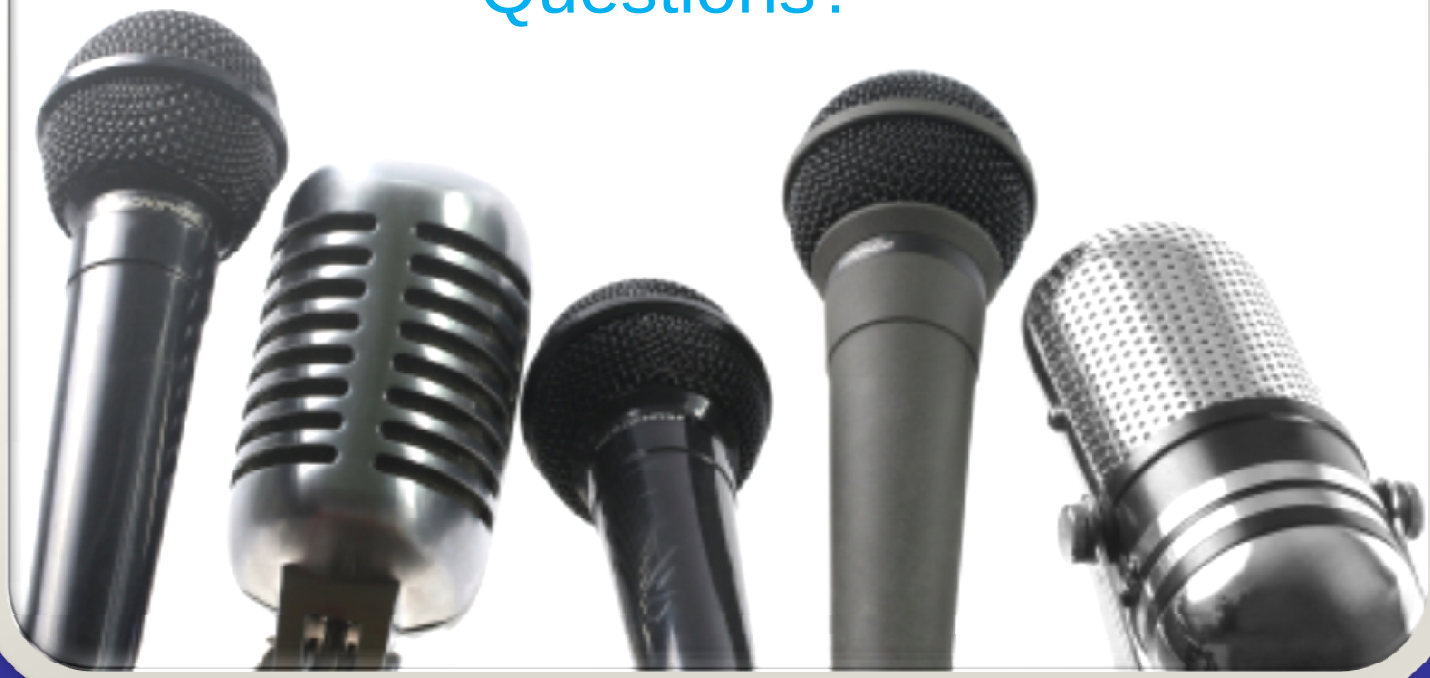
Look at the big picture!



eurociett
European Confederation of Private Employment Agencies

Thanks!

Questions?



More info at:

www.eurociett.eu

denis.pennel@ciett.org