

**RECONCILING LABOUR FLEXIBILITY AND JOB SECURITY SHOULD BE  
AT THE CENTER OF ANY REGULATORY FRAMEWORK ON AGENCY WORK**

*declares Annemarie Muntz, President of Eurociett,  
during the Ciett annual conference held in Berlin on May 2006*

Berlin, 18<sup>th</sup> May 2006

At the occasion of the Ciett annual conference held in Berlin from May 17<sup>th</sup> to May 19<sup>th</sup>, Annemarie Muntz, President of Eurociett, gave the following opening statement regarding Agency Work and regulation on the industry.

In her speech, she reminded national and European policy makers that any regulatory framework on Agency Work should provide a fair balance between the need to protect agency workers and the necessity to enhance the positive role that private employment agencies play in the European labour market. In other words: unlock their full potential for “flexicurity”.

The agency work industry still suffers from unjustified restrictions and misperceptions. Eurociett is calling for the re-inclusion of temporary work agencies within the scope of the Services Directive, in order to allow them to develop their full and positive contribution to the labour market.

***Agency work is part of the solution to improve labour market’s efficiency***

“Agency work provides a modern and well-organised framework to meet the requirement of greater flexibility and productivity in the labour market while at the same time protecting agency worker’s rights and working conditions. Therefore, any regulation on agency work should take into account:

- their positive contribution towards a better functioning labour market in Europe. Temporary work agencies fulfil a stepping stone to permanent jobs, contribute to creation of jobs that would not exist otherwise, help to integrate diverse groups of workers in the labour market, and often fruitfully cooperate with public employment services;
- the need to remove unjustified restrictions currently applying to the provision of services by temporary work agencies. The Agency Work industry still suffers from some outdated and unjustified restrictions, especially regarding sectoral bans like the construction industry in Germany. Those bans are detrimental to an efficient labour market. Consistent decisions of the European Court of Justice confirm that the objective to protect workers cannot serve as basis for excluding temporary work companies from the right to enjoy the basic freedoms of the EC treaty<sup>1</sup>;
- the danger of discrimination against the agency work sector vis-à-vis other service sectors regarding their freedom of establishment and freedom to provide services.

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<sup>1</sup> *European Court of Justice: Case 279/80, Webb [1981] ECR 3305.*

As the 2003 Kok Report stated<sup>2</sup>, temporary work services can contribute to the Lisbon employment objectives to make Europe the most competitive and dynamic economy in the world, if: *“Member States should work towards the removal of obstacles to temporary work agencies rendering them effective and attractive intermediaries in the labour market, offering improved job opportunities and high employment standards”*.

***Exclusion of temporary work agencies from the Services Directive will hamper the labour market***

This is why an exclusion of temporary work services from the Services Directive would be fundamentally flawed, since:

- It directly conflicts with the Lisbon Strategy;
- Services provided by temporary work agencies are in no way linked to “social dumping”. This is a misconception. Where “social dumping” has been identified it has been linked to user companies or subcontractors (not temporary work agencies) breaching regulation. National legislation, the Posting of Workers Directive and recruitment industry voluntary codes of practice protect the rights of posted temporary workers. The legitimate agency work sector is a well-regulated one as the recent report by the Dublin Foundation has shown<sup>3</sup>.

On the contrary, if temporary work agencies are not re-included within the scope of the Services Directive, the following will be the consequences:

- The barriers which have curtailed the growth of cross-border staffing services in Europe will remain in place. The resulting curtailment of labour mobility within Europe will compound the forecast future skills shortage;
- Legal uncertainty will be created, since in most of EU Member States, private employment agencies are allowed to provide both temporary work and permanent recruitment services under the same roof (and knowing that there is no call for excluding permanent recruitment services from the Services Directive);
- Unregulated and illegal practices will grow as some unscrupulous employers seek to achieve the benefits of labour force flexibility outside the framework of the well-regulated Temporary Agency Work sector.

***Therefore, as a conclusion, Eurociett calls on:***

- the Council and the Member States to commit themselves fully to the single market for services and the Lisbon Strategy by reintroducing temporary work activities in the scope of the Services Directive.
- national governments to reform their labour market to implement “flexicurity” solutions and to lift unjustified and outdated restrictions that prevent private employment agencies from fully providing their services across the EU.

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<sup>2</sup> “Jobs, Jobs, Jobs: creating more employment in Europe” – November 2003

<sup>3</sup> “Temporary Agency Work in an enlarged EU” – April 2006 - The full report, as well as national reports, is available on <http://www.eiro.eurofound.eu.int/thematicfeature14.html>

***Note to the editors***

Eurociett is the European organisation of Ciett, the International Confederation of Private Employment Agencies. Eurociett is the authoritative voice representing the interests of agency work businesses in Europe. It is recognised as such by the European Institutions (Commission, Council, Parliament) as well as by key European stakeholders (ETUC, UNICE).

Eurociett brings together 23 national federations of private employment agencies and 6 of the largest staffing companies worldwide (Adecco, Kelly Services, Manpower, Randstad, USG People, Vedior). Eurociett members consist of private companies operating in the following HR fields: temporary work, permanent recruitment, interim management, executive search, outplacement and training.

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