

Agency work contributes to inclusive growth by facilitating job mobility

Easing transitions in the labour market

Enhancing labour market access for target groups

Promoting the re-integration of long-term unemployed

Executive Summary

The European Policy Context – 3 important dimensions for the agency work industry

- *Work mobility in Europe is currently still underdeveloped, particularly with regard to its geographical dimension, as only 2% of Europeans live and work in another EU Member State. But also with regard to occupational and social mobility progress is needed to ensure a better functioning labour market.*
- *The Europe 2020 strategy for smart, sustainable and inclusive growth adopted in June 2010 puts a particular emphasis on promoting inclusive growth, especially by raising labour market participation, promoting work mobility and facilitating transitions in the labour market. In the context of Europe 2020, EU Employment Guidelines have been agreed in 2010 to promote labour market reforms in the EU Member States, underline the need to promote professional mobility. Especially Guideline No. 7 calls upon Member States to promote labour mobility and to secure labour market transitions.*
- *The European sectoral social partners for the temporary agency work industry, Eurociett & Uni-Europa, are committed to discuss policies linked to work mobility, the matching of labour demand and supply and better functioning labour markets.*

Six Eurociett Recommendations on job mobility for inclusive growth

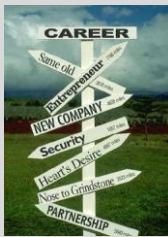
- Support the role of the Agency Work industry to increase labour market participation and diversity and access to employment, particularly for young people and long-term unemployed
- Secure sustainable flexibility in the labour market by making the most of the agency work's contribution to Flexicurity
- Ensure a better match between supply and demand of skills using the mapping and vocational training expertise of the agency work industry
- Take advantage of the role of agency work to promote work mobility and secure transitions for inclusive growth
- Lift existing, unjustified restrictions to the use of temporary agency work to boost job creation and enhance company competitiveness
- Promote and support public-private partnerships in terms of employment services in order to fight unemployment and promote inclusive labour markets

3 main facets of the contribution of the agency work industry

- The agency work industry contributes to job mobility for inclusive growth by easing transitions in the labour market, as illustrated by a case study from the UK and pan-European data.
- The agency work industry contributes to job mobility for inclusive growth by facilitating access to the labour market for target groups. Empirical evidence from Belgium and Netherlands in section 3 illustrate this role.
- The agency work sector contributes to job mobility for inclusive growth by promoting the re-integration of the previously long-term unemployed, as illustrated by case studies from Belgium, France and pan-European data.

1. Job mobility for inclusive growth in the context of Europe 2020: 3 main dimensions

European job mobility policies are an essential element of several, European employment and social policies, which aim at improving the functioning of labour markets in Europe. The agency work industry can provide an important contribution to the implementation of these policies at European and national levels:



Work mobility in Europe needs to be further developed in Europe, particularly with regard to its geographical dimension, as only 2% of Europeans live and work in another EU Member State. But also with regard to occupational and social mobility progress is needed to ensure a better functioning labour market.



The **Europe 2020 Strategy** has identified the need to raise employment levels and increase labour market participation, particularly by enhancing occupational and social work mobility in Europe. At the same time, the potential of the European single market should be fully used by strengthening geographical mobility of workers.

The EU Employment Guidelines agreed in 2010, particularly Guideline 7, call for raising labour market participation, secure labour market transitions and reward professional mobility. These should be achieved in the context of a flexicurity policy approach, building on flexible and reliable contractual arrangements, active labour market policies, effective life-long learning strategies and adequate social security systems. The agency work industry can provide an essential contribution to achieve the objectives of the Employment Guidelines.



The **EU Sectoral Social Partners for temporary agency work**, Eurociett and Uni-Europa are committed to discuss issues linked to work mobility, labour market participation and transitions in the context of the European Sectoral Social Dialogue, as reflected in their joint work programme.

In 2009, Eurociett and Uni-Europa have for example set up an observatory on cross-border activities within temporary agency work, aiming at gathering more facts and figures on cross-border mobility and inventorying existing practices in cross-border activities.

Against this background, policy makers at European and national level should take fully account of the contribution of the agency work industry to secured transitions and work mobility. To achieve this objective, 6 main recommendations on work mobility should be implemented.

2. Achieving job mobility for inclusive growth - 6 Eurociett Recommendations

I. Support the role of the Agency Work industry to increase labour market participation and diversity and access to employment, particularly for young people and long-term unemployed

“Agency work offers groups such as students, migrant workers, women returning from childcare breaks, disabled and unemployed people access to the labour market. In principle, agency work can help workers develop their work skills and experience, thereby offering pathways into more secure employment.” (Eurofound, 2009)

II. Secure sustainable flexibility in the labour market by making the most of the agency work’s contribution to Flexicurity

“Temporary agency work meets not only undertakings’ need for flexibility, but also the needs of employees to reconcile their work and private lives. It thus contributes to job creation and to participation and integration in the labour market.” (EU Directive 2008/104/EC on temporary agency work)

III. Ensure a better match between supply and demand of skills using the mapping and vocational training expertise of the agency work industry

“The TAW is particularly well fitted to develop training schemes that meet the expectations of both workers and user companies.” (Eurociett/Uni-Europa Joint Declaration on vocational training – 2009)

IV. Take advantage of the role of agency work to promote work mobility and secure transitions for inclusive growth

“Temporary agency work can at different degrees contribute to creating pathways between unemployment and employment (...), to facilitating the transition between education and work (...) and to smoothing transitions in the labour market. Because of the nature of the temporary work agencies’ business, it is in the interests of these agencies to facilitate transition between assignments and jobs.” (Eurociett/Uni Europa Joint declaration on Flexicurity - 2006)

V. Lift existing, unjustified restrictions to the use of temporary agency work to boost job creation and enhance company competitiveness

“Prohibitions or restrictions on the use of temporary agency work shall be justified only on grounds of general interest (...). By 5 December 2011, Member States, after consulting the social partners in accordance with national legislation, collective agreements and practices, review any restrictions or prohibitions on the use of temporary agency work in order to verify whether they are justified (...). (EU Directive 2008/104/EC on temporary agency work)

VI. Promote and support public-private partnerships in terms of employment services in order to fight unemployment and promote inclusive labour markets.

“EU Member States should strengthen, with the support of the Commission, cooperation and exchange of experience between public and private employment services, to increase their capacity to deal with the new and large inflow of jobseekers.” (Commission Communication “A Shared Commitment for Employment” – 2009)

3. Job mobility for inclusive growth: 6 case studies illustrating the commitment of the agency work industry

Inclusive growth through job mobility: Easing labour market transitions

United Kingdom:
Developing cooperation between public and private employment services



In the UK, as in other countries (like Belgium, France, Netherlands and Germany), the public employment service and the recruitment industry are working closely together to enhance job mobility and support workers to find new employment opportunities. Key elements in the cooperation are to help people into work by giving them the right support and coaching, to promote diversity in the labour market and to fight against discrimination. The cooperation contributes substantially to better functioning labour markets in the UK, helping workers to move more smoothly from one job to another one.

Europe (I): Main motives to work via an agency is to find a permanent job

Pan-European research carried out by the agency work industry illustrates that in most European countries the main motive for engaging in agency work is to find a permanent position. 30% of the agency workers in Spain, 28% in the Netherlands, 26% in the Czech Republic and 20% in France quote the aim to find permanent work as primary objective to engage in agency work.

The same research showed that the majority of agency workers remain in employment after engaging in agency work, namely 77% in Belgium, 80% in Norway, 71% in Portugal and 74% in France.

Inclusive growth through job mobility: Enhancing labour market access for target groups



Belgium:

“Temporary agency work: a springboard toward long-term employment, also for disadvantaged groups”

During the last 20 years, the temporary agency work industry has been experiencing strong growth in Belgium, and also in Flanders. In 2007, 380.000 temporary agency workers were active in Belgium, accounting for 187 million hours worked in total. A study carried out by the Flemish Public Employment Services provides information about the role that the temporary agency work industry can play in the flexicurity strategy, which aims to reconcile flexibility and security, and pays special attention to the situation of temporary agency workers from disadvantaged groups. Through the combination of different administrative records, it was possible to calculate the share of people from disadvantaged categories [according to the VDAB¹ classification: “allochtonen”², people over 50, disabled people, low-skilled people] among the temporary agency work population for the first time.

The study shows that especially the percentage of low-skilled people [4 out of 10] and “allochtonen” [12%] is high among temporary agency workers.

¹ VDAB is the Flemish Public Employment Service.

² “Allochtonen” is a Dutch term which refers to native- or foreign-born persons who have at least one foreign-born parent.

Disabled persons and people aged over 50 years account each for about 5%. These figures illustrate that the temporary agency work industry provides work for jobseekers from difficult categories, especially low-skilled people and “allochtonen”. The disabled and jobseekers over 50 seem to find the path to temporary agency work to a lesser extent.

The study also points out higher [re]integration chances into permanent employment for low-skilled temporary agency workers and - to a lesser extent - for temporary agency workers of foreign origin or with disabilities.



The Netherlands:

“Agency Workers on the move”

On behalf of the ABU³, ECORYS⁴ conducted research on the role of agency work in providing a stepping-stone to the labour market for target groups. These analyses have been performed since 1991 and the most recent measurement relates to 2008, the year of the credit crisis. The details of 45,000 people working via an agency during that period were analysed. The objective of the study was to arrive at a quantifiable conclusion with respect to the changes in the composition of the temporary agency work population, with special attention on special target groups.

The study concludes that every year, private employment agencies provide work for more than 700,000 people, and that without them, a substantial number of these people would otherwise be unemployed or doing illegal work. Of these 700,000, an average of 200,000 agency workers find permanent jobs, and 170,000 [24%] are from the special target groups.

The share of these target groups is becoming structurally larger, but is lower during periods of economic growth and higher in times of economic decline. It is therefore precisely in periods of a failing economy that PrEAs provide work to those whose prospects of finding permanent jobs are not good.

**Inclusive growth through job mobility
Promoting the re-integration of long-term unemployed**

Agency work enhances labour market participation

Agency Work offers more work opportunities for more people and provides a preferred access channel to the labour market. Agency work therefore contributes to labour market integration and social cohesion. Statistics from European Member States illustrate that the majority of temporary agency workers has been unemployed before engaging in temporary agency work. This applied in 2008 to 51% of the agency workers in Germany, 50% of the workers in Portugal, 46% in Norway and 40% in France.

At the same time, only a small percentage of workers become unemployed again after having worked as agency workers (13% in Germany, 3% in Portugal, 10% in Norway and 14% in France).

These figures illustrate that agency work not only provides a stepping-stone from unemployed to work, but also helps workers to move from temporary jobs to more permanent one's.

³ ABU is the Dutch federation of private employment agencies.

⁴ ECORYS is an international company specialising in economic, spatial and social development. ECORYS was founded in 1929 and is headquartered in the Netherlands.

France: Agency work industry acts as key player in re-integrating long-term unemployed after the economic crisis



In France, a large tender has been launched to orientate 74.000 jobseekers to private employment agencies and their placement services. Private employment agencies have been asked to ensure the labour market re-integration of these unemployed persons, to provide job guidance and re-integration support to job seekers and to improve their chances for future employability. Guidance and re-integration measures can last for a maximum period of 180 calendar days.

The project was launched to reduce the impact of the economic crisis on labour markets and employment and has an overall budget of 425 million € for a two year period until July 2011.

Belgium: Services Voucher system has helped to re-integrated previously long-term unemployed



Since 2003, private household workers in Belgium can be paid for their services with a 'household service cheque'. These cheques have three objectives: job creation, service creation, and reducing undeclared work.

Between 2003 and 2009, around 90,000 jobs have been created for (long-term) unemployed people, those with low levels of formal education, and ethnic minorities. An added benefit of the service cheque system is that most employees eventually find a fixed job. Around 60% start with a fixed contract immediately. Temporary work agencies play an important role in matching supply and demand of jobs that are eligible for service cheques. In addition to Belgium, Austria and France use service cheques for household service and other similar jobs.

More information about Eurociett and the agency work industry is available online:

www.eurociett.eu