

"Welcome to the autumn edition of the Eurociett newsletter. Since our last edition, Eurociett has signed a partnership agreement with EurActiv, the European online media portal. The agreement brands the site's Social Europe section covering all major employment and social affairs issues, and will give Eurociett the opportunity to provide accurate comment on the role of agency work in better functioning labour markets. We encourage you to visit Euractiv.com for all your EU related news on the agency work industry."

Denis Pennel, Managing Director, Eurociett

The role for Private Employment agencies in supporting the Post Lisbon Strategy

As attention turns to the Post Lisbon Strategy in Brussels this autumn, policy makers need to keep in mind the significant role that the Agency Work industry can play in supporting the new agenda.

The main employment policy dimensions of the Lisbon Strategy remain valid and should become key priorities of the new agenda. These include strengthening labour market participation and job creation; enhancing companies' competitiveness; reconciling flexibility and work security; upgrading skills and qualifications of workers; and promoting work mobility

Agency work (AW) has an important role to play in strengthening employment and job creation. While the economic crisis has resulted in a decrease in AW activity across Europe, AW has continued to contribute to job creation by identifying new employment opportunities for workers and by managing the transitions from one job to another. Around 3 million agency workers (in full-time equivalents) are still in work today, with some 80% filling jobs that would not even have been created otherwise.

The industry also enhances companies' competitiveness and contributes to reconciling flexibility and work security in the labour market. The industry acts as a buffer for the labour market as a whole and creates positive conditions for economic sustainability, thereby securing permanent jobs. The sector embodies the very principle of flexicurity, as it is a highly-regulated industry that provides both flexibility and work security to workers and companies. It also plays a crucial role in matching supply with demand and facilitating transitions in the labour market. AW offers people the opportunity to upgrade their skills and qualifications. Agency workers are able to develop

their qualifications by gaining access to professional experience in various, different working environments during work assignments. As AW offers its services at a cross-industry level it allows workers to acquire experience in different sectors and occupations. Agency workers also benefit from standard training schemes set up at the agency level, which aim at equipping them with the skills and qualifications needed for current and future assignments.

The sector is a key driver of all forms of work mobility - geographical, occupational, social and contractual. It offers a comprehensively and sometimes heavily regulated form of work mobility, based on the applicable European regulation (especially the EU Directive on temporary agency work and the Posting of Workers Directive), national laws, collective labour agreements and instruments of self-regulation.

The contribution of the agency work industry to meeting the objectives of the Lisbon Strategy over the past ten years has been recognised at EU level in the Kok-Report, the EU Flexicurity debate and the New Skills

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for New Jobs Initiative. As EU policymakers begin to formulate the new agenda, they need to bear in mind the positive contribution of the industry to date and make agency work a key pillar of the Post-Lisbon Strategy.

Interview of the Quarter

Dispatch caught up with Eurociett President Annemarie Muntz and asked her about the Agency Work Industry's objectives for the Post Lisbon Strategy.



Annemarie Muntz, President Eurociett

How has the Agency Work (AW) industry supported the Lisbon Strategy objectives over the past ten years? Are there any lessons to be learned by policy-makers on maximising the contribution of the AW industry to achieving the goals of the new agenda?

The AW industry has given significant

support to the objectives of the Lisbon Strategy over the past decade. As the EU Employment Council recognized in December 2007, "agency work is seen as a key factor in meeting the requirements of the Lisbon Strategy, as it contributes to increasing both employment and competitiveness".

Before the economy was hit by the current crisis Europe was on course to possibly reaching the Strategy's targets of 70% employment and 4% unemployment. A number of countries, including the UK, Netherlands, Germany and the Nordics, have managed to reach this employment target in spite of the downturn, largely because they had adapted their labour markets to a 'flexicurity model'. While no 'one size fits all' when it comes to implementing flexicurity, it nevertheless needs to be done across the board. One of the four pillars of Flexicurity is introducing flexible, reliable contractual arrangement. AW is the most reliable flexible contract around as it is highly regulated by national laws, collective agreements and now the Agency Work Directive (AWD). As a result, the industry provides work security in a way that supports flexibility in the market. The AW industry has played an important

role in helping the key target groups for the Lisbon Strategy - in particular the young and the unemployed. According to data from Eurociett members (2007) young people (<25) are significantly overrepresented among the agency work population (e.g. 31% in France, 32% in Hungary and 38% in Belgium). Similarly, AW is frequently used by the unemployed to re-enter the labour market. According to statistics from Ciett, 94% of agency workers in France were previously unemployed or inactive prior to temping. In Belgium, the figure is 56%.

The 2003 Kok report, which assessed the Lisbon policy, already recognized the contribution of AW and stated that "removing obstacles to temporary agency work could significantly support job opportunities and job matching". Between 2003 and 2008, a certain amount was done to lift these but a significant number of hurdles still exist.

The implementation of the AWD will lead to countries reviewing and lifting unjustified restrictions, which will in turn allow us to contribute more to job creation. A report carried out in 2007 by Bain predicted that the lifting of only a few, key restrictions would result in the creation of 500,000 extra jobs in Europe in a few years time. This would allow AW to provide a significant boost to job creation, on top of their 'regular contribution' as the economy recovers and we are putting pressure on member states to review and lift ongoing restrictions as soon as possible.

In your opinion, what should be the focus of the Post Lisbon Strategy with regard to employment?

The employment aspect of the Post Lisbon Strategy should focus on creating jobs, increasing labour market participation, facilitating access to it and developing work mobility. It should be all about flexicurity, employability, upskilling and inclusion. As it is, the labour market in Europe is still too stagnant. Geographical mobility within the EU is a must. All borders should be opened internally within the EU, while Blue card initiatives are needed for those outside the EU, to deal with the future demographic problem.

AW provides mobility between sectors and facilitates transitions for all kinds of workers. Contractual mobility is also important as a better work/life balance will remain one of the key issues for the Post Lisbon agenda. People will have different jobs at different life stages with different types of contracts and AW has a lot to offer as a 'manager of transitions' within the labour market.

What role will the industry be playing in the discussions to formulate the new Post 2010 strategy?

Luckily we are already a part of the debate and will look to contribute to all the most important discussions in the future. We provide the Commission with data on the labour market and take part in conferences on the subject. We work together with DG Employment on strengthening the co-operation between private and public employment services (PES) in order to implement active labour market policies. As an example, the French PES will involve the AW industry in the taking on of 320,000 unemployed people in the period up to the end of 2011.

In addition to this, Eurociett, along with our EU social dialogue partner UNI-Europa, carried out research on Vocational Training last year. We are looking to follow up on this by creating a policy document addressed to the Commission on the subject.

Regulation / Social Dialogue / CLAs

France: Increased use of private employment agencies by government this autumn

Pôle Emploi, the public employment services in France, has finalised its emergency plan (Plan d'Urgence), which is due to come into action this autumn. This will involve agencies taking on 320,000 unemployed people in the period up to the end of 2011.



An official meeting took place on 21 July to select private employment agencies from the 15 candidates who pitched to take part in the programme, following the launch of the public

tender back in March. At the same time, the emergency plan was officially presented to the public by Laurent Wauquiez, Secretary of State for Labour and Christian Charpy, Director General of Pôle Emploi.

The budget for the project is estimated to amount to €100 million for the remainder of this year and €200 million for the following years. The contracts will be released to private employment agencies in two stages - the first for 150,000, followed by another for 170,000.

The government has been experimenting with the use of private employment agencies to a limited degree since 2005. In 2007 and 2008, the government placed 46,000 unemployed people with private agencies.

This new move recognises that private employment agencies are part of the public employment strategy to fight unemployment, and that cooperation between public and private employment services is key to implementing active labour market policies.

The French parliament also passed a vote in July allowing temporary work agencies to provide services to the French public sector (3 sectors are concerned: state, healthcare and regional/local public services). According to research commissioned by Eurociett, this measure could result in the creation of as many as 130,000 temporary agency jobs.

Research & reports

Temporary Agency Work as a leading economic indicator

Recent research has shown that Temporary Agency Work (TAW) acts as a leading economic indicator. This finding is significant as many businesses use these indicators to define their future decisions in terms of investments. Economic indicators are also of particular value to the European Commission when it comes to monitoring the impact of the current economic crisis on the labour market.

TAW plays the role of a leading economic indicator for a number of reasons. The volume of temporary workers hired or losing their jobs indicates whether the economy is doing well or not. If the economy is doing well, temporary staff are hired to face positive shocks in demand. This trend continues when the economy is booming as CEOs wish to avoid a lock-in effect should the tide turn. But in the face of an economic downturn, such as now, temporary staff are the first to go to avoid expensive layoffs.

Statistics support this thinking and evidence shows us that the growth of TAW from one year to the next at any moment in time is a very good leading indicator for GDP. And since temporary work agencies have (virtually) real time information on this growth number, they are able to anticipate the business cycle.

TAW's role as an early warning system increases in those countries where data is available more frequently. Policy

makers are then able to make more timely observations and therefore act more swiftly to the changing situation.

Randstad study: "Drivers of participation"

A recent study commissioned by Randstad shows that the targets set by the Lisbon treaty will not be met in the short-term, and that in the long-term they will not be sufficient to match labour demand. The research, carried out by SEO Economic Research, examines the European labour market in the context of the current economic crisis and the Lisbon targets. With an ageing population in Europe, increasing labour market participation after the crisis will be a key issue.



Europe has seen a steady rise in employment since 2000, but this has remained below the Lisbon target of 70%. In 2008, the average EU-27 employment rate was 66%, with only 7 countries reaching 70% or above: Austria, Denmark, Finland, Germany, the Netherlands, Sweden, and the UK.

The Randstad study argues that despite increased dynamism in European labour markets, labour supply will decline in the coming years. It will be negatively affected by demography and this will only be mitigated to a small extent by migration. An increase in labour market participation is essential.

Drivers of labour market participation that have proven to be successful in the past include keeping employees connected to the labour market and keeping their skills and competencies up-to-date. The study found that the longer people stay away from work, the lower their chances of re-entering the work force at a later stage.

Labour market participation was shown to be significantly improved by systems of flexicurity, where temporary agency work can play a pivotal role in creating a sustainable labour market.

Overall, the study found that the Lisbon employment targets will not be met in 2010. This underscores the need to stay focused on long-term issues. It is necessary to increase labour market participation rates if the EU is to become the world's most competitive knowledge-based economy.

In order to achieve this, the study identifies the following dos and don'ts:

- Long-term: The evaluation of policies aimed at

increasing the participation of women and the elderly in the labour force are generally more conclusive than evaluations of general policies aimed at increasing the overall participation of the unemployed. Although a one-size-fits-all remedy does not exist, successful policies are the ones that "make participation pay".

- Short-term: Short-term policies should support, not hinder, long-term goals to increase participation. A balance between the two is important. Primary short-term objectives should be to stimulate people to keep in touch with work, and to facilitate easy labour reallocations.

Vocational training key to facilitating access to labour market

Eurociett and UNI-Europa recently released the results of a new study entitled 'Temporary Work Agencies' contribution to transitions in the labour market: the example of vocational training'. Carried out by IDEA Consult and funded by the European Commission, the study provides the first EU-wide overview of the training provisions for temporary agency workers. The research focused closely on some markets where vocational training is most developed - Austria, Belgium, France, Germany, the Netherlands and Spain.

The study highlights the strong role of social dialogue and collective bargaining in facilitating access to training for agency workers. The sectoral bipartite training funds already set up in 7 EU countries (Austria, Belgium, France, Italy, Luxembourg, Netherlands and Spain), have resulted in €24 million invested for more than 650,000 agency workers. Another success factor cited by the study includes the payment of compulsory training contributions by the temporary work agencies, either by law or collective labour agreement, as it guarantees financial investments in training.

The study found that the agency work industry is particularly well suited to developing training schemes that meet the expectations of both workers and user companies. It is in the interest of temporary work agencies to upgrade agency workers' skills and improve their employability in order to increase their assignment opportunities. Vocational training for agency workers is always demand driven and organised in close cooperation with user companies with a short term and pragmatic approach, catering especially well to lower skilled workers. As a result, the vast majority of people being trained are in employment at the end of their training course.

It was revealed that the main sources for the financing of training programmes for temporary agency workers are, in the following order, temporary work agencies themselves, user companies, public employment services, bi-partite training funds, and European funds. The study also found that countries with long-term training programmes tend to train less temporary agency workers than countries with short-term training programmes, with training being delivered in most countries during the execution of an assignment. In all countries, the initiative for the training is mostly taken by the temporary work agency.

Some remaining challenges for the temporary agency work sector were also identified. Amongst other things, it appears that the general system of vocational training needs to be better adapted to match the training needs of agencies, user firms and temporary agency workers. Greater collaboration with other stakeholders is also required (other sectoral training funds for instance), along with ensuring that the temporary agency work sector has full access to EU-funded or national programmes aimed at promoting vocational training for workers.

Current situation in the Labour Market in Spain



The July edition of AGETT's Spanish monthly labour market monitor indicated a marked increase in unemployment in the country in previous months. In April, the unemployment rate in Spain was 18.1%. This is nearly ten percentage points above the average for the EU as a whole and makes Spain the member state with the highest unemployment rate in Europe according to the statistics from Eurostat, the Statistical Office of the European Communities.

Over the summer months and into Autumn, three significant elements were predicted to have the most affect on the economy: the recessionary effect, which is still very strong; the seasonal effect, favourable at least until August; and the effect of the Government's Plan E employment stimulus measures, which could begin to weaken in the fourth quarter due to the completion of the public works of the Fund for Local Investment.

The May data for social security enrolments and registered unemployment indicated stabilization in employment levels and a progressive reduction in year on year indicators of deterioration. This was due to

seasonal factors and the employment stimulus measures.

For the stabilisation to be the start of a reversal in the destructive cycle seen in employment until now, fresh measures are needed that will drive the demand for goods and services and clear the blockages in credit channels. Structural policies aimed at improving workers' employability and the mediation between supply and demand of labour are also needed. These would help Spain to emerge from the crisis without a worsening of the segmentation that is characteristic of the Spanish labour market, and has contributed to the current violent crisis.

Member news

Macedonia joins Ciett and Eurociett

The National Federation of Temporary Work Agencies in Macedonia has officially become Ciett's 40th and Eurociett's 27th member. In doing so it is replacing former associate member - Partner - as a full member. This decision was ratified at both the Eurociett General Assembly held on the 21st of April 2009 and the Ciett General Assembly on the 27th of May 2009.

The organization, which was established in 2008, is comprised of 6 private employment agencies and accounts for 45% of the Macedonian temporary agency work market. It will be represented within Ciett and Eurociett by the president of the federation, Rade Nenadic of Partner.

The federation's role is to advocate for a better recognition of the positive role played by private employment agencies in the Macedonian labour market. Agency workers in Macedonia work largely in the food processing and textile sectors. The Industry represents 1.5% of the national workforce and places 6,500 temporary agency workers annually.

Events

Employment Week 2009

2009 marked the sixteenth year for Employment Week, which took place in Brussels at the end of June. The theme of the conference was "Europe's Labour Market - ensuring growth through human capital", with participants focusing on today's challenges and opportunities.

The agenda covered skills development and evaluating how the European workforce is coping with change, along with how the European labour market, more generally, is responding to the current economic situation with respect to competitiveness, innovation and restructuring. Speakers included political decision makers, business leaders, social partners, representatives of civil society and other experts who came together to share their knowledge and views on the key employment issues at present.



Eurociett President, Annemarie Muntz, and REC's CEO, Kevin Green, participated in a session on 'Adapting to change', which focused on the impact of restructuring on the work force. Ms Muntz took the opportunity to highlight the crucial role played by the Agency Work industry in helping to meet labour market needs. She placed particular emphasis on the current economic crisis and how the sector is enabling companies to adapt to, and ultimately weather, the recession. She also outlined the role it is playing in keeping people in work by facilitating access to the labour market and helping them upgrade their skills, thereby increasing flexibility for employees and companies, as well as mobility across sectors.

For the preparation of the 2010 event, Eurociett has been selected to become a member of the advisory committee of Employment Week.

Roundtable on Temporary Agency Work in Bulgaria

Eurociett and UNI-Europa will host a roundtable on social dialogue in the Temporary Agency Work industry in Sofia this coming December. Organised in co-operation with DG Employment, Social Affairs and Equal Opportunities, the aim of the event is to help social partners develop a constructive social dialogue in the temporary work agency sector in Bulgaria.

The meeting is part of the implementation of the 2009-2010 work programme of the EU Sectoral Social Dialogue Committee on temporary agency work. It will focus on increasing the representation and awareness

of the social partners and promoting knowledge of the EU in terms of internal market and the social acquis - which covers large areas of individual employment and collective labour relations as well as policy areas that are unique to the EU.

Two similar roundtables were already organised by Eurociett and UNI-Europa in Poland (2006) and Hungary (2007).

FlexWorkResearch Conference

The University of Amsterdam and Eurociett are jointly organising a conference on "The role of flexible employment and employment intermediaries in buffering the business cycle". The event, which will take place in Brussels on 26-27 November, is being held as part of their cooperation on "FlexWorkResearch", an on-line knowledge centre for researchers and policy-makers on flexible work.

The conference will bring together researchers from around the world with the aim of creating a better understanding of the role of flexible employment, especially temporary agency work, in the functioning of the current labour market.

Academic researchers from a range of backgrounds will give presentations on all areas of labour market research. The keynote speaker will be Paul Swaim of the OECD, who will address the issue of what role can be played by intermediaries in the economic downturn. Workshops will also take place to provide an opportunity for researchers, policy makers, practitioners and others interested in the theme to come together to discuss the main issues.

Conference on European Observatory on Cross Border activities in the TAW sector

A conference on Eurociett's joint research project with UNI-Europa, aimed at the setting up of a European observatory on cross-border activities in the TAW sector, will take place on the 4th of December in Brussels.

The event will look at the results of the project to date and see the first meeting of the members of the group taking part in the implementation of the Observatory. Speakers will include Bernadette Ségol of Uni-Europa, Annemarie Muntz of Eurociett, Séverine Picard of ETUC, Steven d'Haesseler from BusinessEurope and Sjoerd Feenstra from the European Commission, Labour Law Unit.