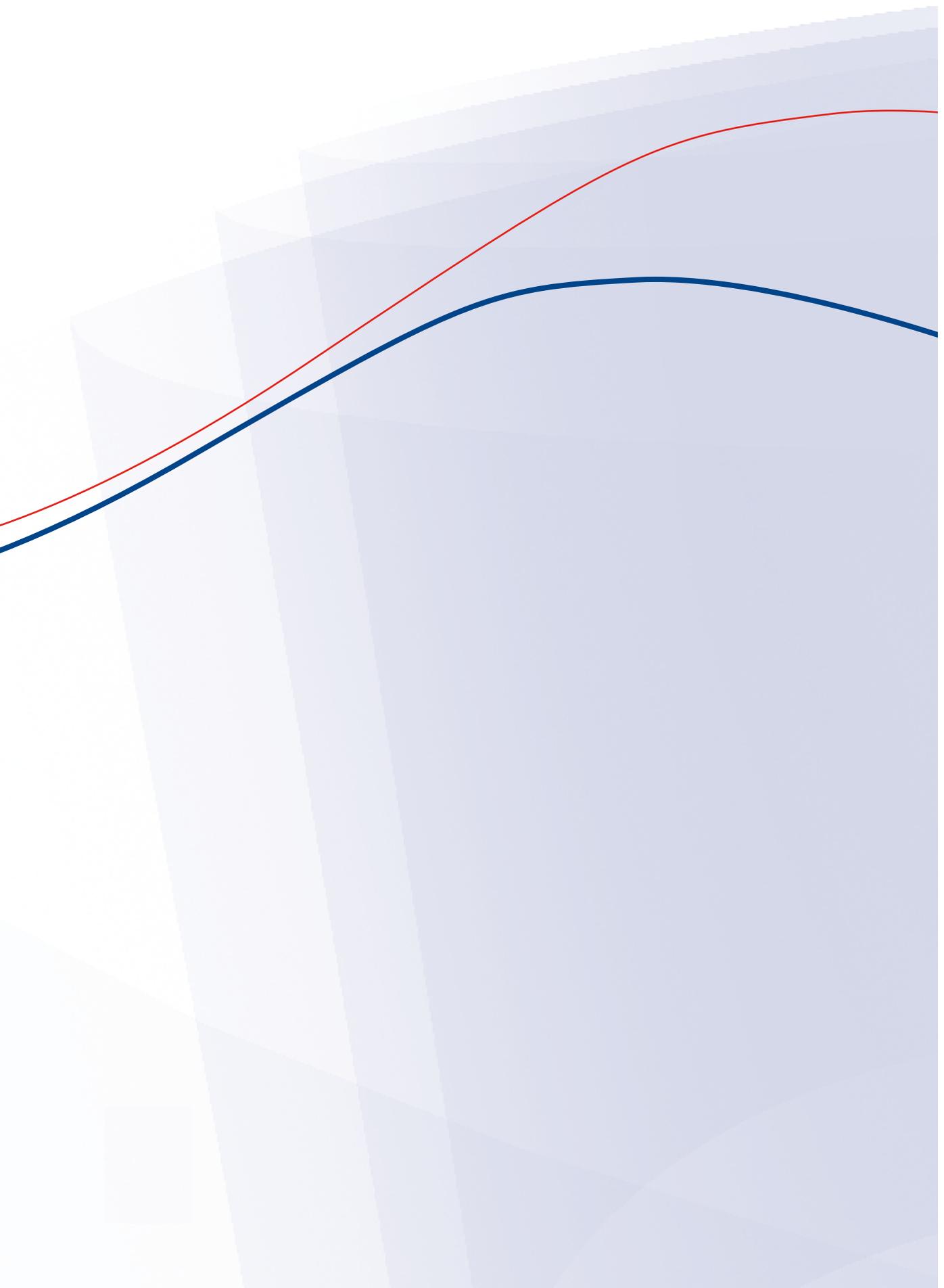


# More work opportunities for more people

Unlocking the private employment  
agency industry's contribution to a better  
functioning labour market

STRATEGIC REPORT FOR DISCUSSION

**ciett**  
International Confederation of  
Private Employment Agencies



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Unlocking the private employment  
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This report is based on a research commissioned by the European members of Ciett, the International Confederation of Private Employment Agencies, and conducted with the support and assistance of Bain & Company, a global management-consulting firm.

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# Foreword

This report describes how best the private employment agency (PrEA) industry's contribution to growth and jobs can be unlocked.

This study focuses on the 6 largest European markets, namely France, United Kingdom, the Netherlands, Germany, Belgium, and Spain, which jointly accounted for approximately 85% of the EU-27 agency work market in 2006. The conclusions and recommendations herein are applicable to all European countries.

The PrEA industry provides an engine for job creation and economic growth. PrEAs also efficiently contribute to transitions and transformations in the labour market.

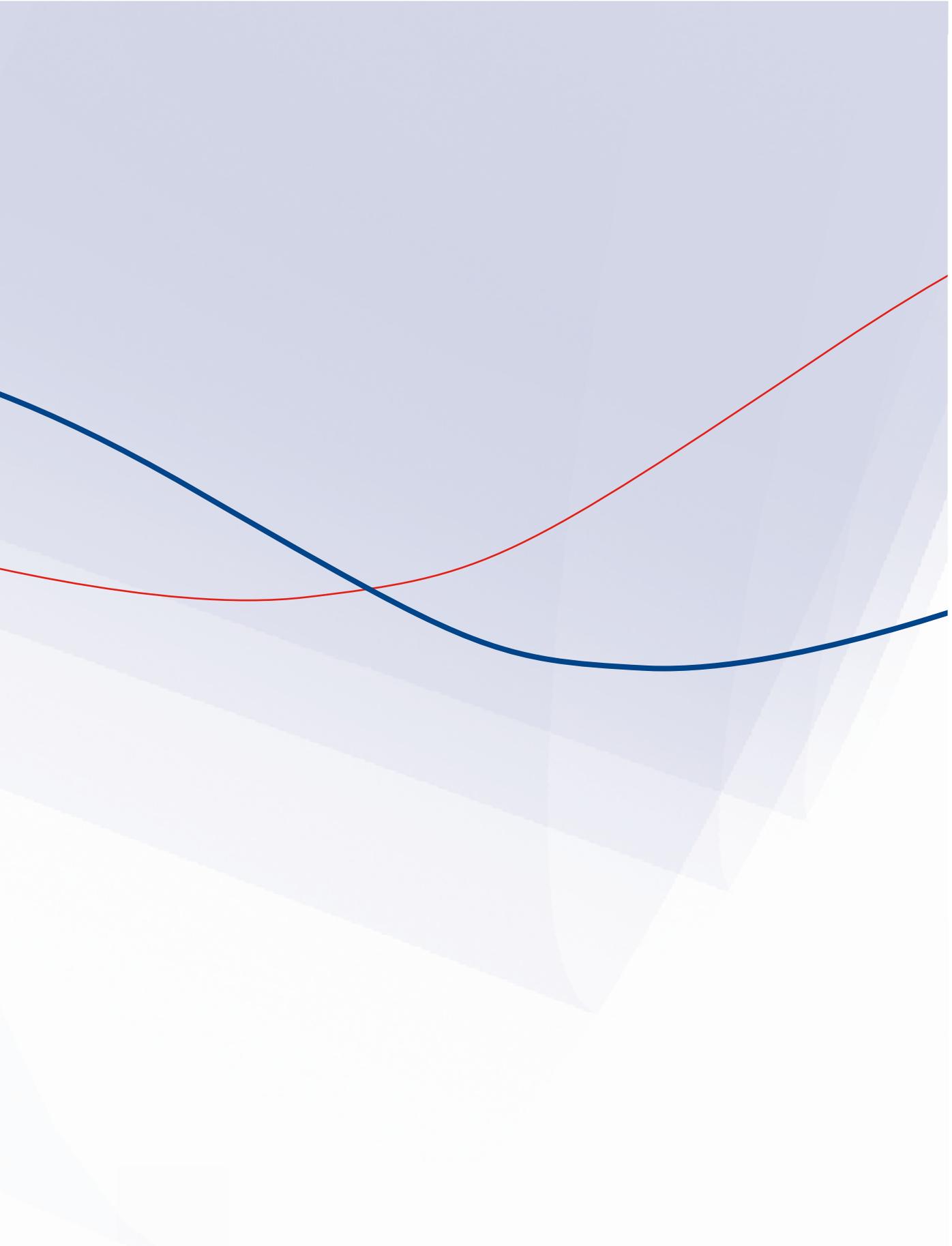
These contributions are too often limited by unjustified and/or outdated regulatory restrictions, discrimination, misperceptions, and, in several European countries, a cultural reluctance to recognise the positive role agency work can play in the labour market. Research shows that in countries where the agency work industry is well-developed and faces very limited or no restrictions, PrEAs' role in helping jobseekers (especially the "outsiders") to enter the labour market is broader and more efficient.

In order to unlock this contribution to a better functioning labour market, the PrEA industry calls for regulatory authorities to remove outdated restrictions and to accept PrEAs as natural partners in the formation of and participation in active labour market policies.

In recognition of the positive contributions that PrEAs bring to the labour market, several EU Member States have already lifted some of the restrictions facing the industry: e.g. Germany in 2002 with the Hartz reform, Italy in 2003 with the Biagi reform, France in 2005 with its "Loi de Cohésion Sociale".

However, outdated restrictions still remain in force and are widespread. For its part, the PrEA industry is committed to proactively improve its contribution to and relationships with all the labour market stakeholders: agency workers, user organisations, governments, local authorities and communities, and trade unions. It is also committed to further improve its professionalism and the way the industry is organised.

If the requests and commitments recommended in this report are implemented, new work opportunities can be created for many more people across Europe. The calculations made for this report have shown that if only two actions (removal of sectoral bans; broadening the reasons of use) are implemented for temporary agency work (TAW) in only six EU countries, then 570,000 additional jobs will be created by 2012 (in addition to the 1.6 million jobs that will be created through the structural growth of the PrEA industry). This will also lead to strengthened social cohesion and an extra 12.5 billion Euro contribution to public finances all of which could be achieved within 5 years<sup>1</sup>.



# Executive Summary

## **The PrEA industry is one of the largest private employers in Europe**

The private employment agency (PrEA) industry is one of the largest private employers in Europe: In 2006, PrEAs employed 3.3 million agency workers employed daily in full-time equivalent<sup>2</sup>. On average, the PrEA industry accounts for 1.8% of the European total employment<sup>3</sup>.

Annual turnover of the industry in Europe exceeded €90 billion for 2006, accounting for 45% of the industry's worldwide turnover.

Between 1996 and 2006, the number of temporary agency workers in Europe has more than doubled<sup>4</sup>, from 1.5 million to 3.3 million (daily full-time equivalent).

PrEAs' key activities are comprised of temporary agency work (TAW), or the organised supply of temporary workers to organisations based on a triangular relationship, and a wide range of Human Resource related services including permanent placement, out-placement, interim management, executive search, training or pay-roll management.

Through its development and broad portfolio of activities, the PrEA industry helps to make the labour market more efficient by leveraging its strong competitive advantages:

- Extensive knowledge of local labour market requirements, especially in terms of skill shortages;
- Access to an extensive pool of available workers covering a broad range of skills and experiences;
- Extensive experience in matching labour supply and demand;
- Expertise in national and trans-national labour law;
- Know-how in engineering and implementation of training programmes;
- Broad geographic spread through numerous and varied branch locations (30,000 throughout Europe);
- Highly qualified and dedicated internal staff (250,000 employees working in Europe as recruitment consultants, salespersons, administrative clerks and office managers within agency work outlets);
- Constructive relationships with trade unions through the framework of a sectoral social dialogue, both at national and European levels.

## The PrEA industry is an engine for job creation and economic growth

The PrEA industry contributes to creating additional jobs where they would otherwise not have existed and reduces unemployment. Furthermore, the industry helps combat undeclared work by offering companies a flexible form of employment well suited to the inherent fluctuations in economic activity. Benefiting from their human resources expertise and broad branch networks, PrEAs improve the ability to match the supply of labour to demand. PrEAs also significantly enhance companies' competitiveness by allowing them to maintain current jobs by providing workforce flexibility. Other beneficial effects of PrEA services are that by putting more people into work, the government fiscal 'footprint' is lowered (by reducing or eliminating unemployment benefit) whilst simultaneously providing new sources of tax revenue, and as a consequence, freeing up government resources.

### STATISTICAL EVIDENCE:

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- *Between 2003 and 2006, the PrEA industry created 669,000 jobs in Europe (accounting for 7.5% of total job creation); Of these jobs, 80% (535,000) would not have been created had agency work not been available.*
- *TAW penetration rate shows a strong inverse correlation with long-term unemployment (i.e. a higher penetration rate of temporary agency work results in a lower rate of long-term unemployment), and a similar correlation with undeclared work. A positive correlation is found between penetration rate and job mobility.*

Based on the extrapolation of past trends<sup>5</sup>, the PrEA industry could create 1.6 million new jobs in Europe (totalling 4.98 million agency workers expressed in daily full time equivalent) over the next 5 years (2007-2012). Without the services provided by private employment agencies, 80% of these potential jobs would not be created (1.3 million). These forecasts are based on extrapolations of the past structural growth of the industry, and do not take into account potential impacts of changes in PrEA regulation.

## The PrEA industry facilitates transitions and transformations in the labour market

PrEAs improve the functioning of the labour market and reinforce social cohesion: they open access to the labour market for "outsiders"<sup>6</sup>, hence increasing labour market participation and diversity. In addition, they are a unique partner for workers, especially for first-time entrants to the labour market, as they act as a stepping stone and enhance the workers employability through job assignments and vocational training.

Furthermore, they broaden the range of work solutions to meet worker lifestyle choices or personal constraints at each stage of professional life. By providing a well-framed solution combining flexibility and security for both workers and user organisations, the PrEA industry is part of the solution to meet European economic and employment challenges.

## STATISTICAL EVIDENCE:

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- Within the agency worker population, 28% of the disabled, 26% of older workers and 23% of the ethnic minorities have found a permanent job through temporary work assignments (the Netherlands);
- In France, 87% of temporary agency workers are not in a position of employment prior to engaging in temporary agency work. After completing a year of TAW, only 36% do not continue in employment (24% are back to unemployment, 7% return to study and 5% in other situations). As a result, their employment rate increases from 13% to 64%. For Belgium, this increase of employment rate goes from 44% to 70%;
- Those below the age of 25 are over-represented within TAW (ranging from 34% in France to 50% in the Netherlands);
- 20% (France), 33% (UK) and 35% (the Netherlands) of agency workers preferred not to take up permanent employment.

### **Lifting unjustified barriers to the PrEA industry will create additional jobs and a better functioning labour market**

Despite a growing recognition of the positive role played by PrEAs at both macroeconomic and individual levels, several outdated and discriminatory barriers and misperceptions remain, severely hampering the industry's contribution to a more efficient labour market:

- Unjustified regulatory restrictions: sectoral bans on the use of temporary agency work (restrictions in public services in France, Belgium and Spain, in addition to the construction sector in Germany and Spain); limited reasons of use of temporary agency work (Belgium, France, Spain, Poland), maximum length of assignment (e.g. limitation of contract renewal in France with the “Délai de Carence”);
- Limitation on the range of services provided by PrEAs: in several European countries (Luxembourg, Norway, Spain, Greece), temporary work agencies are forbidden by law to provide additional HR related services such as permanent placement, outplacement, training or payroll management;
- Discrimination as an employer in comparison with other forms of flexible employment: At national level, TAW still faces considerable discrimination that does not allow it to compete on a equal footing with other forms of flexible employment forms: e.g. restriction on freedom to negotiate, extra costs for TAW contracts in relation to end of contract compensation, no right for companies to call for TAW services in case of temporary increases of activity while it is possible for them to use fixed-term contracts.
- Strong misperceptions about the industry's added value and a cultural reluctance to accept the contribution of agency work: denial of its job creation impact, prejudices regarding the level of work related satisfaction for agency workers and distorted views on the “insecure and precarious situation” of agency workers. Several

academic studies carried out amongst agency workers refute most of these misperceptions: agency workers are very satisfied with temporary agency work in general (satisfaction rates ranging from 70% in the Netherlands to 90% in France), agency workers recognise their enhanced employability status via TAW (68% in Belgium and 82% in France) and are satisfied with their level of remuneration (80% in France and 85% in Belgium).

Aware of the positive role PrEAs play in the labour market, several EU Member States have already lifted some of the outdated restrictions that the industry is facing, e.g. Germany's Hartz reforms (2002), Italy's Biagi reforms (2003), and France's "Loi de Cohésion Sociale" (2005).

However, remaining outdated restrictions are still in widespread use. Lifting these remaining barriers will unlock significant PrEA job creation and economic growth potential.

The calculations made for this report show that if only two recommended actions (removal of sectoral bans; broadening of reasons of use) are implemented for temporary agency work in only six EU countries, then:

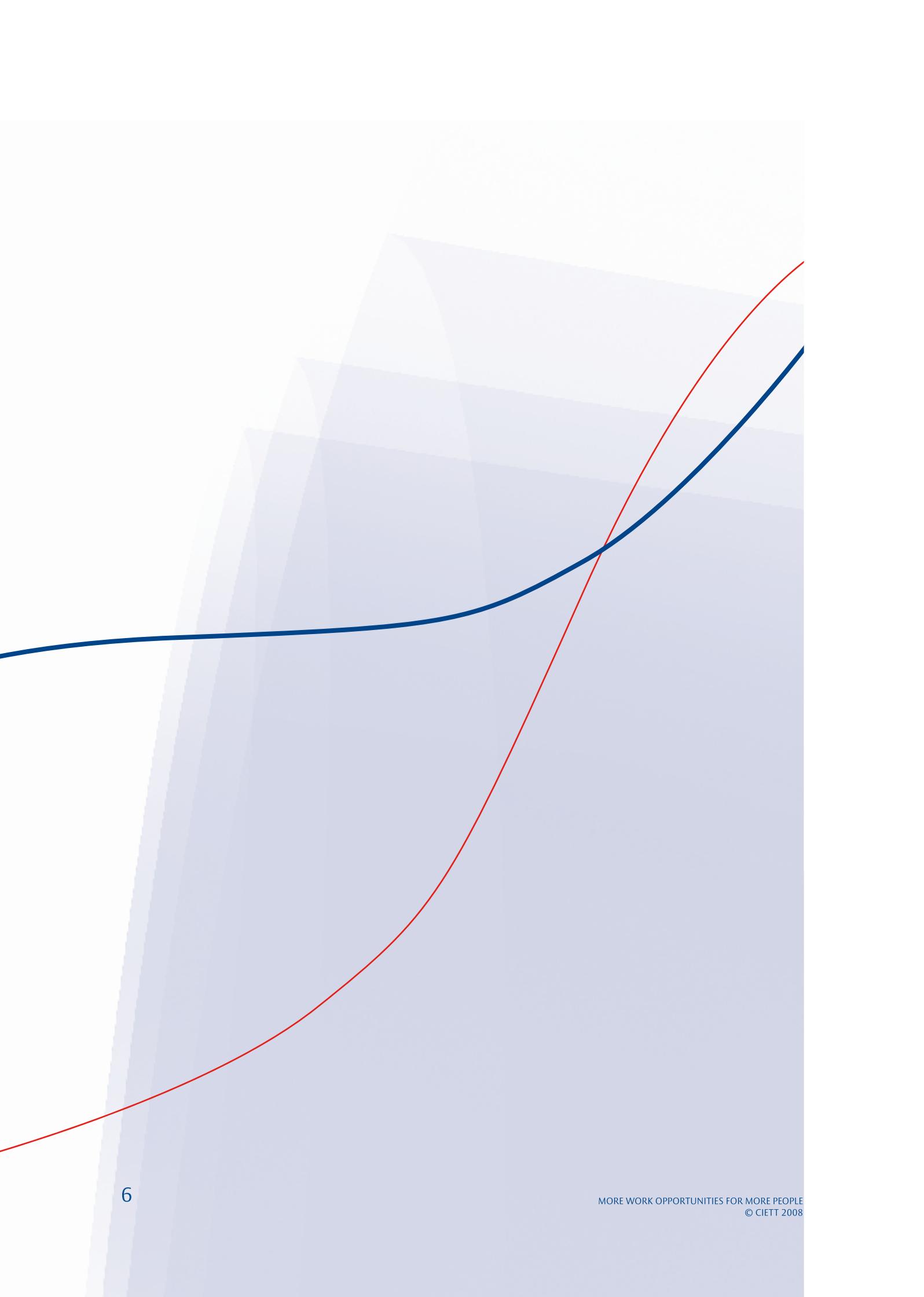
- More work opportunities can be made available to more people: In addition to the 1.6 million jobs<sup>7</sup> that the industry will create by structural growth in Europe within 5 years (2007-2012), 570,000 additional jobs will be created if obstacles are to be removed.
- Strengthening labour market participation and integration of target groups, as 37% of these 570,000 additional jobs to be created would be occupied by young people, 15% by former long-term unemployed and 6% by older workers.
- An increase of public revenues by €12.5 Billion within 5 years (2007-2012) due to a reduction in state spending on unemployment benefits and an increase in tax revenues.

Furthermore, if the use of TAW increases within SMEs in Continental Europe, allowing them to become more reactive and competitive, then 150,000 extra additional jobs could be created by 2012.

Therefore, in order to fully unlock the contribution of PrEAs to a more efficient labour market, the industry:

- Calls on regulatory authorities to review and lift, where necessary, any outdated restrictions on TAW including sectoral bans, 'reasons of use' and assignment duration and contract renewal;
- Calls on national regulatory authorities to allow temporary work agencies to provide additional HR-related services;

- Requests that, in common with every other employer, private employment agencies have the equal right to freely negotiate agency workers' employment conditions in accordance to national law, collective labour agreements and practice;
- Is willing to strengthen cooperation with Public Employment Services (PES) in order to help implement active labour market policies;
- Commits to proactively improve its relationships with all stakeholders: agency workers, user organisations, governments, cities, local communities and trade unions. It is committed to delivering a superior value proposition to both agency workers and user organisations, active cooperation with public authorities to shape a better functioning of the labour market, and reinforcing constructive dialogue with trade unions in addressing relevant concerns;
- Continues to improve the professionalism of the PrEA industry by supporting the foundation of strong national Agency Work federations, ensuring compliance with national and international codes of conduct, combating all forms of unfair competition, illegal practices and undeclared work<sup>8</sup>, and publishing robust research reports on the sector.



# Approach and structure

Eurociett, the European organisation of Ciett, has thoroughly and objectively analysed the agency work industry's current and potential contribution to an improved efficient functioning of the labour markets, economic growth and job creation.

The objective of this report is to provide a discussion platform for the key labour market stakeholders, to offer a better comprehension of the reality of agency work, and to generate effective actions to unlock the private employment agencies' (PrEAs) contribution to a better functioning labour market.

This report is divided into five sections. Section I provides a Europe-wide overview of the PrEA industry. Section II articulates and demonstrates PrEAs' contributions in terms of employment and economic growth, transitions and transformations in the labour market. Section III describes the barriers in the way of PrEAs' further contribution to jobs and growth. Section IV lists required actions to unlock PrEAs' contribution to a better functioning labour market. Section V ultimately assesses the stakes of implementing these requests and commitments.

The study focuses on the 6 largest European markets, namely France, United Kingdom, the Netherlands, Germany, Belgium, and Spain, which jointly accounted for approximately 85% of the EU-27 agency work market in 2006. The conclusions and recommendations herein are applicable to all European countries.

The conclusions are based on extensive data gathering at European level, in addition to interviews of key industry stakeholders worldwide (this list of experts interviewed can be found in the appendices). Furthermore, in March and April 2007, 65 leading 'names' associated with the industry participated in an online survey assessing perceptions of TAW.

Throughout this report, "Private Employment Agency" refers either to the entire PrEA industry or to some of its representatives, *i.e.* national federations or private corporations. Temporary agency work (TAW) will refer to PrEA's core business, *i.e.* the organised supply of temporary workers to user companies, based on a triangular relationship between the worker, the organisation and the agency. Depending on national laws, PrEAs may provide in addition to their core activity (TAW) extra HR-related services such as permanent recruitment, outplacement, interim management, executive search and training.

This report is based on a research commissioned by Eurociett, the European Confederation of Private Employment Agencies, and conducted with the support and assistance of Bain & Company, a global management-consulting firm.

TABLE1: Number of Agency Workers (daily full-time equivalent x 1,000)

|                     | 1996         | 1997         | 1998         | 1999         | 2000         | 2001         | 2002         | 2003         | 2004         | 2005         | 2006         |
|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Austria             | 15           | 18           | 21           | 24           | 30           | 33           | 31           | 38           | 44           | 47           | 59           |
| Belgium             | 44           | 51           | 60           | 63           | 71           | 68           | 66           | 66           | 73           | 78           | 88           |
| Denmark             | 5            | 6            | 7            | 7            | 8            | 10           | 10           | 11           | 13           | 17           | 21           |
| Finland             | 9            | 9            | 9            | 8            | 9            | 11           | 11           | 12           | 14           | 16           | 18           |
| France              | 291          | 359          | 458          | 515          | 604          | 602          | 570          | 555          | 570          | 586          | 603          |
| Germany             | 149          | 180          | 203          | 243          | 283          | 288          | 267          | 276          | 323          | 375          | 500          |
| Hungary             | ns           | ns           | ns           | ns           | ns           | ns           | 30           | 39           | 53           | 54           | 55           |
| Ireland             | 3            | 4            | 9            | 10           | 25           | 25           | 25           | 25           | 25           | 25           | 30           |
| Italy               | nlr          | nlr          | 10           | 26           | 69           | 67           | 82           | 132          | 154          | 157          | 160*         |
| Luxembourg          | 2            | 2            | 2            | 3            | 4            | 4            | 4            | 4            | 4            | 4            | 5            |
| The Netherlands     | 147          | 163          | 180          | 186          | 183          | 178          | 169          | 154          | 157          | 176          | 207          |
| Norway              | 7            | 9            | 11           | 11           | 11           | 12           | 11           | 10           | 12           | 15           | 24           |
| Poland              | ns           | 19           | 25           | 27           | 35           |
| Portugal            | 25           | 29           | 33           | 45           | 45           | 45           | 45           | 45           | 45           | 45           | 45*          |
| Slovakia            | ns           | 11           | na           | na           |
| Spain               | 60           | 90           | 110          | 133          | 133          | 126          | 123          | 123          | 124          | 130          | 141          |
| Sweden              | 10           | 14           | 18           | 24           | 42           | 38           | 37           | 29           | 30           | 32           | 37           |
| Switzerland         | 21           | 24           | 30           | 34           | 39           | 38           | 37           | 36           | 41           | 49           | 61           |
| UK                  | 682          | 775          | 696          | 761          | 1,027        | 1,027        | 1,036        | 1,111        | 1,175        | 1,219        | 1,265        |
| <b>Total Europe</b> | <b>1,470</b> | <b>1,733</b> | <b>1,857</b> | <b>2,093</b> | <b>2,584</b> | <b>2,572</b> | <b>2,554</b> | <b>2,685</b> | <b>2,893</b> | <b>3,051</b> | <b>3,354</b> |

ns = non significant      nlr = not legally recognised      na = not available      \* est. 2006  
Source: Eurociett & SEO Economic Research – Amsterdam

TABLE 2: Agency Work Penetration rate (daily full-time equivalent as % of total employment)

|                         | 1996        | 1997        | 1998        | 1999        | 2000        | 2001        | 2002        | 2003        | 2004        | 2005        | 2006        |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Austria                 | 0.4%        | 0.5%        | 0.6%        | 0.7%        | 0.8%        | 0.9%        | 0.8%        | 1.0%        | 1.2%        | 1.2%        | 1.5%        |
| Belgium                 | 1.2%        | 1.3%        | 1.6%        | 1.6%        | 1.7%        | 1.7%        | 1.6%        | 1.6%        | 1.8%        | 1.9%        | 2.1%        |
| Denmark                 | 0.2%        | 0.2%        | 0.3%        | 0.3%        | 0.3%        | 0.4%        | 0.4%        | 0.4%        | 0.5%        | 0.6%        | 0.8%        |
| Finland                 | 0.4%        | 0.4%        | 0.4%        | 0.3%        | 0.4%        | 0.5%        | 0.5%        | 0.5%        | 0.6%        | 0.7%        | 0.7%        |
| France                  | 1.3%        | 1.6%        | 2.1%        | 2.3%        | 2.6%        | 2.5%        | 2.4%        | 2.3%        | 2.4%        | 2.4%        | 2.4%        |
| Germany                 | 0.4%        | 0.5%        | 0.6%        | 0.7%        | 0.8%        | 0.8%        | 0.7%        | 0.8%        | 0.9%        | 1.0%        | 1.3%        |
| Hungary                 | ns          | ns          | ns          | ns          | ns          | ns          | 0.8%        | 1.0%        | 1.4%        | 1.4%        | 1.4%        |
| Ireland                 | 0.2%        | 0.3%        | 0.6%        | 0.6%        | 1.5%        | 1.5%        | 1.4%        | 1.4%        | 1.4%        | 1.3%        | 1.5%        |
| Italy                   | nlr         | nlr         | 0.0%        | 0.1%        | 0.3%        | 0.3%        | 0.4%        | 0.6%        | 0.7%        | 0.7%        | 0.7%        |
| Luxembourg              | 1.2%        | 1.2%        | 1.2%        | 1.7%        | 1.9%        | 2.0%        | 2.2%        | 2.3%        | 2.1%        | 2.3%        | 2.4%        |
| The Netherlands         | 2.1%        | 2.3%        | 2.4%        | 2.5%        | 2.3%        | 2.2%        | 2.1%        | 1.9%        | 1.9%        | 2.2%        | 2.5%        |
| Norway                  | 0.3%        | 0.4%        | 0.5%        | 0.5%        | 0.5%        | 0.5%        | 0.5%        | 0.4%        | 0.5%        | 0.7%        | 1.0%        |
| Poland                  | ns          | 0.1%        | 0.2%        | 0.2%        | 0.3%        |
| Portugal                | 0.6%        | 0.6%        | 0.7%        | 0.9%        | 0.9%        | 0.9%        | 0.9%        | 0.9%        | 0.9%        | 0.9%        | 0.9%        |
| Spain                   | 0.5%        | 0.7%        | 0.8%        | 0.9%        | 0.9%        | 0.8%        | 0.7%        | 0.7%        | 0.7%        | 0.7%        | 0.7%        |
| Sweden                  | 0.3%        | 0.4%        | 0.5%        | 0.6%        | 1.0%        | 0.9%        | 0.9%        | 0.7%        | 0.7%        | 0.7%        | 0.8%        |
| Switzerland             | 0.6%        | 0.6%        | 0.8%        | 0.9%        | 1.0%        | 1.0%        | 0.9%        | 0.9%        | 1.0%        | 1.2%        | 1.5%        |
| UK                      | 2.6%        | 2.9%        | 2.6%        | 2.8%        | 3.8%        | 3.8%        | 3.8%        | 4.0%        | 4.2%        | 4.3%        | 4.5%        |
| <b>European average</b> | <b>1.0%</b> | <b>1.0%</b> | <b>1.1%</b> | <b>1.2%</b> | <b>1.5%</b> | <b>1.5%</b> | <b>1.4%</b> | <b>1.5%</b> | <b>1.6%</b> | <b>1.7%</b> | <b>1.8%</b> |

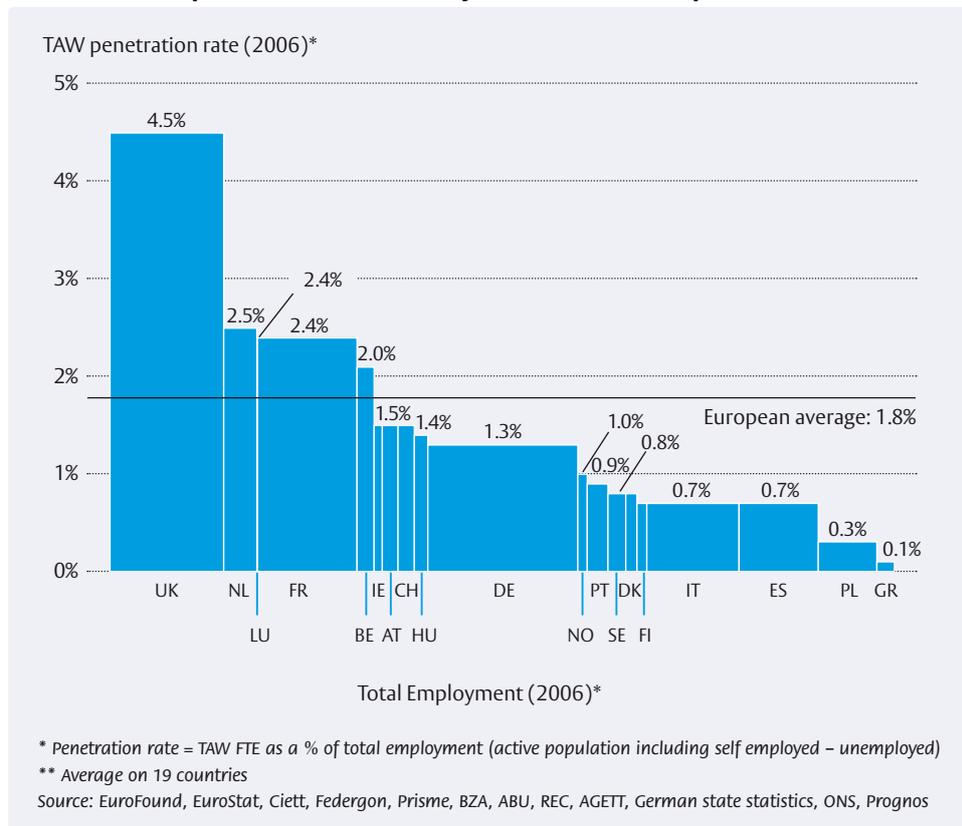
\* est. 2006  
Source: Eurociett & SEO Economic Research – Amsterdam

## The PrEA Industry at a Glance

With some 8 million (full-time equivalent) agency workers reporting to work daily on a global scale, 75,000 branches worldwide and more than €200 billion in revenues for 2006, the PrEA industry is one of the largest private employers in the world. In Europe, 3.3 million agency workers were employed (calculated in daily full time equivalent) in 2006, accounting for 1.8% of the European total employment<sup>10</sup>. However, TAW penetration rates<sup>11</sup> vary considerably across countries (Exhibit 1).

Annual turnover of the industry in Europe exceeded €90 billion for 2006, accounting for 45% of the industry's worldwide turnover.

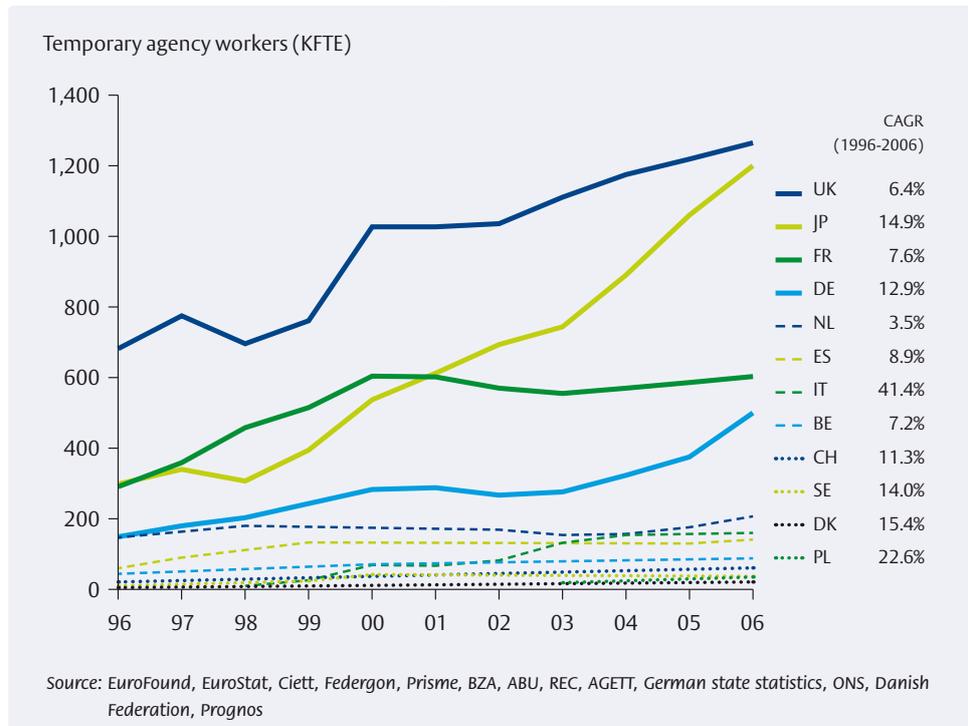
**EXHIBIT 1: TAW penetration rate widely varies across European countries**



Key activities provided by PrEAs comprise of temporary agency work (TAW), or the organised temporary supply of workers to organisations, based on a triangular relationship<sup>12</sup>; and a wide range of Human Resource related services including permanent

placement, outplacement, interim management, training, pay-roll management and executive search.

**EXHIBIT 2: The number of temporary agency workers has increased at different paces**



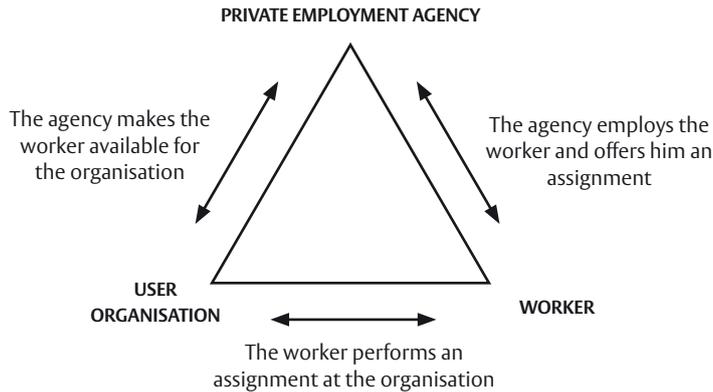
Through its development and broadened portfolio of activities, the PrEA industry helps make the labour market more efficient by leveraging its strong competitive advantages. These include its:

- Extensive knowledge about local labour market needs, especially in terms of skill shortages;
- Access to an extensive pool of available workers covering broad ranges of skills and experiences;
- Extensive experience in matching labour supply with demand;
- Expertise in national and trans-national labour law;
- Broad geographic spread through numerous and varied branch locations (30,000 branches across Europe);
- Know-how in engineering and implementing training programmes;
- Highly qualified and dedicated internal staff (about 250,000 employees in Europe working as recruitment consultants, salespersons, administrative clerks and office managers within agency work outlets).

As a private operator acting in the labour market and being fully aware of its responsibilities, the PrEA industry is committed to enhancing its quality standards to further improve respect of workers' rights and promote their protection. In this respect, Eurociett has established a voluntary European Code of Conduct for its European Members, which provides agreed general principles on PrEA practices<sup>13</sup>.

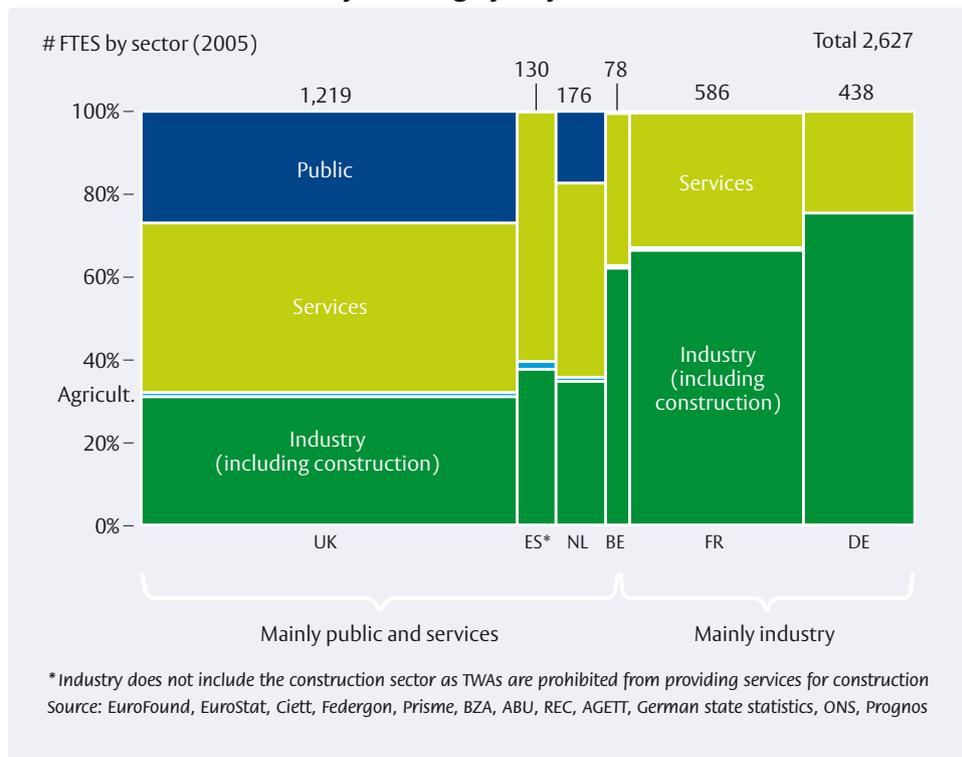
## Temporary Agency Work, the core business of the PrEAs

TAW is a transparent, well-organised form of employment based on a triangular relationship involving the worker, a user organisation and the PrEA. The PrEA employs the worker and makes him/her available to an organisation expressing needs for workforce. The worker performs the assignment within the organisation, which is responsible for supervising the worker.



In the last decade, TAW activity has increased in almost all countries, resulting in a significant growth of the number of agency workers (Exhibit 2). TAW is developing in all economic sectors; still, the balance of agency workers between these different sectors varies broadly across countries (Exhibit 3).

EXHIBIT 3: Sectors covered by TAW largely vary across countries

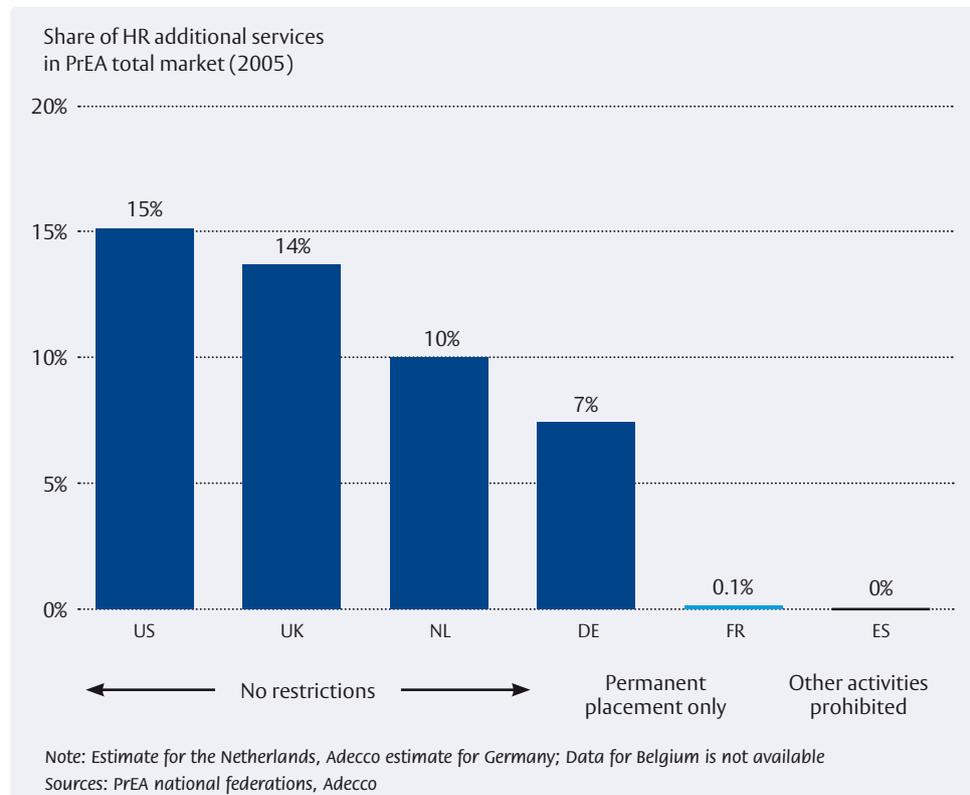


## PrEAs are developing additional HR-related services

In the past few years, PrEAs have expanded their services to become even more efficient HR partners for private companies and public entities, allowing them to refocus on their core business. Indeed, PrEAs can provide support to organisations in recruitment and placement (permanent placement, interim management, outplacement, etc.), to training and to HR-related administration (payroll management, detailed reports on staff flows and costs...).

Although progressing, these services have reached differing levels of maturity across countries (Exhibit 4).

**EXHIBIT 4: Countries are at different levels of development for additional HR services**

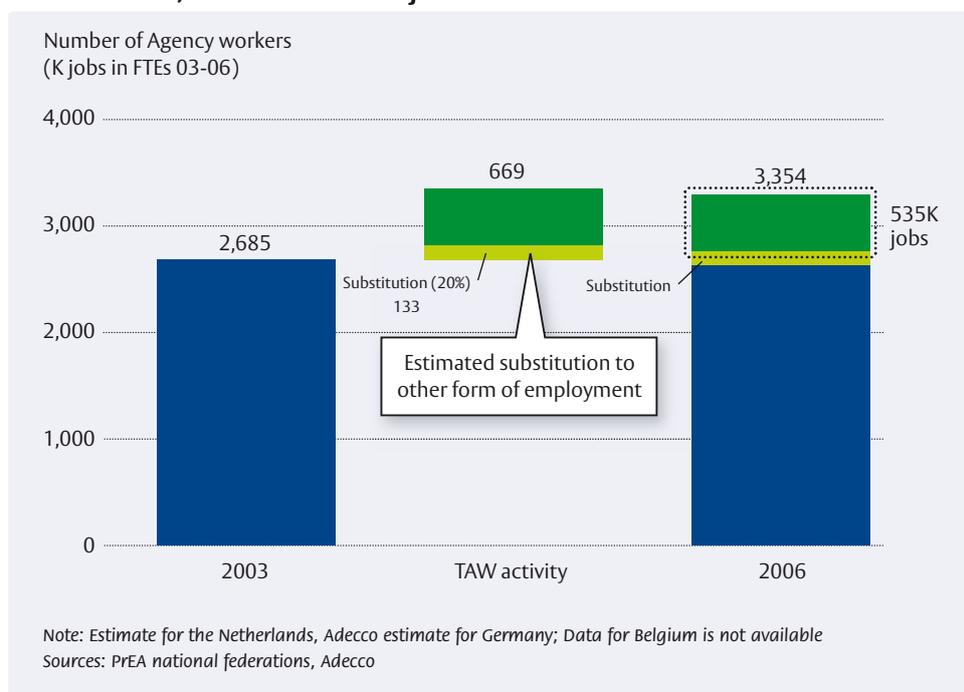


# The PrEA industry's contribution to a better functioning labour market

## A) Contribution to job creation and economic growth

The PrEA industry contributes to creating jobs and in effect reduces unemployment. It has created some 1.49 million new jobs in Europe between 1998-2006<sup>14</sup>, accounting for 9% of total job creation. In addition, the pace of job creation has accelerated over the past decade with 669,000 PrEA jobs created in Europe between 2003-2006 and accounting for 7.5% of total job creation (Exhibit 5)<sup>15</sup> versus 6% between 1996 and 1998. These figures are very much consistent with the findings of a McKinsey report<sup>16</sup> published in 2000, which proved that the PrEA industry created 251,000 additional full time jobs between 1996 and 1998 (accounting for 6% of total job creation).

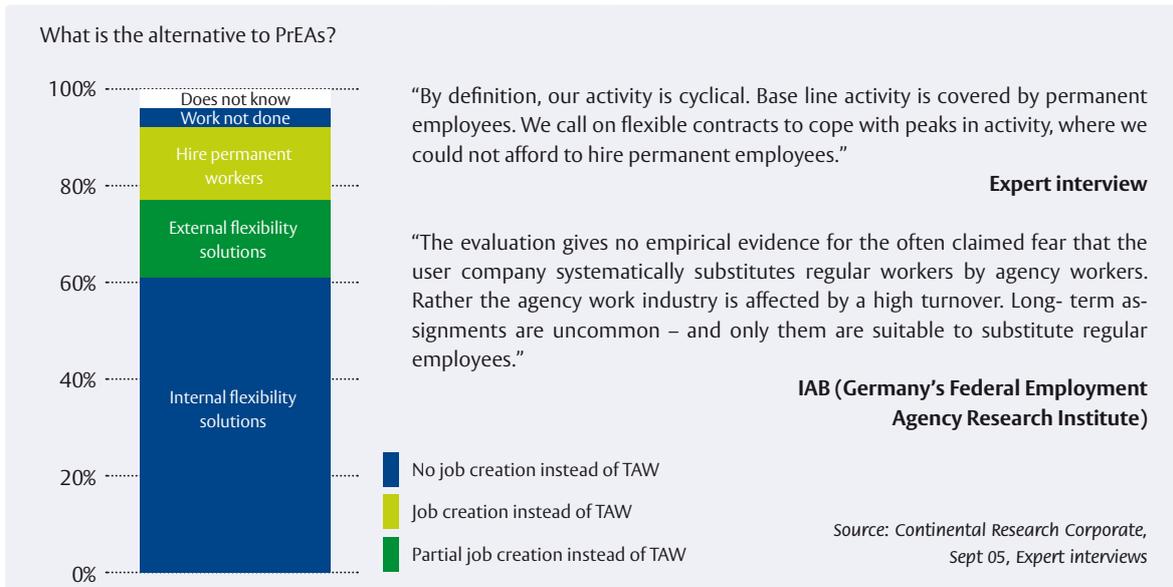
**EXHIBIT 5: Between 2003 and 2006, the PrEA industry has created 669,000 net additional jobs**



Based on the extrapolation of past trends, the PrEA industry could create 1.6 million new jobs in Europe (totalling 4.98 million temporary agency workers expressed in daily full time equivalent) over the next 5 years (2007-2012) – see Exhibit 8 (page 16).

Without the services provided by private employment agencies, 80% (1.3 million) of these potential jobs would not be created. These forecasts are based on the calculation of a compound annual growth rate (CAGR) of 6.8% between 1998 and 2006 for 19 European countries, then applied to the next 5 years (2007-2012). The years 1998 and 2006 have been retained as they correspond to the same phase of a business cycle for the PrEA industry (using a period from 1996 to 2006 would have resulted in too optimistic forecasts).

**EXHIBIT 6: ~80% of jobs created by TAW would not have existed otherwise**



These figures are purely based on the structural growth of the industry, and do not take into account potential impacts of changes in PrEA regulation.

**TAW contracts do not substitute to permanent contracts**

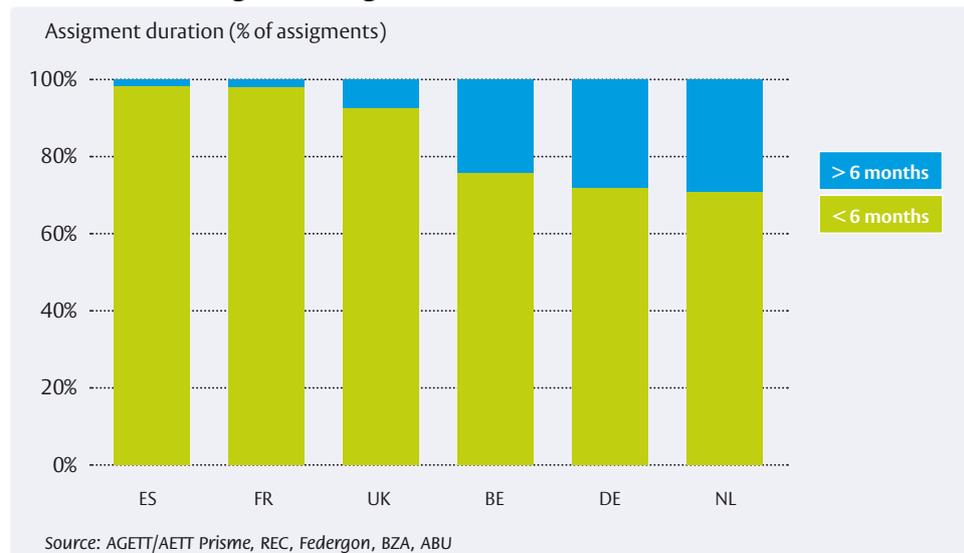
Between 2003 and 2006, 669,000 new jobs were created in Europe thanks to the services provided by PrEAs. Some 80% of these jobs are additional, so do not substitute permanent employment.

Substitution risks have been investigated by surveys conducted among European organisations to understand potential alternatives to TAW use (Exhibit 6). Results support TAW’s limited substitution of permanent employment. Indeed, most organisations (over 60%) would have resorted to internal flexible solutions such as overtime instead of TAW. These kinds of solutions would not have created additional jobs but would have instead increased pressure on permanent workers.

The potential risk of substitution comes from organisations that would have directly hired permanent workers (15%) and partially from those that would have resorted to external flexibility solutions (e.g. outsourcing). The nature of these external solutions are in general themselves temporary, meaning that few, if any additional and permanent jobs would be created.

The conclusion of a study conducted by IAB, the research institute of the German Federal Employment Agency, deduces that the PrEA industry does indeed generate additional jobs that do not substitute permanent contracts within user companies: *“The evaluation gives no empirical evidence for the often stated fear that the user company systematically substitutes regular workers by agency workers. Rather the agency work industry is affected by a high turnover. Long-term assignments are uncommon – and these kind of assignments are the only suitable ones to substitute permanent employees.”*<sup>17</sup>

#### EXHIBIT 7: TAW long-term assignments are uncommon

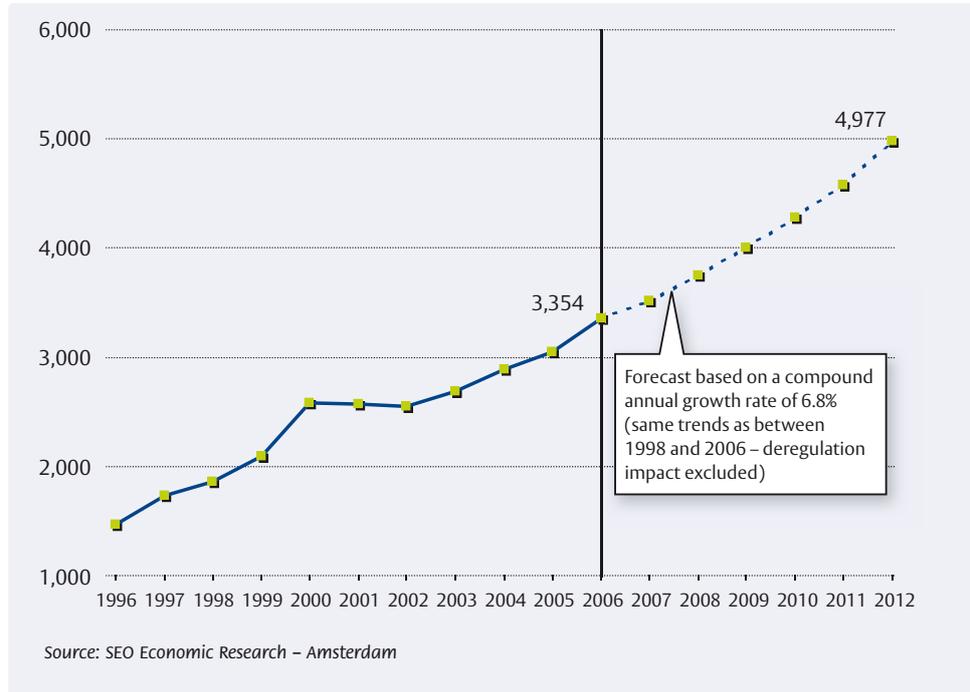


These survey results are supported by the analysis of the needs covered by TAW and permanent contracts:

- Organisations use TAW to manage changes in output (due to seasonal fluctuations and other factors) and workforce (replacement of permanent personnel). These key motivations for hiring a TAW worker could not be covered by permanent staff, unless part of a so-called ‘Hire & Fire’ strategy (i.e. hiring a worker under a permanent contract when activity peaks and immediately lay him off when activity slows down), which is neither in the interest of the organisation, nor the worker.
- Furthermore, the TAW industry is characterised by a high turnover<sup>18</sup> of FTEs over temporary agency workers. For example, turnover reached 430% in Belgium and 350% in France in 2006. This means that for each single full time TAW worker per year (January 1st to December 31st), agencies need to recruit and employ on average the equivalent of 4.3 people in Belgium and 3.5 in France.
- Long-term assignments, appropriate for substituting permanent jobs, are uncommon: from France to the Netherlands, the share of 6 month or longer assignments ranges only between 2% to 29% (Exhibit 7).

Hence, TAW substitution for permanent employment remains a limited option and must be assessed in a long-term perspective, as a general trend towards increased reactivity leading organisations to integrate flexible staffing solutions in their HR strategy.

**EXHIBIT 8: Natural growth forecast of agency worker volume (FTE x 1,000)**



**CASE STUDY 1: “How the PrEA industry contributes to job creation in the US”**

In the United States, much as in other countries, the PrEA industry strongly contributes to job creation.

Academic studies (conducted by Harvard University economist Lawrence Katz and Princeton University economist Alan Krueger) have concluded, while studying the unemployment rate decline in the 1990s, that the PrEA industry growth had been responsible for up to a 40% reduction in the rate of unemployment. They highlighted PrEAs’ efficiency in matching workers to jobs due to its central position in the labour market.

This contribution to job creation has increased further in recent years. In 2006, 12.4 million people (i.e. 3 million workers on average daily) have been employed as temporary workers, i.e. an additional 300,000 workers compared to 2005.

Both Republican and Democrat Administrations have recognised the contribution made by the PrEA industry.

## TAW's job creation impact is accelerating

The PrEA industry not only creates jobs that would not otherwise have existed, but it is also increasing the number of jobs being created when the economy is in recovery. This contribution to growth-related job creation has been accelerating over the last years.

### CASE STUDY 2: TAW amplifies job creations in France

*In France, the majority of newly created jobs since 2004 have been underpinned by TAW. According to UNEDIC\* figures for 2004, the salaried working population has risen by 48,740 units, of which 8,930 are temporary agency jobs. In 2004, TAW accounted for an 18% net increase in new jobs whilst representing less than 4% of salaried work. New jobs increased in 2006: out of 210,000 created, 42,000 were TAW. Thus TAW contributed to 20% of the new jobs.*

*Looking over a long development phase, a clearly defined correlation between salaried working population and TAW can be seen. The combination of TAW flexibility and greater acceptance by sector professionals these last 20 years has boosted employment growth: During the 1980s a 2% rate of growth was needed to guarantee net employment, where as now it is between 1 to 1.5%.*

\*UNEDIC is the bipartite body that manages unemployment allowances in France

## Job creation is reinforced by the growing number of PrEAs' internal staff

Due to the development of TAW across Europe these past few years, the PrEA industry has also created jobs within its branches to better serve organisations. The industry employs more than 250,000 internal staff across Europe<sup>19</sup> and recent data shows that PrEAs own staff is significantly increasing (approximately 20,000 jobs created between 2003 and 2005).

## PrEAs help to reduce unemployment

By creating additional jobs, the PrEA industry, in effect, reduces both frictional<sup>20</sup> and long-term unemployment (Exhibit 9).

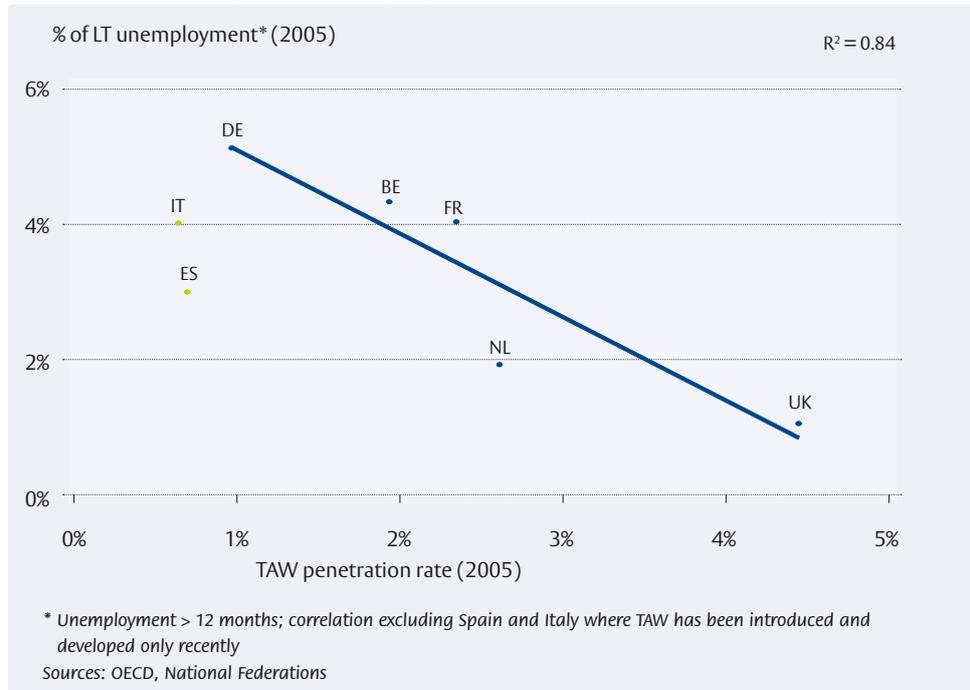
### Frictional unemployment

TAW helps people between jobs to remain active, enhancing their skills and experience thus helping them to rapidly find a job. Indeed, PrEAs swiftly place workers on assignments, so reducing the frictional rate of unemployment and the period of inactivity between jobs. According to a study carried out by the University Carlos III of Madrid, the unemployed who had previously worked through a PrEA have more possibilities to remain in active employment (10% more than those who have never used a PrEA<sup>21</sup>).

### EXHIBIT 9: Temporary Agency Work reduces unemployment



### EXHIBIT 10: The higher the TAW penetration rate, the lower the long-term unemployment



### Long-term unemployment

PrEAs help long-term outsiders return to the labour market, as substantiated by the correlation between the long-term unemployment rate and temporary agency work penetration rate (Exhibit 10). By helping job seekers to remain in contact with the employment environment, PrEAs can assist a rapid return to the labour market. In addition, this helps those who are unemployed regain their confidence, renew their skills and demonstrate their capabilities to prospective employers.

PrEAs' efficiency at reducing unemployment has once again been recognised (and used) by some European countries, in particular Italy and Poland. In both these countries, temporary agency work has been legally recognised and actively promoted as part of an active solution in curbing unemployment.

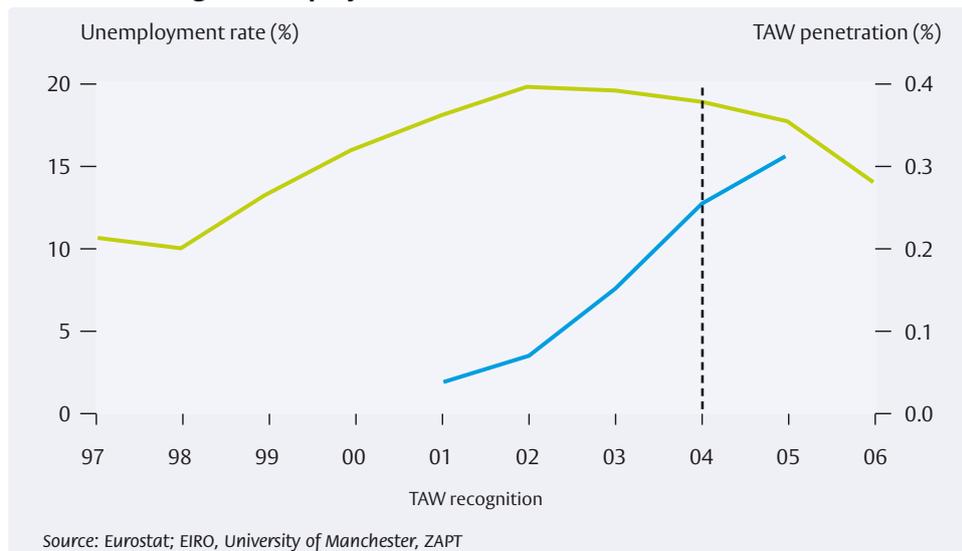
### CASE STUDY 3: "How the PrEA industry helps countries to achieve economic targets: Poland"

Poland suffered from a high unemployment rate in recent years, having reached 20% in 2002. In order to join the European Union, Poland was required to substantially decrease its rate of unemployment, increase workforce adaptability, and increase labour market flexibility to face market changes.

The Polish government recognised TAW as a significant solution for combating these challenges and decided to legally recognise and regulate TAW in July 2003.

As in other countries, PrEA proved its efficiency at curbing unemployment: In 2006, Poland's unemployment rate had dropped to below 15% of the active workforce, a large part played by the PrEA industry (Exhibit 11).

EXHIBIT 11: TAW has been recognised in Poland as a solution to fight unemployment

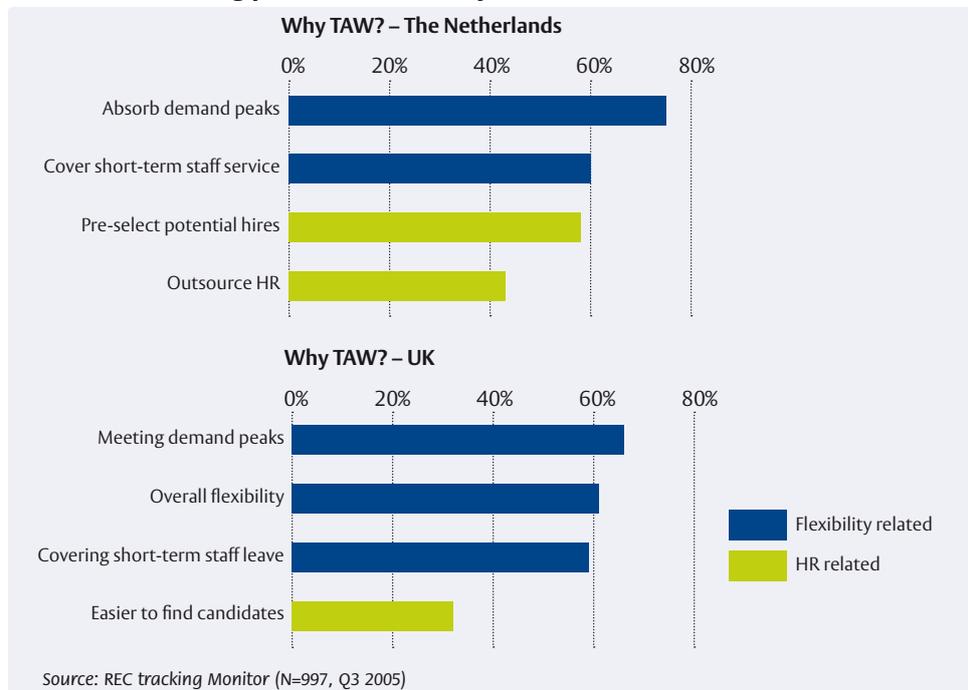


## Using TAW to boost companies' competitiveness

The PrEA industry not only helps create additional jobs, but also helps to maintain permanent jobs by reinforcing corporate competitiveness, creating positive conditions for economic sustainability and securing existing jobs.

To remain competitive, organisations must improve their responsive reflexes to output fluctuations, adapt their workforce skills to changes in the competitive environment and focus on their core businesses. The range of services offered by PrEAs answer these corporate challenges. Surveys across European countries show that companies rely on PrEAs for two key reasons: flexibility and HR-related services (Exhibit 12).

EXHIBIT 12: Companies call on TAW for two key of reasons: meeting peaks and flexibility



### CASE STUDY 4: TAW recognised as a key competitive factor for French companies

The flexibility provided by TAW supports the competitiveness of user companies and so ensuring growth in outlets. A recent study by the French Ministry of Labour\* reveals that temporary work agencies have become a key factor for company's competitiveness.

In an international environment characterised by increased competition, it seems that the growing recourse to TAW allows certain sectors to resist economic pressures and improve their responsiveness vis-à-vis the economic climate and their clients. These improvements in flexibility parallel gains in productivity that mitigate job losses or develop jobs.

The author of the analysis comments: “Over the last decade, the more sectors have had in the choice tools they could employ to improve their flexibility (fixed term contracts and TAW), the better they were able to preserve gains in productivity while transforming the surplus activity into employment.”

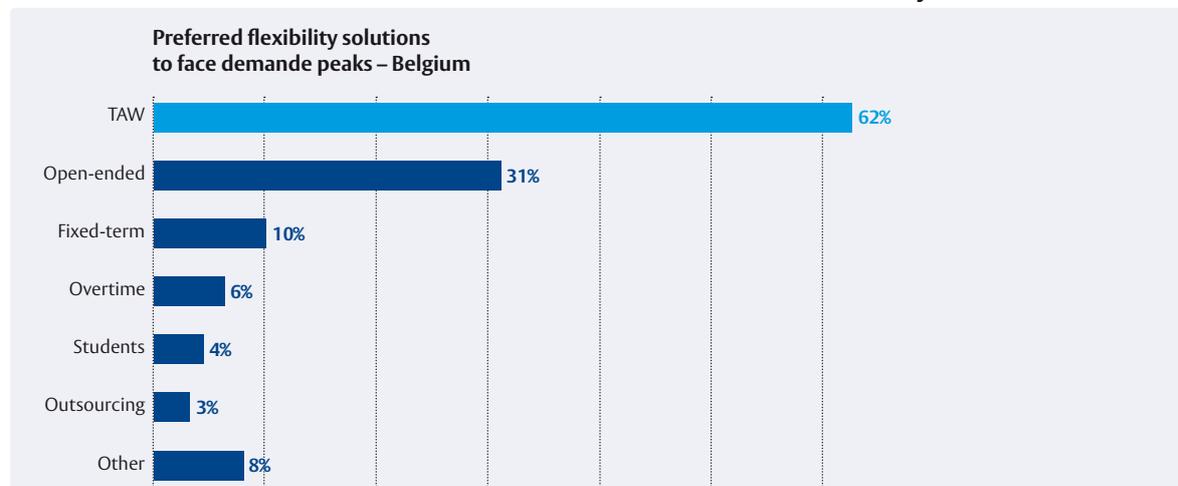
\*DARES – Emploi Industriel: le dernier creux conjoncturel sans influence sur la tendance des gains de productivité – avril 2005

### TWA is the most appropriate means to manage workforce flexibility

Staff flexibility increasingly becomes a pre-requisite to organisations’ success. Shortened product life cycle and global competitive pressure lead to increased fluctuations in economic activity, requiring companies to adapt their cost base and staffing levels.

In this regard, companies find that TAW provides the most appropriate means to help manage these fluctuations (Exhibit 13). On the one hand, PrEAs can draw on their large pool of workers to help fill unpredictable staff requirements; on the other hand, they provide organisations with appropriate workers’ profiles to adapt skills and better manage global competitive pressures. Where the PrEA industry is barred from providing permanent recruitment services (e.g. Luxembourg, Portugal and Spain), business cannot take advantage of this additional channel that could help to reduce economic pressures.

EXHIBIT 13: TAW is the most relevant solution to meet needs in staff flexibility



Source: FEDERGON (Qualité du travail intérimaire, Perception et Réalité, 2002), Expert interviews

#### Increase in flexibility needs is driven by shortened visibility of companies

#### Shorter product life cycles leading to more rapid and greater fluctuations in order books

“New products and competitors are likely to turn up anytime and anywhere. To face these risks, companies have to adapt their cost base and focus on what makes the difference.”

Expert interview

#### TAW is the most appropriate solution to meet flexibility needs

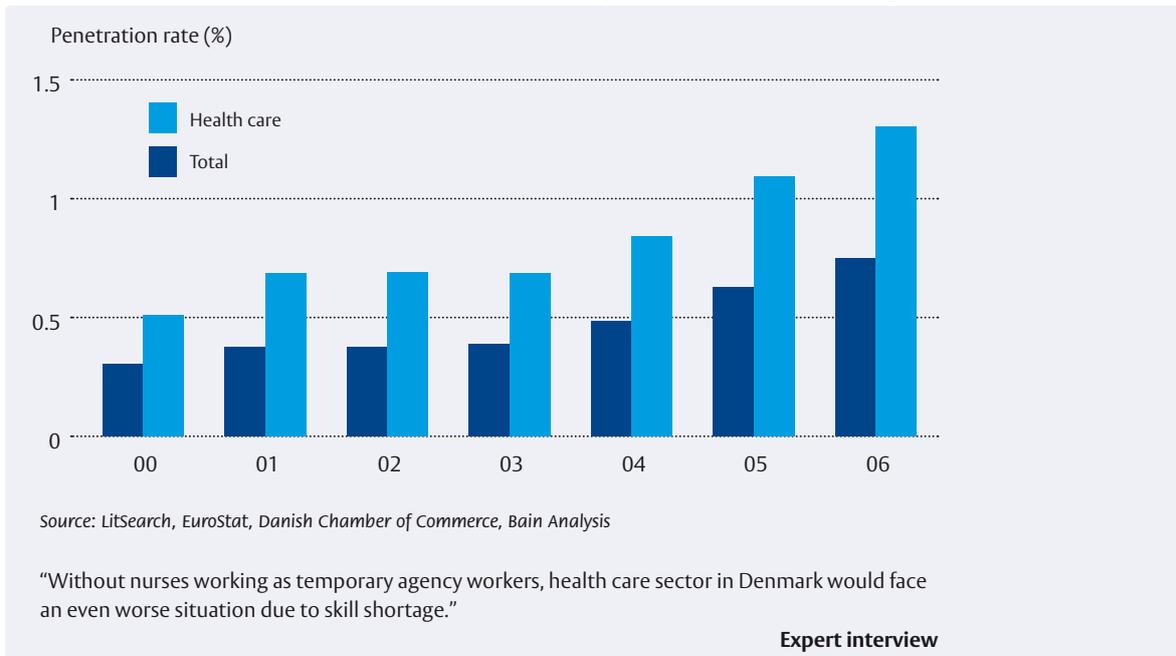
- Speed of response
- Variable assignment duration

**CASE STUDY 5: “How the PrEA industry optimises employment to solve skill shortages problems in Denmark”**

In contrast to most other European countries, Denmark enjoys very low unemployment (below 5% for 2006) owing to sustained economic growth over the last decade. This situation, although globally positive, triggered a skills shortage in several sectors. In 2006 more than a third of Danish companies had to reject orders due to a lack of appropriate staff.

In such a context, PrEAs have helped make the labour market more fluid by employing people with scarce skills. TAW is part of the solution to the skills shortages as it can quickly balance supply and demand in this tight market. One example: TAW plays an important role in addressing skills shortages in the healthcare sector, nursing in particular (Exhibit 14).

**EXHIBIT 14: In Denmark, TAW helps to reduce skill shortages**



**HR-related services provided by PrEAs help companies to focus on their core business**

Besides flexible workforce solutions, the PrEA industry also proffers companies a wide range of HR-related services. Hence, organisations are at liberty to outsource all their non-core HR related activities (e.g. permanent placement, interim management, outplacement, and training), administrative management (payroll management, detailed reports on staff flows and costs) and legal aspects (strong expertise and extensive knowledge of labour law).

Due to their scale and expertise, PrEAs are becoming comprehensive HR partners, delivering results and services at competitive prices.

By improving companies' workforce flexibility and enabling them to refocus on their core competitive advantages, the PrEA industry helps create the positive conditions necessary for economic sustainability.

The PrEA industry in addition provides security to organisations by ensuring skills sourcing, an adequate level of workforce and securing improved productivity, therefore helping to preserve their market position and job creation potential. In this regard, PrEA constitutes a supplemental and alternative solution to off-shoring, helping to maintain existing jobs in European countries.

#### CASE STUDY 6: "How the PrEA industry helps to avoid off-shoring in Germany"

The automotive industry's temptation to offshore activities has strengthened over the last few years. Still, in 2001, after an international tendering process, a leading German car manufacturer decided to locate its new manufacturing site in a major city in Eastern Germany.

Although the availability of qualified people in the region and the easy access to motorway were important factors in the car maker's decision, the high degree of flexibility demanded for the plant's efficient operation was a decisive factor in the choice of location. Indeed, the company has set up a self-styled "formula for work" which includes the use of temporary agency workers in order to absorb fluctuations in production. This allows the company to reach maximum flexibility, optimise staff productivity at the plant and help in part to offset the higher cost of production in Germany.

By modifying the equation, TAW has helped to create 2,500 jobs in Germany in this particular case.

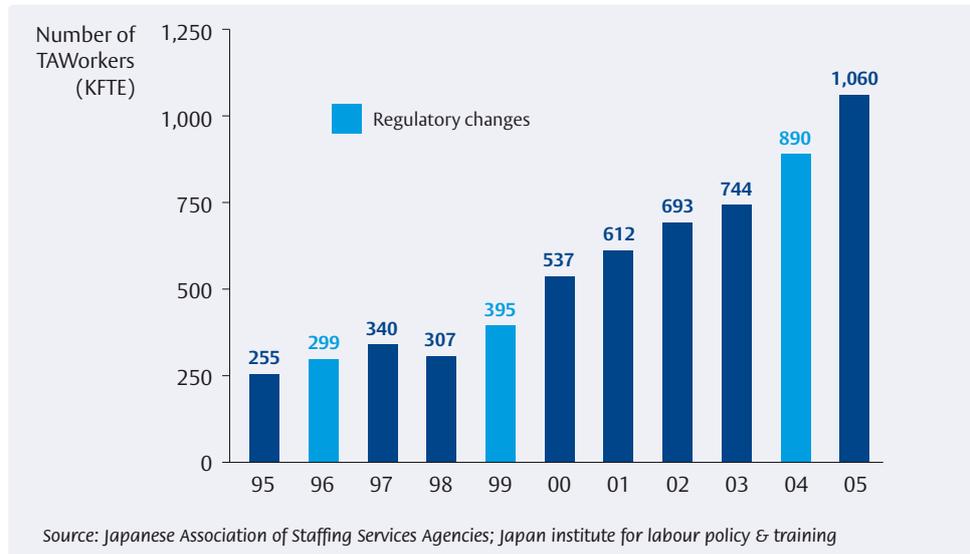


"Industrial employment better resisted 2003 economic downturn compared to 1993. The increasing use of TAW reinforced productivity gains by increasing industry reactivity to economic cycles."

Source: French Ministry of labour  
 "Emploi industriel: le dernier creux conjoncturel sans influence sur la tendance des gains de productivité" -  
 April 2005

"In time of economic recovery, TAW allows companies to cover activity increase without the risk of supporting opportunity costs"  
**Expert interview**

**EXHIBIT 15: Deregulation in Japan has increased companies' flexibility by allowing resort to TAW**

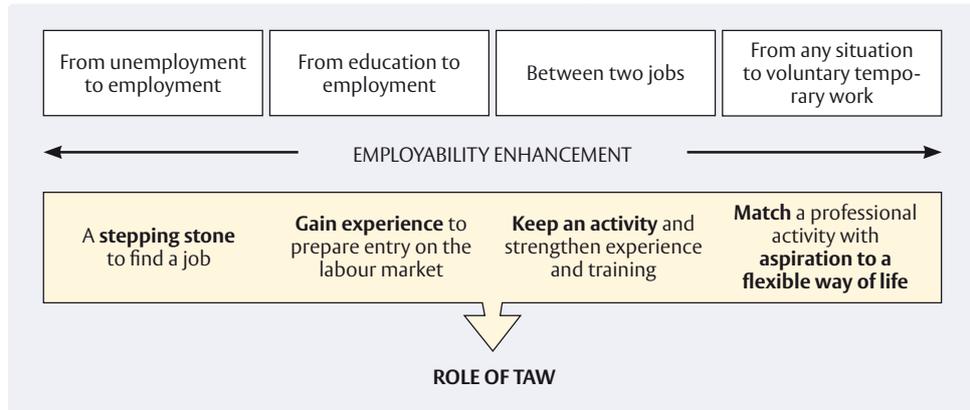


**PrEAs ensure a better match between demand & supply of work**

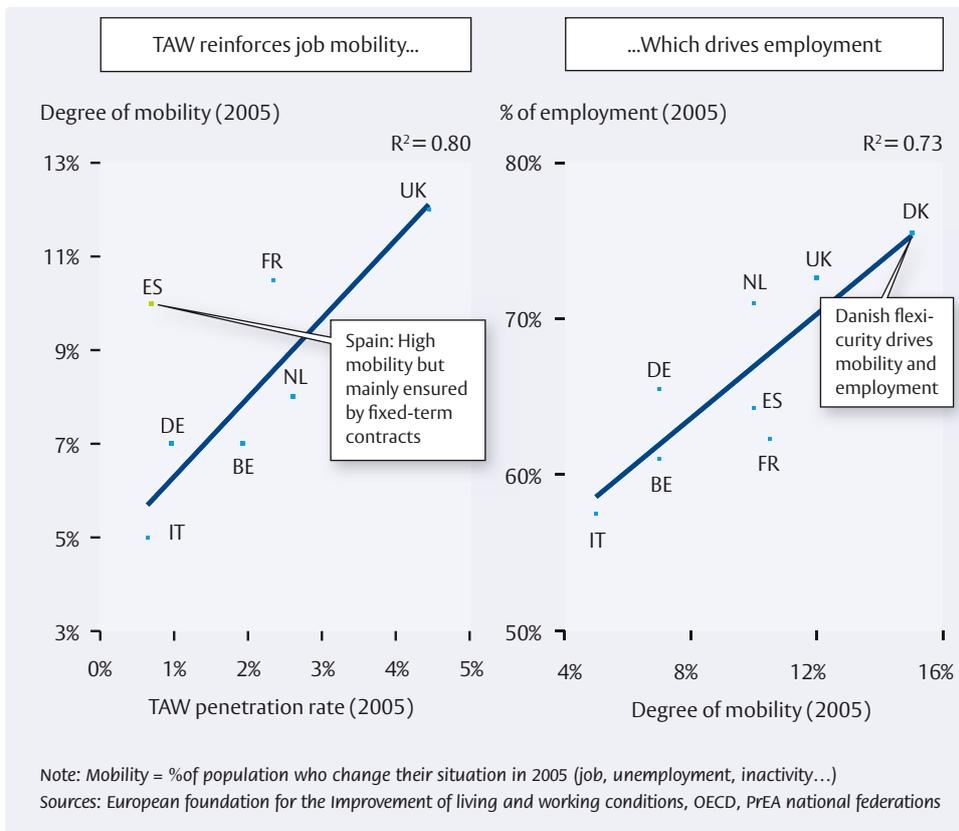
The PrEA industry helps improve labour market efficiency, as confirmed by the key stakeholder survey<sup>22</sup>: 85% of respondents agreed with the statement.

The PrEA industry improves fluidity in the labour market and boosts employment. A agency work is involved in many kinds of transition in the labour market. It enables people to remain active in the labour market between jobs or return to employment after a long absence, smoothly transferring workers from industries experiencing downturns to those experiencing upturns. It also brings students, retirees and otherwise inactive people into the labour market (Exhibit 16).

**EXHIBIT 16: TAW plays an active role in facilitating transition in the labour market**



**EXHIBIT 17: The PrEA industry contributes to a better functioning of the labour market**



On account of its labour market expertise (e.g. candidate sourcing, skill assessment, extensive knowledge of labour law) and a broad branch network (approximately 30,000 branches in Europe alone), PrEAs are well positioned to match labour demand and supply. PrEAs have knowledge of the current and forthcoming needs of the Labour Market and are best placed to match candidates with jobs

In this regard, TAW reinforces job mobility (Chart 1, Exhibit 17) and consequently promotes employment, as illustrated by the correlation between the degree of workers' mobility and employment (Chart 2, Exhibit 17).

As far as workers are concerned, employment and social policies encourage them to risk the transition between employment situations by combining flexibility (high frequency of transitions due to fairly low levels of employment protection) and security (positive outcome in terms of work and income security thanks to active labour market policies).

## PrEAs are key in implementing efficient Active Labour Market Policies

As recognised by the European Commission in its communication on Flexicurity<sup>23</sup>, “Cooperation between temporary work agencies and public employment services should be considered to implement active labour market policies”. In several EU Member States, the PrEA industry already plays an active role in national employment policies aimed at improving the functioning of labour markets. PrEAs contribute to reduce the divide between insiders and outsiders in the labour market, by providing easy entry points into work and stepping stones to enable progress into permanent contracts.

Furthermore, cooperation agreements between public employment services and private employment agencies have been developed, with the objective of reducing unemployment, increasing workforce fluidity and inserting more people in to the labour market, especially those who are furthest away from it.

Already promoted by the International Labour Organisation (ILO) in 1997<sup>24</sup>, the benefits of such cooperation have been recently reasserted at European level by Eurociett and UNI-Europa<sup>25</sup>: the two European social partners for the TAW sector have issued a joint declaration on Flexicurity expressing the need to “Promote cooperation with Public employment Services, in order to help unemployed people to reintegrate the labour market.”

At national level, most European governments have already recognised the contribution made by PrEAs and consequently promoted cooperation agreements in order to:

- Exchange information through pooling information on the labour market;
- Source candidates through sharing of both candidates and job vacancies;
- Manage workers’ skills through assessment and enhancement of their skills (i.e. vocational training);
- Provide services through outplacement services to reintegrate the unemployed.

### CASE STUDY 7: “How PrEAs partner with PES to improve the functioning of the labour market in the UK.”

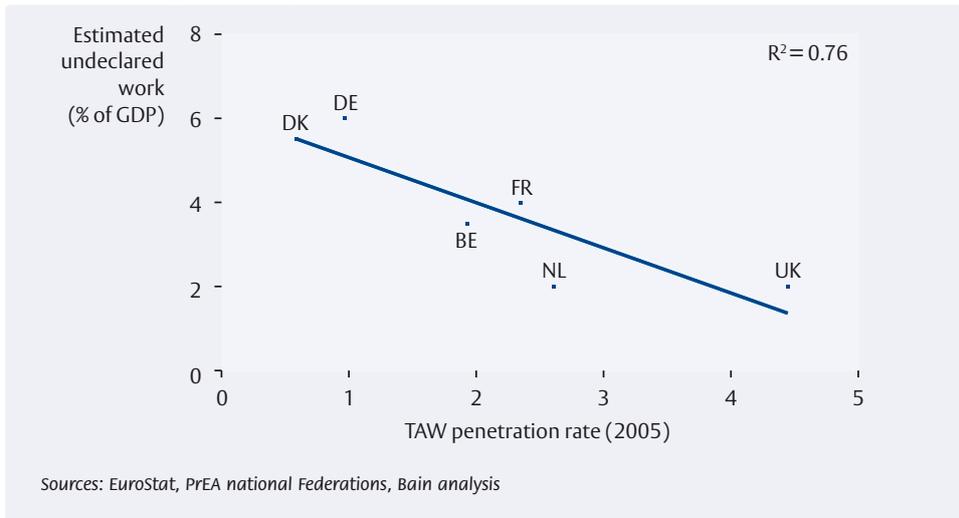
*In the UK, the PrEA industry and Job Centre Plus (the public recruitment and benefits sector) have been working together to ensure the best possible functioning of the labour market. This collaboration is not only aimed at increasing employment, but also at ensuring that all groups of people have equal opportunity to find a job.*

*The partnership is based on 5 cooperation tools:*

- *A national “memorandum of agreement” setting out the way the public and private sectors work together;*
- *An “electronic job board” where PrEAs can place the vacancies online;*
- *An agency user guide for small agencies on how to best use Job Centre Plus services;*
- *The possibility for all agencies to perform candidates interviews at the PES branches, which provides with agencies access to thousands of locations;*
- *Quarterly meetings with Job Centre’s senior officials to address strategic issues.*

Besides these permanent tools, punctual joint initiatives are also set up. For example, job fairs enabling candidates to sign up to agencies have been organised locally following the closure of manufacturing sites (e.g. Rover car manufacturer in the West Midlands, Corus steel works in South Wales). Cooperation has proven to be efficient, with some 15% of all jobs advertised by the Job Centre Plus coming from the private recruitment industry.

EXHIBIT 18: Higher TAW penetration rates means lower undeclared work



### PrEAs as a means of combating undeclared work

The PrEA industry helps reduce undeclared work (Exhibit 18). Undeclared work is particularly widespread in highly cyclical sectors such as construction, hotel, restaurant and other service providers. TAW provides a solution by offering companies a flexible form of employment, that is well adapted to the fluctuations in activity.

#### CASE STUDY 8: “How the PrEA industry helps reduce undeclared work in Italy”

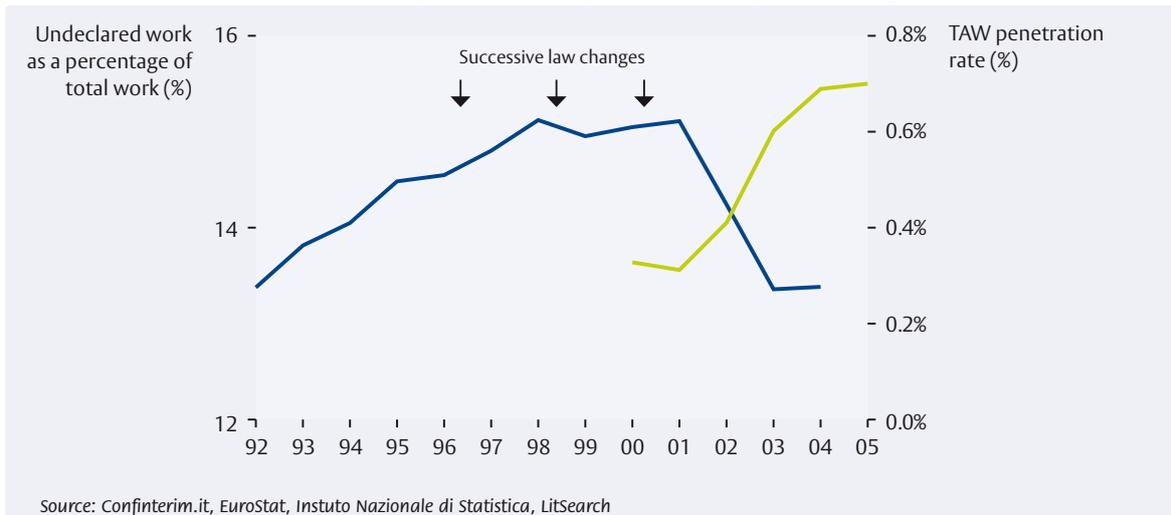
In Italy, TAW was legally recognised in the 1997 “Treu package” even though it was limited to certain sectors and circumstances. However, it was the first important step towards a more flexible labour market. The next major changes took place in 2000 with the opening up of the agriculture, construction and public administration sectors to TAW. Finally, in 2003, the Biagi law increased the flexibility of the labour market and continues to help liberalise TAW (Exhibit 19).

These legislative changes and the increasing flexibility of the labour market had a positive impact on reducing undeclared work. A study by the Italian National Institute of Statistics in 2005 showed a drop in the undeclared work market by 2 points between 2001 and 2004. TAW played a key role in this achievement by bringing to the labour market thousands of immigrants previously employed illegally.

**“Labour market reform – and especially the Biagi law, which triggered a boom in part-time and temporary work – was one of the reasons of the creation of 1m jobs. More than half of those were immigrants whose status was officially recognised – and who were already working “**

The Business, 6th April 2006

**EXHIBIT 19: In Italy, TAW development has helped curbing undeclared work**



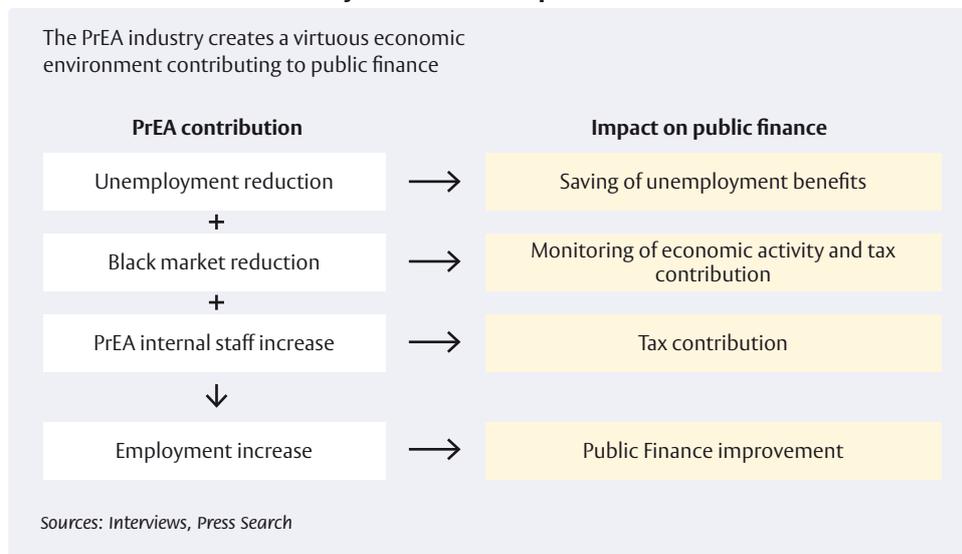
TAW also prevents risks related to undeclared work on the part of both companies and workers. It protects companies from administrative and financial sanctions including fines and prison terms, while giving employee status to individuals who would otherwise have had no social protection in case of accident, and made no contribution to pension allowances.

**By placing more people in work, PrEAs increase public revenue and reduce public spending**

Akin to other industries, PrEAs contribute to public finances by paying corporate taxes and social charges. However, the PrEA industry is the industry that contributes over and above the norm to public finances (Exhibit 20) in the following two ways:

- By employing more workers, the PrEA industry increases public revenue  
The PrEA industry increases employment; it helps create TAW jobs, it creates additional jobs within its own industry, transforms illegal workers into declared workers and helps monitor economic activity. In this respect, the PrEA industry increases public revenues through social security and tax contributions. In France, for example, it contributed up to 2.7% in total social security receipts for 2005.<sup>26</sup>
- By reducing unemployment, the PrEA industry helps lower public spending  
As previously highlighted, the PrEA industry efficiently brings down unemployment which then allows governments to reduce spending on unemployment and incapacity benefits.

## EXHIBIT 20: The PrEA industry contributes to public finances



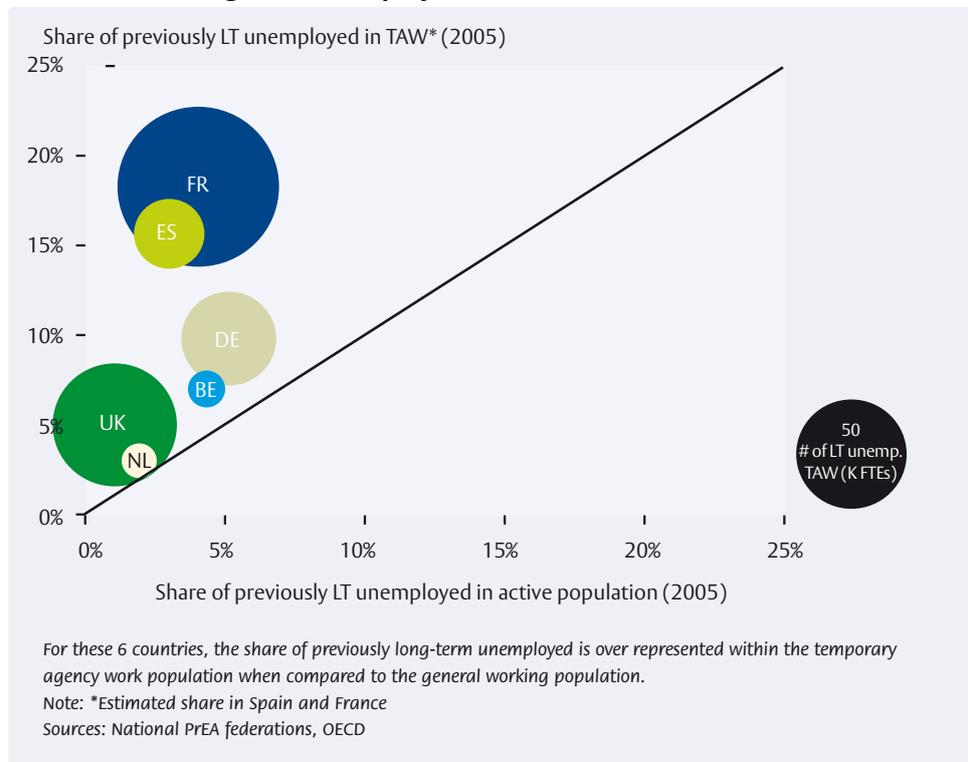
## B) Contribution to facilitating transitions and transformations in the labour market

While the PrEA industry helps strengthen European countries' economic competitiveness, it also plays an active role in development, transition and transformation of the individual, by helping them improve employability in tandem with improving the work-life balance.

### Increasing labour market participation and diversity

In addition to the contribution it makes to reducing unemployment, the PrEA industry opens up access to the labour market for outsiders<sup>27</sup> hence increasing inclusion and diversity. Most of these groups are over represented among temporary agency workers, in particular the former long-term unemployed (Exhibit 21), who account for a higher share of the TAW population than that of the active population.

**EXHIBIT 21: The PrEA industry provides job opportunities for long-term unemployed**

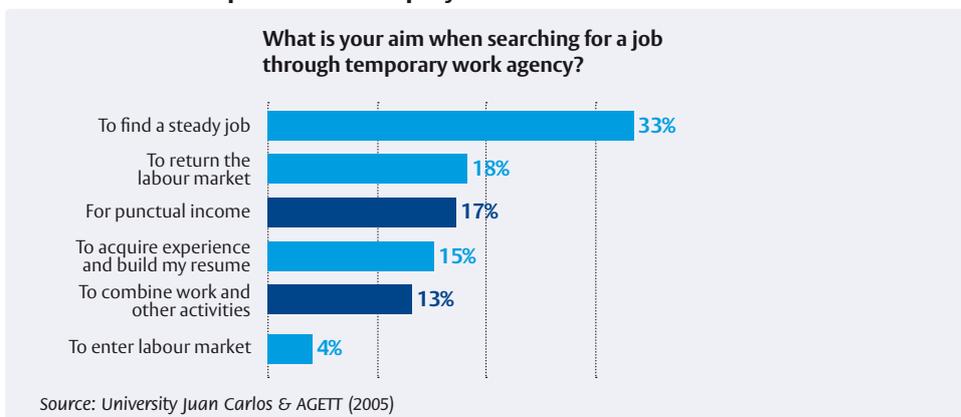


Similarly, TAW provides ethnic minorities with more job opportunities than average: in the UK, they account for 21% of temporary agency workers compared to 8% of the active population<sup>28</sup>. In Belgium, third country nationals account for 4.2% of the temporary agency workers versus 1.6% of the active population. In the Netherlands<sup>29</sup>, PrEAs have significantly increased its assistance to outsiders, their share in TAW having risen from 18% in 2000 to 26% in 2004.

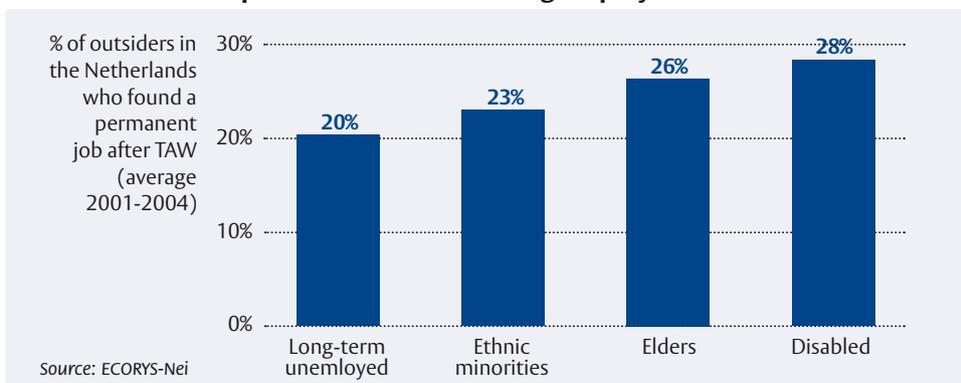
Not only do PrEAs open up access to the labour market for outsiders, they also help find them permanent employment if they so wish (Exhibit 22). The long-term unemployed regain self-confidence, hone skills and make contact with potential employers. Senior citizens are assisted in finding a job more quickly by renewing their skills and enhancing their employability. Moreover, TAW provides persons with disabilities the opportunity to prove their capabilities to employers.

In countries where the PrEA industry has a high penetration rate and is faced by few or no restrictions, it is able to assist a larger proportion of people who are furthest away from the labour market to return to work. This could be explained by the fact that within the slipstream of large numbers of qualified people being reassigned, it is easier for private employment agencies to support the entry of less advantaged workers (no professional experience, unskilled, or disabled people) into the labour market.

**EXHIBIT 22: In Spain, the primary reason to chose temping is to find permanent employment**



**EXHIBIT 23: TAW helps outsiders to find lasting employment**



**CASE STUDY 9: “How the PrEA industry helps target groups to find a durable labour market place in the Netherlands”**

Some specific target groups such as ethnic minorities, older workers<sup>30</sup>, the disabled and the long-term unemployed, have difficulties integrating into the labour market. The PrEA industry provides an unparalleled opportunity for these groups to achieve this by easing their contact with the labour market and, therefore, with potential employers. It enables them to demonstrate their capabilities without having to go through lengthy and stringent recruitment processes.

Not only does the PrEA industry provide a temporary bridge between candidates from target groups and employers, but it also provides these groups the opportunities to find permanent jobs. Between 20% and 28%<sup>31</sup> of temporary agency workers from target groups find a permanent job through temporary agency work (Exhibit 23). In 2006, these target groups made up 197,000 or 27% of the temporary agency market in the Netherlands.

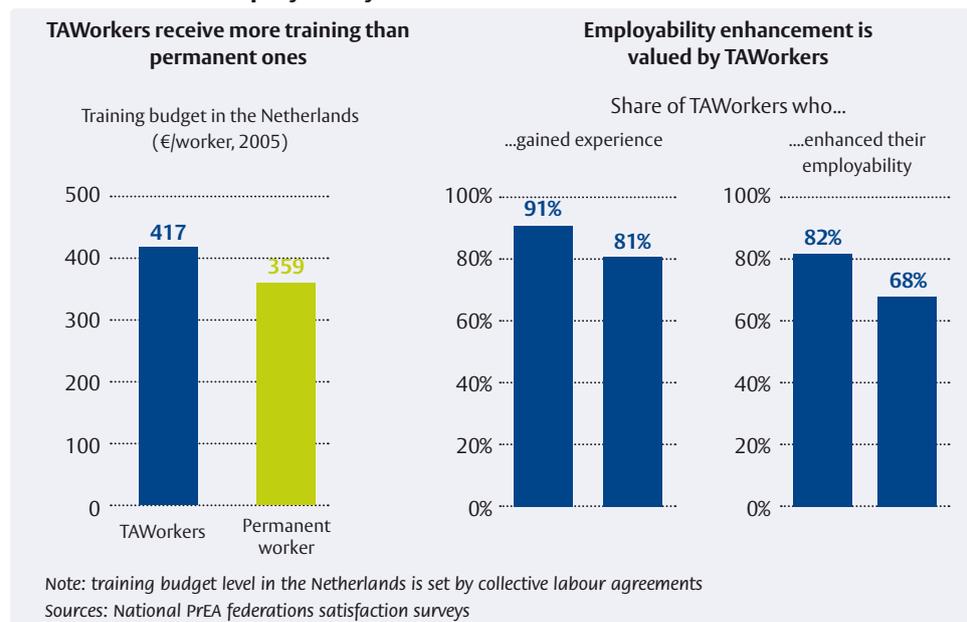
By bringing outsiders into the labour market and enhancing their prospects in finding permanent employment, the PrEA industry reinforces social cohesion and increases participation and diversity in the labour market.

## Enhancing worker employability

PrEAs give workers opportunities to gain experience by helping them hone their skills, try new jobs and strengthen their ability to adapt and work as part of a team. Through facilitated access to vocational training, agency workers also have the opportunity to acquire new skills. This is how PrEAs contribute to the creation of higher quality jobs. In France, around 200,000 temporary agency workers have been trained in 2006, the industry having invested 290 million euros on vocational training that same year.

Indeed, working through a PrEA represents an unmatched opportunity for people to gain new skills, since the industry has significantly increased its investment in training. For example, PrEAs give those voluntarily seeking to change careers training and experience. For those compelled to switch jobs, PrEAs assist and support reconversion. It also gives students privileged access to the labour market and provides new entrants with the necessary training and experience to build a strong CV. Through the possibility of vocational training, budgets for temporary agency workers have thus outpaced those for permanent workers in the Netherlands (Exhibit 24).

**EXHIBIT 24: PrEA provides training to its workers and enhances their employability**



### CASE STUDY 10: “How PrEAs facilitate access to vocational training for TAWorkers in Spain”

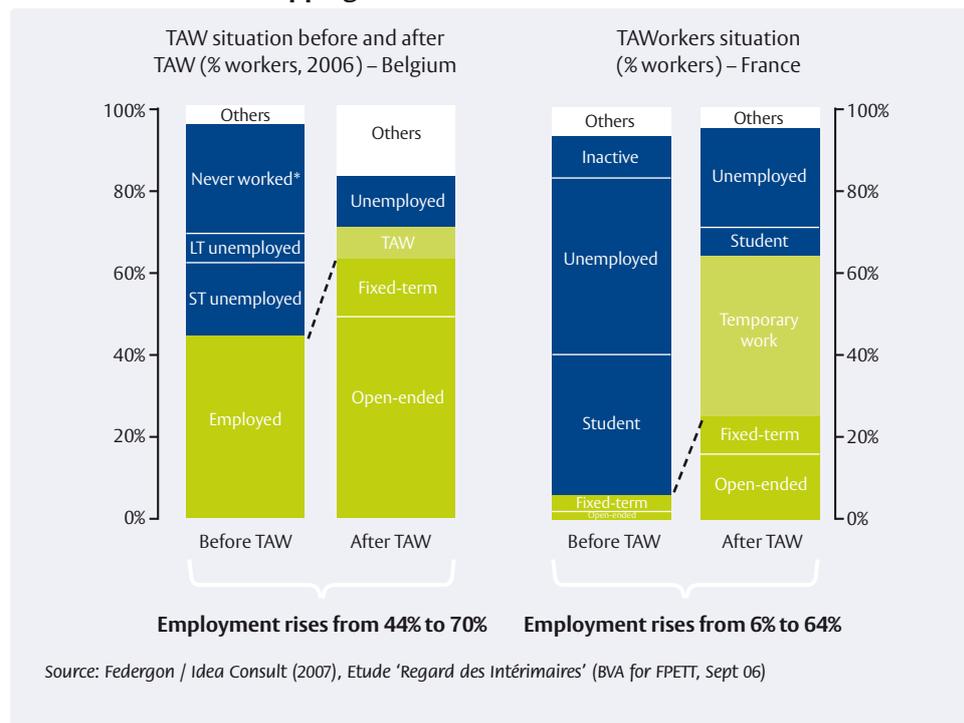
In Spain, as in other countries such as Belgium, France, Italy and the Netherlands, training is one of the principal focal points of the PrEA industry. This has given birth to SINDETT, a bipartite training fund that embraces the two largest trade unions and the PrEA national federation. It seeks to provide a platform for collective initiatives to create more and higher quality jobs. SINDETT follows several strategic approaches to reach its objectives:

- Providing workers with modular training programmes throughout the country;
- Offering training programs aimed at acquiring, updating and improving specific competencies as well as transversal ones;
- Promoting the integration of groups with low employability;
- Adapting training content to labour market trends in order to raise the level of workers' employability.

In the last three years, SINDETT enhanced employability of almost 12,000 workers through training programme, 89% of those temporary agency workers coming from target groups. All workers, regardless their geographic location can benefit from this opportunity (20% from Andalusia, 18% from Madrid and 17% from Cataluña). The SINDETT budget for 2006 amounted to €3.5 million.

As a result of job placement and the possibility of vocational training, temporary agency workers significantly enhance their employability and increase their chances for long-term employment in the labour market. In this regard, the PrEA industry plays the role of a stepping stone towards the labour market. Comparison of previous and post situations of temporary agency workers highlight this stepping stone function.

**EXHIBIT 25: PrEA is a stepping stone to enter or come back to the labour market**



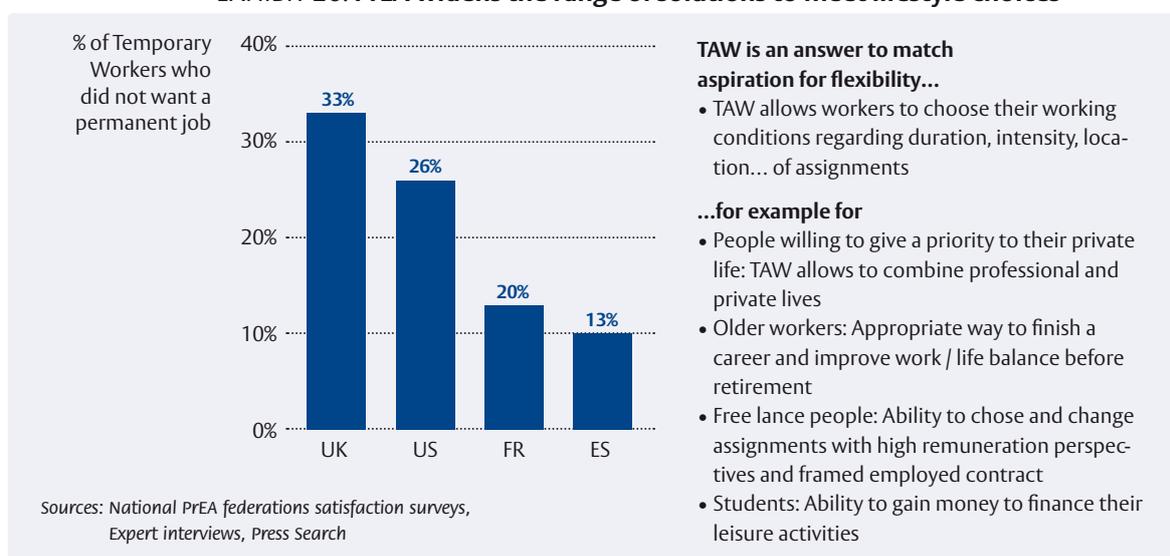
In France, 87% of temporary agency workers were not employed prior to TAW (34% were students and 53% unemployed). After completing a year of TAW, only 36% did not remain employed (7% returned to study, 24% to unemployment and 5% are in other situations) while 25% are employed in a non-agency work contract (open ended or fixed-term contract). As a result, their employment rate increased from 13% to 64%<sup>32</sup>. In Belgium, after one year TAW, the employment rate increased from 44% to 70% (Exhibit 25)

## TAW provides solutions to match lifestyle choices or personal constraints

PrEAs offer flexible working opportunities at every stage of a worker's professional life. By allowing workers to choose their working conditions regarding duration of assignment, time of year, intensity (working hours) and location, this employment form flexibly matches personal lifestyle choices or constraints.

An increasing number of temporary agency workers voluntarily choose this form of employment, at the expense of a permanent job (Exhibit 26) in order to match their aspiration for flexibility: from 20% of agency workers in France to 33% in the UK. TAW is particularly suitable for students to earn money, for example financing their education or leisure activities, and for those who seek greater personal control over their work-life balance.

EXHIBIT 26: PrEA widens the range of solutions to meet lifestyle choices



For freelancers, it also broadens the range of available assignments, as they can leverage their skills while simultaneously benefiting from a well-framed, protected employment contract when compared to self-employment. Their remuneration prospects are often higher than for the equivalent permanent job.

Finally, TAW assists older workers who towards the end of their careers wish to progressively wind down their professional activity, and improve the work-life balance before retirement.

| STUDENT  | 1 <sup>ST</sup> TIME ENTRANT   | EXPERIENCED WORKER   | LAID-OFF WORKER  | PENSIONER  |
|--|--|--|--|--|
| <p><b>Provide temporary work to finance education while studying</b></p> | <p><b>Provide temporary assignments leading to a permanent contract</b></p> <p><b>Gain first professional experience</b></p> | <p><b>Provide new job opportunities to evolve an improve life conditions</b></p> <p><b>Provide a flexible working solution to meet familial responsibilities</b></p> | <p>Facilitate transitions <b>from one job to another through outplacement services</b></p> | <p><b>Provide extra financial revenues</b></p> <p><b>Improve work-life balance</b></p> |

# Barriers to be lifted to allow PrEAs' contribution to growth and job creation

Lifting the unjustified barriers the PrEA industry still faces will create additional jobs and a better functioning labour market

Despite the demonstrated benefits both at macroeconomic and individual levels, the PrEA sector contribution is still hampered by four main factors: unjustified regulatory restrictions, discriminatory measures when compared to other forms of flexible employment (such as fixed-term contracts), strong misperceptions of its added value in the labour market, and a limited cultural acceptance in some European countries. In order to unlock PrEA contribution to job and growth across European countries, the industry urges regulatory authorities to remove unjustified restrictions on TAW usage and PrEA activities, and also to increasingly involve the PrEA industry in active labour market policies. The PrEA industry also pledges to reinforce dialogue with its key stakeholders and pro-actively support governments' employment policies.

## A) Restrictions on the use of TAW

In many European countries, there remain several restrictions regarding the use of TAW and the range of PrEAs' allowed activities (Exhibit 27) as well as several discriminatory measures when compared to other forms of flexible employment. These outdated restrictions and discriminatory measures are considered unjustified since regulation does not ensure an equal footing with other forms of flexible employment and does not recognise PrEAs' positive contribution to the labour market.

EXHIBIT 27: The PrEA industry still faces unjustified regulatory restrictions

|                | Restrictions on TAW use  | Restrictions on PrEAs activity                |
|----------------|--|---|
| <b>Belgium</b> | <ul style="list-style-type: none"> <li>• Restrictions in Public services</li> <li>• Restrictions on reasons of use</li> <li>• Restrictions on duration</li> </ul>                                      |   |
| <b>France</b>  | <ul style="list-style-type: none"> <li>• Restrictions in Public services</li> <li>• Restrictions on reasons of use</li> <li>• Restrictions on duration and renewal ("Délai de Carence")</li> </ul>     | PrEAs activities limited to TAW and placement |
| <b>Spain</b>   | <ul style="list-style-type: none"> <li>• Restrictions in public services and construction (and risky sectors)</li> <li>• Restrictions on reasons of use</li> <li>• Restrictions on duration</li> </ul> | PrEAs activity limited to TAW                 |
| <b>Germany</b> | <ul style="list-style-type: none"> <li>• Restrictions in construction sector</li> </ul>  |   |

Sources: National PrEA federations, Press Search

## Sectoral bans

Several countries prohibit or severely restrict the use of TAW in specific sectors. The most significant restrictions are to be found in public services and construction<sup>33</sup>. In Spain, TAW is strictly banned from public services and construction, while in Belgium and France its use is restricted to very specific situations. German regulation allows TAW in construction only if a collective agreement is signed and declared generally binding, which has so far not occurred.

### Arguments in favour of lifting sectoral bans

Restrictions on TAW use in public services should be lifted in European countries facing these limitations, for instance Belgium, France and Spain (Exhibit 28). This would help to remedy public services' flexible workforce needs and tackle the problem of skill shortages.

#### EXHIBIT 28: Remove sectoral bans to the use of TAW

| Examples of priority actions  | Rationale   |
|---|---|
| <p><b>BELGIUM and FRANCE</b><br/>Remove restrictions on <b>public services</b></p> <p><b>SPAIN</b><br/>Remove restrictions on <b>construction, public services and risky sectors</b></p> <p><b>GERMANY</b><br/>Remove restrictions on <b>construction</b></p> | <p><b>Public services:</b> TAW could...</p> <ul style="list-style-type: none"> <li>• Provide answers to <b>public services specific needs</b> (flexibility and mobility)</li> <li>• Bring solutions to <b>human resource challenges</b> (skill shortages, ageing workforce)</li> <li>• <b>Improve protection</b> of non permanent public services workers (better protection than 'contractual' workers)</li> </ul> <p><b>Construction:</b> TAW could...</p> <ul style="list-style-type: none"> <li>• Improve <b>sectors' competitiveness</b> (flexibility solutions to face high cyclicality)</li> <li>• <b>Reduce undeclared work</b></li> <li>• Ease <b>integration of immigrants</b></li> <li>• <b>Improve workers health and safety</b></li> </ul> |
| <p>TAW could be a valuable tool to improve efficiency and competitiveness of public services and construction sectors and enhance workers' protection</p>   |   |

Many service-oriented organisations, public services demand cost-effective HR solutions to resolve their flexibility needs. Indeed, most of these services must contend with seasonal activity fluctuations and absenteeism due to sickness and leaves of absence. A prime example can be found in the education sector, where flexible solutions are needed to replace absent teachers. The 'Substitute teacher' and internal flexibility systems as implemented in the UK and the Netherlands allows schools to 'fill the gaps' of those away on sickness and other forms of leave, but no such solution exists in most other European countries.

However, the flexibility tools currently available to public services do not fully cover these needs: fixed-term contracts provide limited reactivity (which delays recruiting

and filling administrative tasks), internal flexible work arrangements sometimes lead to civil servants performing tasks they are under or overqualified for.

Furthermore, public services require geographic and skill mobility, especially in the context of public services reform and transfer of competencies between national and local levels.

PrEAs could offer public services the skills and reactivity they need thereby improving quality of services and efficient expenditure of public funds:

- They could provide public services with a large pool of available and suitable candidates via their expertise in matching demand and supply;
- Due to their broad network of branches and their dense geographic coverage, PrEAs could support public services in their mobility challenges;
- They could also improve protection of non-permanent public service workers. For example, French TAW contracts frequently offer better working conditions and protection than the non civil servant status (cf. the 'contractuel' status) for instance by providing higher-end assignment compensation, career management support, and extra social benefit. Opening up public services to TAW would then contribute to an improvement in the situation of non civil servant workers and offer them greater career management opportunities.

### **Restrictions on 'reasons of use'<sup>34</sup>**

In several countries such as Spain, Belgium and France, the use of TAW within companies must be legally motivated by a 'reason of use'. For example, organisations willing to use TAW can only do so in limited or restricted situations as precisely defined in law (replacement of absent workers, absorption of activity peaks...). Both the scope of 'reasons of use' and approval processes differ across countries.

Scope of 'reasons of use': in Belgium and Spain, reasons only focus on employers' needs, while in France two new 'reasons of use' (10 in total) related to employees have been recently added (hiring a temporary agency worker can be justified for vocational training purposes or for social inclusion). In other European countries (e.g. UK, the Netherlands and Germany), use of TAW does not have to be motivated.

Approval process: in several countries (e.g. Belgium), approval of organisations' compliance to these 'reasons of use' is ensured by trade unions, which have to be consulted prior to the use of TAW. In Italy, all collective labour agreements establish maximum percentage of agency workers that user companies can hire. Trade unions in France and Spain are obliged to be informed when TAW is used.

### **Arguments in favour of an unlimited number of reasons of use**

These restrictions should be lifted to match all organisations' needs and employees' situations (Exhibit 29). This would have a beneficial effect both on workers and on the economy at large. Lifting these restrictions would strengthen organisations' competitiveness through quicker adaptation to fluctuations in economic activity, while making workers more attractive to employers by providing them with additional experience

and skills. Moreover, adding reasons of use related to employees' needs would help to reinforce social cohesion by bringing into the labour market people experiencing social and integration difficulties (as recently implemented in France in two new TAW 'reasons of use' based on individual grounds).

#### EXHIBIT 29: Remove restrictions on 'reasons of use' for TAW

| Examples of priority actions   | Rationale  |
|--|--|
| <p><b>SPAIN, BELGIUM and FRANCE</b><br/>Lift restrictions on 'reasons of use' for TAW</p> <ul style="list-style-type: none"> <li>• Belgium and Spain: Currently restricted to a short list of reasons related to user company only</li> <li>• France: Currently restricted to a short list of reasons related to user company and to target employee groups</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Strengthen user companies competitiveness</b><br/>Shorter reactivity lag to adapt to unpredictable workload fluctuations<br/>=&gt; Avoid opportunity costs</li> <li>• <b>Increase opportunities for outsiders to reintegrate the labor market in a well-framed way</b><br/>Possibility to hire workers based on their situation would reinforce social cohesion by bringing to the labor market people experiencing social and integration difficulties</li> </ul> |
| <p>Removing reasons of use restrictions would increase companies competitiveness and enhance outsiders insertion</p>   |  |

#### EXHIBIT 30: Remove restrictions on duration and renewal of assignments and contracts

| Examples of priority actions   | Rationale  |
|--|--|
| <p><b>SPAIN, BELGIUM and FRANCE</b><br/>Remove restrictions on duration of assignments</p> <p><b>FRANCE</b><br/>Remove the restrictions on renewal of contracts ('Délai de Carence')</p> | <ul style="list-style-type: none"> <li>• <b>Removing restrictions on duration of assignments would</b> <ul style="list-style-type: none"> <li>– Allow companies to leverage TAWorkers experience along the assignment (both training on the job and vocational training)</li> <li>– Offer TAWorkers opportunities to be part of long-term projects and lengthen their visibility on their career</li> </ul> </li> <li>• <b>'Délai de Carence'</b> <ul style="list-style-type: none"> <li>– Missed its goal (initially aimed at lengthening contracts)</li> <li>– Should be removed to increase companies reactivity and competitiveness</li> </ul> </li> </ul> |
| <p>Removing restrictions on duration and renewal would be beneficial on both employer and employee sides</p>   |  |

## **Restrictions on assignment duration and contract renewals**

Many European countries still impose strict restrictions regarding the length of assignments and the conditions on renewal of temporary contracts (Exhibit 30).

Assignment duration: Spanish, Belgian and French regulations restrict the length of assignments based on the 'reason of use' provided for the assignment. In these countries, the maximum duration varies from 3 months to the duration required to cover the replacement or special work.

Contract renewals: regulation on contract renewal is particularly strict in France; the so-called 'Délai de Carence' allows companies to renew contracts with temporary agency workers only once. On contract renewal, a waiting period should be applied before the company can recall the same temporary agency worker for the same job. This measure means that temporary agency workers are afforded less opportunity to work on a regular basis because this clause forbids contiguous assignments with the same company.

### Arguments in favour of removing maximum duration of assignments and limitations on contract renewal

Faced with these restrictions, companies are compelled to replace a reliable worker who has since acquired valuable experience in the job with another less experienced worker, leading to a loss of efficiency. Lifting these restrictions would allow companies to retain the temporary agency workers for the duration of the task in hand and take advantage of their experience amassed during the assignment.

Furthermore, temporary agency workers are automatically excluded from potential long-term assignments, for example IT or construction projects.

In particular, the 'Délai de Carence' should be removed in France, since it has failed to fulfil its original objective. This measure had been initially implemented to improve the position of temporary agency workers by providing an incentive to employ them on longer assignments. However, statistics show that 60% of contracts are less than 1 week. Removing the "Délai de Carence" would increase companies' ability to adapt to demand cycles.

## **Restrictions on the range of PrEAs' activities**

The range of activities that PrEAs are allowed to perform varies across countries. In Spain, Greece, Luxembourg and Norway, their activity is restricted to temporary agency work only (Exhibit 31). PrEAs are not allowed to provide other HR related services such as permanent recruitment or outplacement.

### EXHIBIT 31: Allow PrEAs to provide additional HR-related services

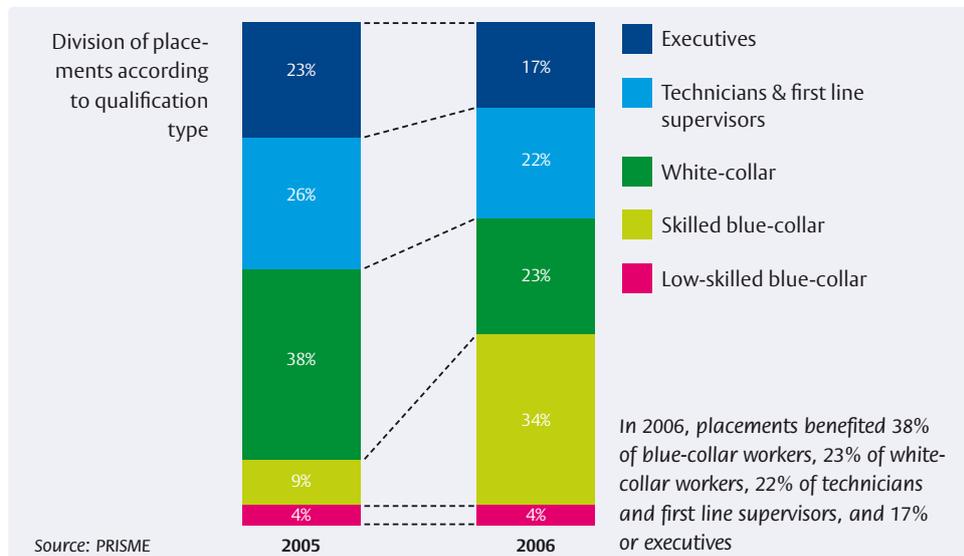
| Examples of priority actions   | Rationale  |
|--|--|
| <p><b>SPAIN and FRANCE</b></p> <ul style="list-style-type: none"> <li>• Enlarge range of PrEAs activities to all HR-related services</li> </ul> <p>France: PrEAs activity limited to TAW and placement (permanent and outplacement)<br/>Spain: PrEAs activity limited to TAW</p> | <ul style="list-style-type: none"> <li>• <b>Broadening range of PrEAs activity would</b> <ul style="list-style-type: none"> <li>– Support companies in renewing their skill sets through permanent placement and interim management</li> <li>– Support companies reorganization challenges through outplacement activities</li> <li>– Promote HR diversity policies thanks to a discrimination-free recruitment process</li> <li>– Support companies search for cost-efficiency</li> <li>– Optimize employees professional development through career management activities</li> </ul> </li> </ul> |
| <p>Allowing PrEAs to provide additional HR-related services would provide companies with efficient HR partners</p>   |  |

#### Arguments in favour of broadening services provided by PrEAs

Broadening the range of services provided by PrEAs to permanent recruitment, outplacement and training would help to support organisations in adapting their workforce to changes in economic conditions and to recruit staff with a better skills match. It would also promote HR diversity policies and support companies' search for cost-efficiency and so optimise workers' professional development.

Opening up permanent recruitment services to temporary work agencies would benefit low and medium - skilled workers, by providing them the type of services that specialised executive search firms provide solely for top management people. This is precisely what has occurred in France since 2005, when temporary work agencies were allowed to extend the scope of their services to placement (Exhibit 32). Opening up permanent recruitment services to temporary work agencies would also help to attract scarce skills into the labour market, thus helping companies to fill their job vacancies.

**EXHIBIT 32: In France, TWA placement services benefit mainly non-executive workers**



Allowing PrEAs to carry out outplacement activities could help governments implement more effective labour market policies and lower the potential political fallout of these policies by helping redundant workers to rapidly regain suitable employment.

Training services provided by PrEAs would help to better match supply and demand of work, and ensure the continual adaptability and employability of workers.

**B) Discriminatory measures compared to other forms of flexible employment**

At national level, TAW regulation still faces a series of discriminatory restrictions that do not allow it to compete with other types of flexible employment forms on an equal footing.

While ILO Convention 98 on the “Right to Organise and Collective Bargaining” stipulates that “negotiation with a view to the regulation of terms and conditions of employment between employers and workers organisations should be voluntary”, in both the Netherlands and in Germany TAW is the only sector that is required to conclude collective agreements with the trade unions in order to determine wage conditions of their employees (the agency workers).

Indeed, the Netherlands’ Waadi Article 8<sup>35</sup> states that if no collective labour agreement is reached, PrEAs should apply user pay conditions. This law essentially denies PrEAs the freedom of negotiation. Unlike other employers, private employment agencies are forced to agree to more stringent demands of the unions in order to reach a collective labour agreement. Research from the Netherlands<sup>36</sup> provides substantive evidence that in absence of this article, unemployment could be lowered by as many as 25,000 jobs.

A similar discriminatory practice is applied in Germany under section 3, paragraph 1 of AÜG (Manpower Act). The agency being the employer has to grant the employment and payment conditions of the user company by law. A general exemption is only permitted if a collective labour agreement with the trade unions is concluded ruling the workers conditions.

In Spain and France, temporary agency work contracts are dissimilarly treated compared to fixed-term contracts with regards to end of contract compensation. In France, the 10% end of contract compensation that applies both to fixed-term contract and temporary agency work contracts can be reduced to 6% for fixed-term contracts if a collective agreement on vocational training is signed in a sector. Such derogation is not allowed for the temporary agency work industry. In Spain, the end of contract compensation for temporary agency contracts is higher (amounting to 4 days of wages) than for fixed-term contracts.

#### [Arguments in favour of removing national discriminatory practices against employers' rights](#)

In Spain, the sectoral ban in construction has been justified by the government based on health and safety grounds. However, this ban solely applies to temporary agency work contracts and not fixed-term contracts. This is in spite of the fact that temporary agency workers are provided with health and safety training and are at lesser risk from accidents at work than fixed-term contract workers.

The PrEA industry urges regulatory authorities throughout Europe to remove these discriminatory measures that are not applied to other types of flexible employment and so ensure an equal footing amongst employment agencies.

In Germany and the Netherlands, as in all EU member states if applicable, PrEAs should be given the freedom of choice to decide whether to negotiate collective labour agreements with trade unions without having to abide by the default regulation (i.e. if no collective bargaining agreement is reached, legislative provisions apply). If this change were accepted, respective countries would then fully comply with ILO Convention 98 on the "Right to Organise and Collective Bargaining".

Furthermore, the industry requests all national and European public authorities to avoid the introduction of any new discriminatory measures against PrEAs compared to other flexible forms of employment.

### **C) Misperceptions about the nature of PrEAs**

Eurociett fully acknowledges that in some cases poor working conditions used to be much more common for temporary agency workers. Despite these sentiments no longer bearing any resemblance to the world of today in which the PrEA industry has also been transformed, these sentiments still retain a powerful and lasting effect. As a result, PrEAs still face a tangible, though diminishing, resistance leading to an under-leveraging of the full benefits and potential that PrEAs can play in the European labour

market. During this research, a series of misleading statements regarding the industry have been expressed and must be challenged with facts (Exhibit 33). These misperceptions lead to sub-optimal take up of the benefits for workers placed through temporary agency work and user companies at both national and individual level.

**EXHIBIT 33: Statements expressed about the PrEA industry**

| “Worse working conditions”   | “Substitution to permanent employment”   | “High job insecurity”  |
|--|--|--|
| <p><b>Nature of work</b><br/>           Repetitive labour<br/>           Low control over type of work<br/>           Lack of training</p> <p><b>Exposure to risk</b><br/>           Lack of information about workplace risks<br/>           Higher accidents frequency</p> <p><b>Conditions of work</b><br/>           Number of shifts<br/>           Less time to complete the job</p> | <p><b>Replacement</b> of permanent workers by Temporary ones</p> <p><b>Risk of loosing rights acquired</b> by permanent workers (state workers especially)</p> <p><b>Risk of trade unions power loss</b> due to low TAW unionisation</p> | <p><b>High job insecurity</b><br/>           Short term jobs with no/low visibility on future employment<br/>           Weak position vs. TWAs</p> <p><b>...Leading to difficulties to integrate social life</b><br/>           Access to loans<br/>           Access to housing</p> |
| Sources: Expert interviews   |  |  |

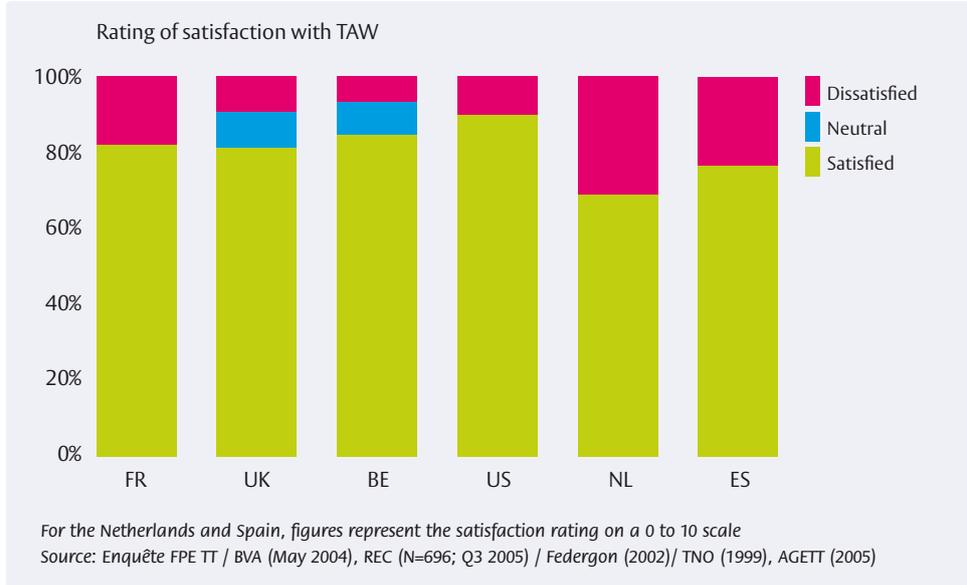
**MISPERCEPTION 1: ‘Temporary agency workers endure worse working conditions than permanent workers.’**

Opponents of TAW often characterise assignments as: ‘repetitive jobs’, ‘no interest’ and ‘low level of control over the task itself and the way it should be performed’, of ‘no or limited training opportunities’, ‘lower pay’. It is said that temporary workers are exposed to more risk than their permanent counterparts due to the deficiency of information on safety standards.

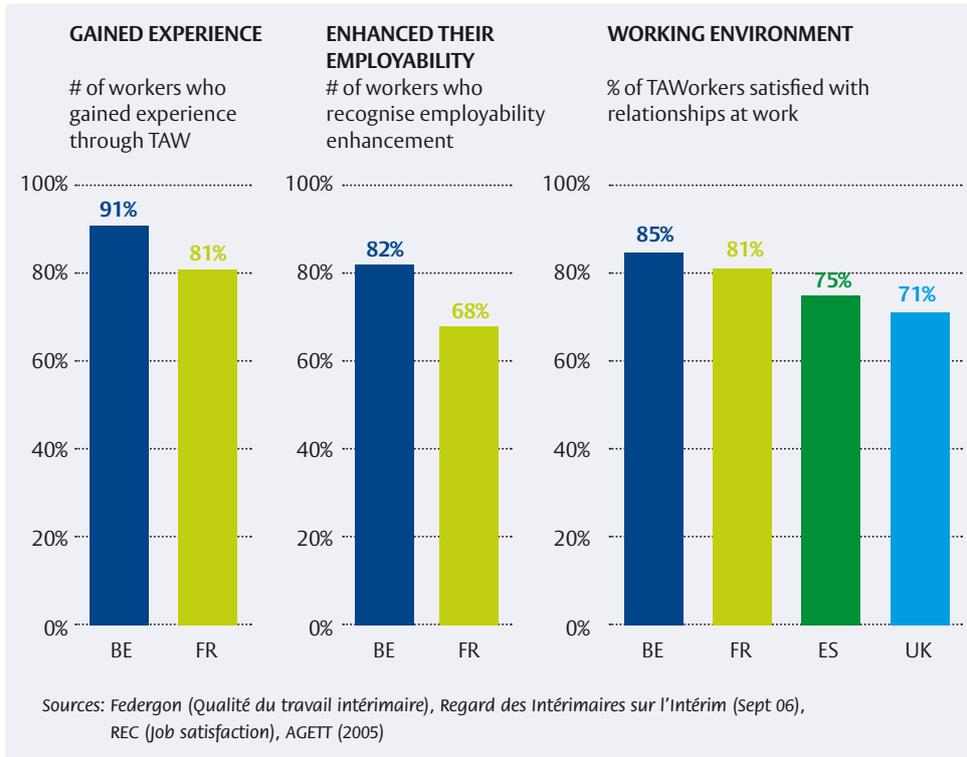
[Arguments that refute this misconception](#)

Several robust academic research reports and surveys on agency workers refute most of these misperceptions (Exhibit 34): agency workers are very satisfied with temporary agency work in general (satisfaction rates ranging from 70% in the Netherlands, 80% in Spain and the UK, 82% in Belgium and to 90% in France); They recognise their employability status is amplified through TAW (68% of agency workers in Belgium and 82% in France); 71% (UK) to 85% (Belgium) of agency workers are satisfied with relationships at work (Exhibit 35).

**EXHIBIT 34: Overall, temporary workers have a very positive perception of TAW**



**EXHIBIT 35: Agency workers value experience, enhanced employability and working conditions**



With regards to pay, on average a large majority of temporary agency workers are satisfied with their level of remuneration: 85% in Belgium, 80% in France and 54% in the UK. In France, 82% of temporary agency workers did not consider themselves less well paid than permanent workers while 65% considered that they actually received a higher wage in comparison to a permanent worker for doing the same job<sup>37</sup>.

## CASE STUDY 11: **Temporary Workers are happier and healthier than Permanent Workers**

Comprehensive academic research has exposed the common assumption that employees on temporary contracts are less well treated than permanent workers and are less satisfied with their job as not supported by the empirical evidence. The study reveals that the lower level of satisfaction felt by permanent workers in comparison, is determined by the excess workload they are subjected to and to the nature of their contract.

The overarching aim of the study was to clarify the causes of the different levels of satisfaction and well-being felt by temporary and permanent workers. Two main causes have been identified by the survey. One relates to the impact that different types of employment contracts have on workers' satisfaction. The survey shows that the broader psychological contract among permanent employees signifies a broader commitment towards the job than for temporary workers. Therefore, when workers' expectations are not met, they feel that employers have let them down by breaking their part of the deal, the repercussions of which seems to have a marked negative effect, employees feeling unfairly treated.

The research also reveals that the excessive workload is one of the critical factors affecting well-being of workers. Among other work characteristics, the survey finds higher levels of autonomy and skill development among the permanent employees compared to temporaries, but these positive effects are clearly outweighed by the negative effects of the higher workload they are subjected to.

*\*The research, entitled "Psychological Contract across Employment Situations", has been coordinated by Kerstin Isaksson from the National Institute for Working Life, Sweden and involved others universities from Belgium, Germany, the Netherlands, UK, Spain and Israel.*

*The project took place between December 2002 and September 2005 and implied collecting data through questionnaires amongst 5,288 temporary and permanent employees from 202 different companies in seven countries, employed in three sectors (education, manufacturing and retail/sales).*

### MISPERCEPTION 2: **'TAW is a substitute for permanent employment.'**

TAW is said to replace permanent employment and to put at risk the rights that have been previously acquired.

#### Arguments that refute this misconception

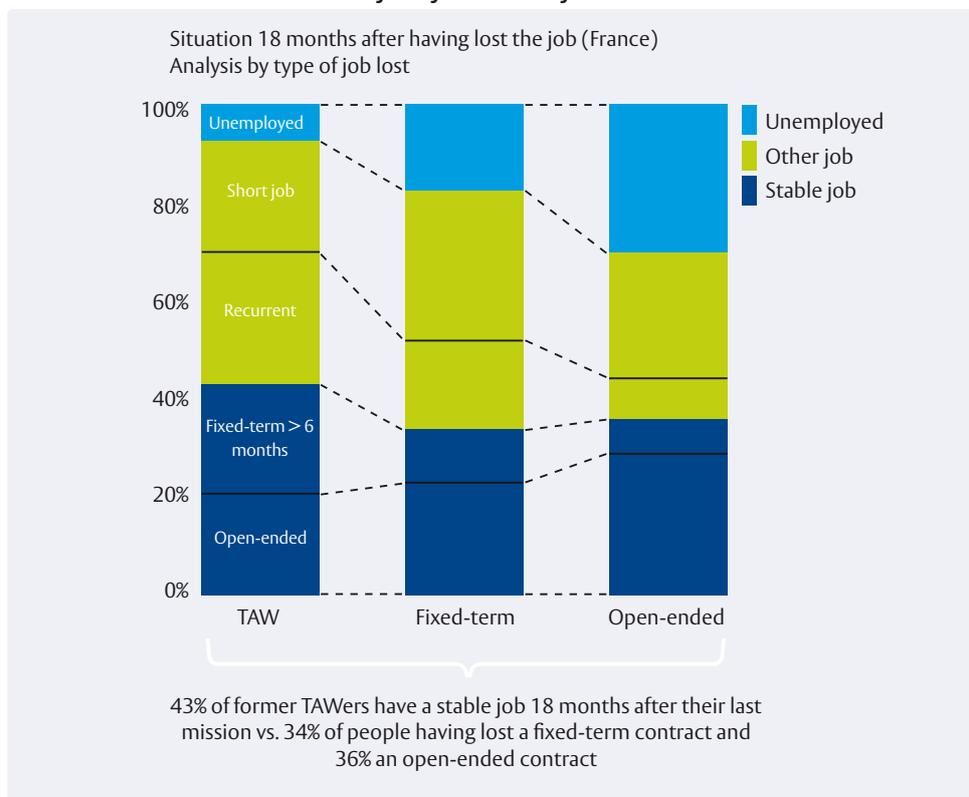
As demonstrated in Section II, temporary agency work contracts do not substitute to permanent contracts and are responsible for genuine job creation (Exhibit 36):

- 669,000 jobs were created in Europe by PrEAs between 2003-2006 (accounting for 7.5% of total new job creation).
- 80% of these jobs (535,000) would not have been created if TAW were not available as a flexible workforce solution.
- The ratio between the total number of temporary agency workers and their number expressed in full time equivalent remains very high: 4.3 in Belgium, 3.5 in France (2005), 2.55 in Germany (2003). This means that for every temporary

agency worker in a full time position over one year, temporary work agencies have to recruit and employ the equivalent of 4.3 persons in Belgium and 3.5 in France per year. If temporary agency work contracts were to replace permanent ones, this ratio should be much closer to 1.

- The average length of TAW assignments has not increased over the last few years, and neither has the average age of agency workers. This would not have been the case if temporary agency work contracts were used to substitute to permanent ones.
- A significant portion of temporary workers deliberately choose a non-permanent contract: this ranges from 20% in France to 33% in the UK. Furthermore, according to a survey conducted by the French Ministry of Labour<sup>38</sup>, 75% of temporary agency workers would refuse to convert their position to a permanent contract if working conditions were tougher, and for 67% if the work was less interesting.
- The real substitution effect is between unemployment and employment: there is a clear correlation between the level of unemployment and the penetration rate of temporary agency work (the higher the TAW penetration rate, the lower the unemployment rate) as shown in Exhibit 9 on page 18.
- In addition, the evolution of the TAW penetration rate is directly related to the evolution of the GDP (Exhibit 39, France). This graph shows that the TAW industry does not benefit from high levels of unemployment. On the contrary, the level of TAW employment is higher when GDP growth reaches high digits.

**EXHIBIT 36: TAW is an effectively way to durably come back to the labour market**



### MISPERCEPTION 3: ‘Temporary agency work places workers in precarious situations and leads to a poverty trap’

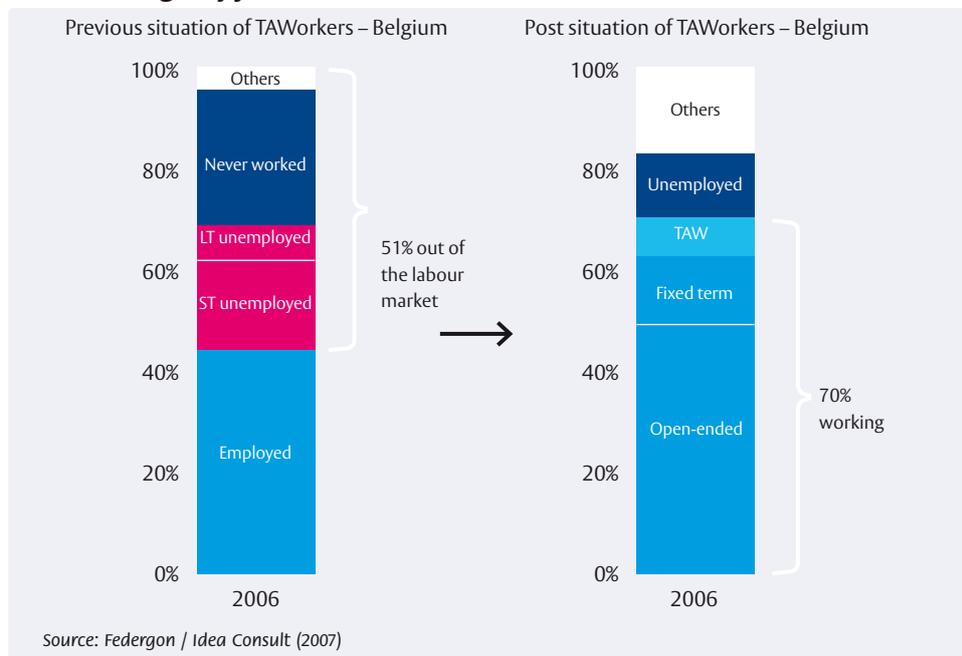
Due to the low visibility of assignment length and high job insecurity, TAW is said to lead to difficulties in integrating social life (access to housing, loans, granting of financial guarantees, etc.). Furthermore, it has been expressed that temporary agency workers are caught in precarious and low paid assignments and do not have access to permanent contracts. The PrEA industry is actively helping temporary workers to overcome some of these problems, the support it provides continuing to evolve further.

#### Arguments that refute this misconception

Temporary agency work is regulated in every EU Member State by the relevant labour legislation. This means that agency workers benefit from the same key working conditions as permanent workers: working hours, minimum wage, paid holidays, health and safety at work, access to unemployment benefits and social security.

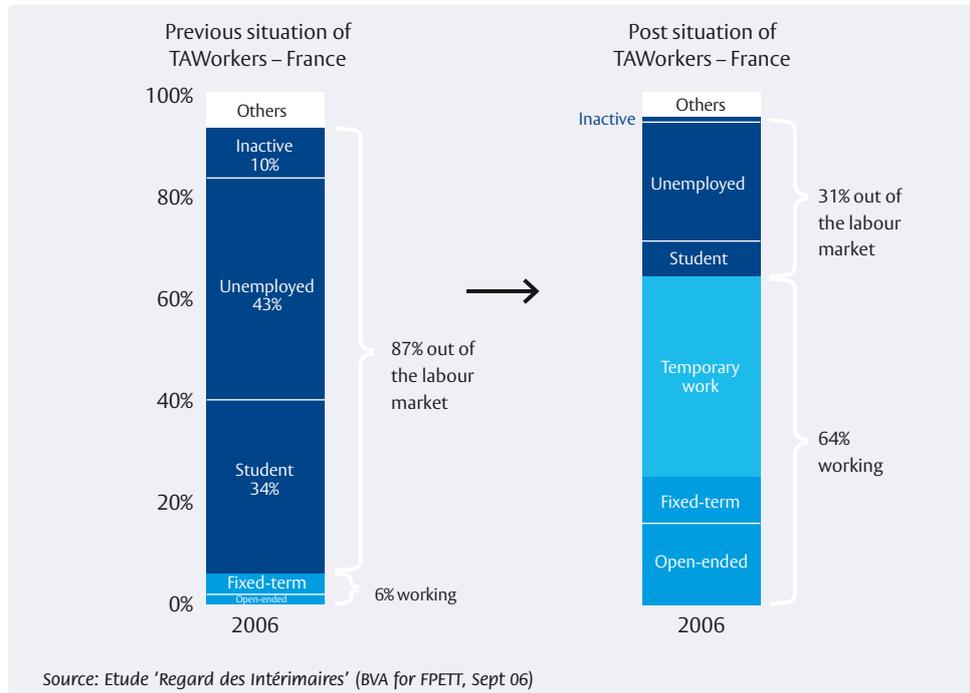
Temporary work agencies act as a stepping stone to the labour market: as demonstrated in Section II, most temporary agency workers were unemployed or students prior to TAW (87% in France, 71% in Germany, 56% in Belgium). Within one year of their temporary assignment, a large number of these agency workers obtain a permanent contract or a fixed-term contract (25% in France, 54% in Belgium – Exhibit 37).

EXHIBIT 37: In Belgium, 65% of temporary agency workers get a non agency job after TAW

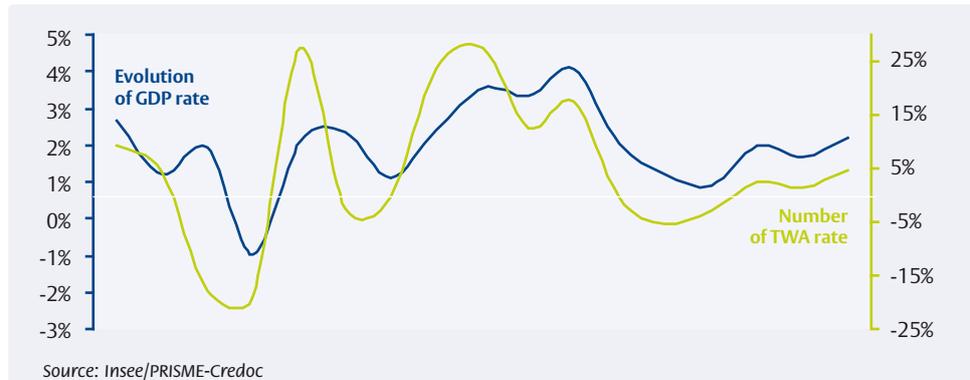


As previously mentioned, temporary agency work cannot be seen as a “trap” but on the contrary, as a way to facilitate transitions in the labour market, not only between unemployment and work but also between different jobs (Exhibit 38).

**EXHIBIT 38: TAW proves to be an efficient way to move from unemployment to work**



**EXHIBIT 39: Comparative evolution of GDP\* and temporary agency work in France**



**CASE STUDY 12: “How the PrEA industry collaborates with trade unions to provide temporary workers with extra social benefits in France”**

In 1992, trade unions and the French national PrEA federation decided to create “FASTT” (Fonds d’Action Sociale du Travail Temporaire), a bipartite body financed by the industry and aimed at offering TAWorkers support and services in order to ease their everyday life.

By providing both administrative advice and financial support, the body contributes to increase the range of social benefits temporary agency workers have access to and create a professional agency worker status in France.

Every year, 400,000 temporary workers request support from FASTT. In 2006, actions included:

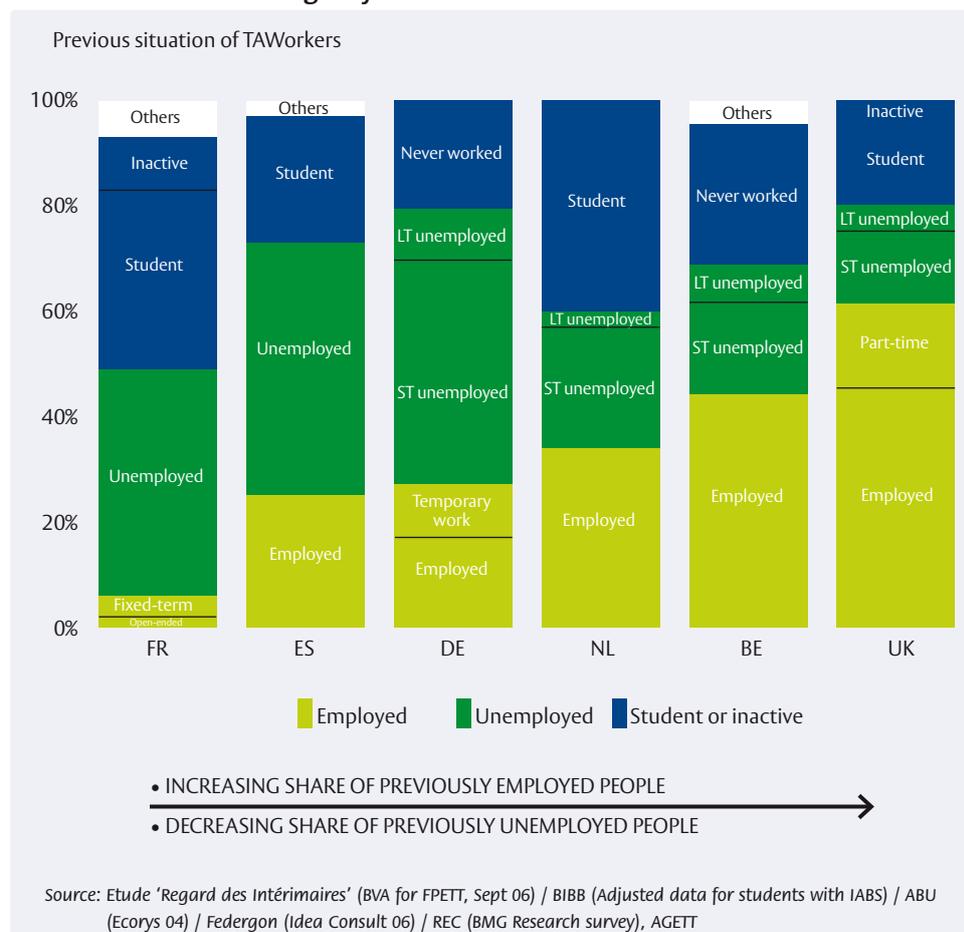
- Granting of 4,000 loans to ease access to consumer credits;
- Financial support to 26,000 agency workers to gain access to housing;
- Complementary health insurance for 65,000 agency workers and their families;
- Scholarship subsidies granted to 14,000 children of agency workers;
- Administrative information and support related to issues such as housing, health, social security and unemployment benefits.

## D) Limited cultural acceptance

The PrEA industry continues to face limited cultural acceptance in some European countries. However, in countries with a high level of acceptance, TAW attracts employed people aspiring to flexible working solutions or as a valuable bridge when transiting between two jobs.

In countries where TAW still faces limited acceptance, temporary agency work is mainly used as a stepping stone from unemployment to employment or from education to employment (Exhibit 40).

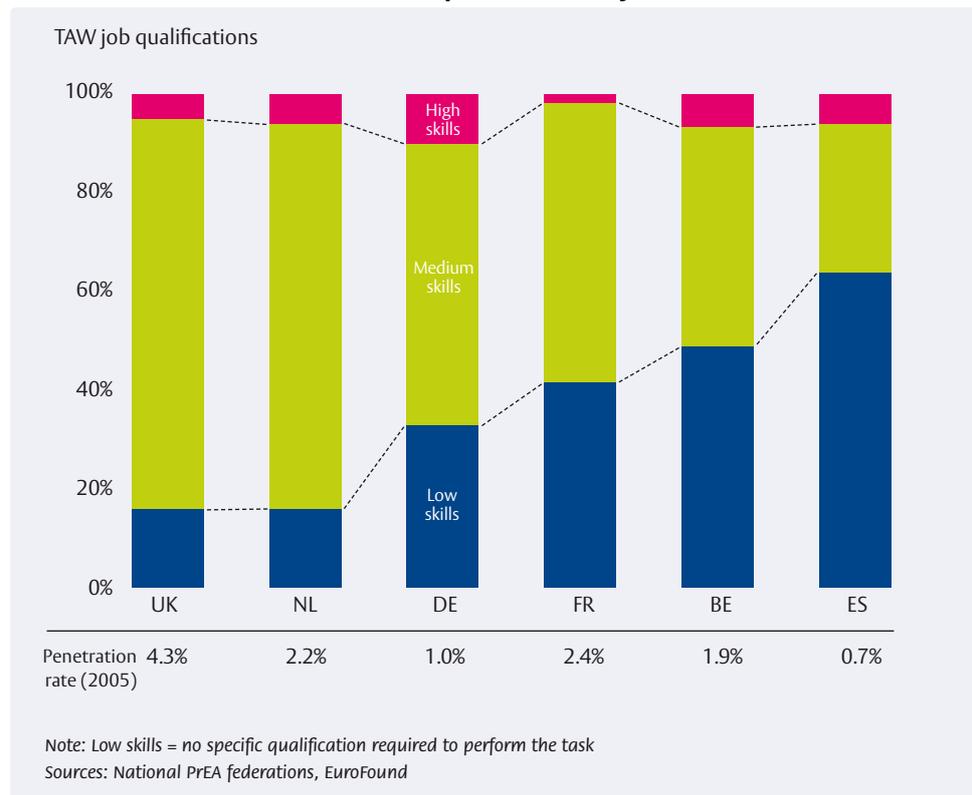
**EXHIBIT 40: Level of TAW cultural acceptance is reflected in previous situation of agency workers...**



The level of skills required to perform TAW tasks vary broadly across countries (Exhibit 41). In the UK and the Netherlands, more than 80% of TAW jobs require specific skills where TAW offers a higher share of low-skilled<sup>39</sup> jobs than elsewhere. These gaps are driven by both employee and employer cultural acceptance level.

When widely accepted, temporary agency work becomes more attractive to workers with higher skills. Once confident about these workers' quality and performance, companies are in turn more willing to entrust workers with higher-profile assignments requiring additional skills.

**EXHIBIT 41: ...And in level of skills required for TAW jobs**



### Initiatives to be implemented increase cultural acceptance of TAW

Eurociett fully recognises that in some countries, social and/or cultural acceptance of TAW is still limited. The current trend towards a higher share of skilled people within the overall population of temporary agency workers should help to increase social and cultural acceptance of this form of employment (e.g. France 1999 to 2005, the share of low-skilled temporary agency workers has decreased from 48% to 42% while the share of highly skilled workers has increased by 7% to 45%).

Eurociett is also calling for the development of a constructive sector based social dialogue at both national and European levels in order to develop a greater acceptance of TAW.

## E) Low use of TAW in SMEs in Continental Europe

As shown in Exhibit 42, the use of TAW differs significantly according to the size of the user companies: in Continental Europe, large companies tend to make use in a higher proportion of the services of temporary work agencies compared to small and medium size companies.

In France, Germany, the Netherlands and Spain, the overall trend is that the larger the user company is, the higher the TAW use rate is.

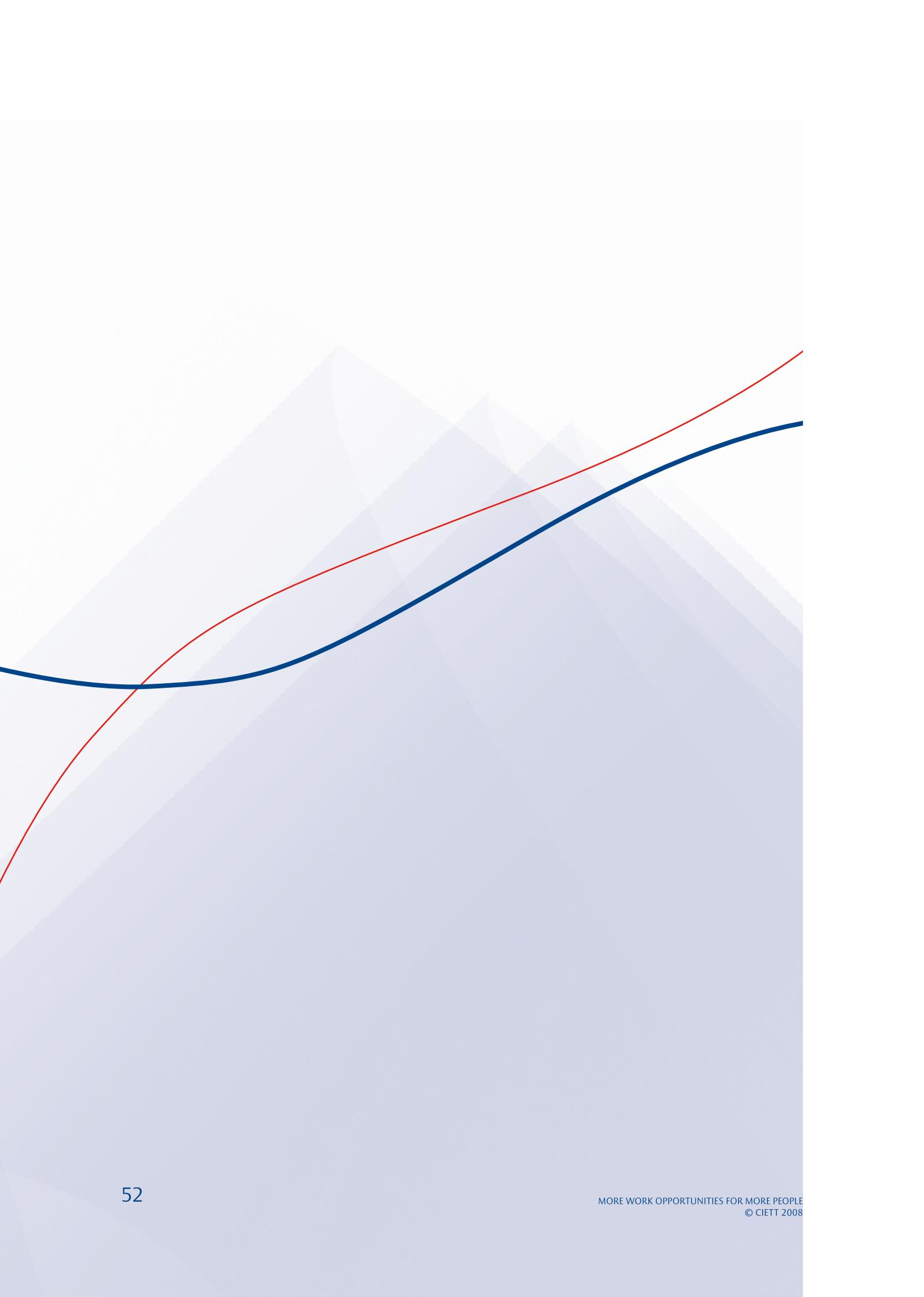
EXHIBIT 42: Penetration rate by company size differs by country



On the contrary, looking at the UK, the use of TAW is higher within small companies (11 to 49 employees), and a significant TAW use by very small companies (1 to 10 employees). Taking into consideration that the UK has the highest national TAW penetration rate across Europe (4.5% compared to a European average of 1.8%), countries from Continental Europe could well benefit from extending PrEA services to SMEs.

This would help smaller companies to become more competitive (by being able to better adapt workforce level to output fluctuations and outsourcing HR related red tape) and to meet HR challenges (manage sick and other situations related to absence, source and recruit skilled workers, settle a shift dedicated to the launch of a new product or service).

Regarding labour market interest, an increase of the TAW penetration rate within SMEs would result in significant job creation. It is indeed recognised in many countries that most of the new jobs to be created would be within in SMEs.



# Requests and Commitments to unlock PrEAs' contribution to a more efficient labour market

Next to the requests formulated to regulatory authorities regarding the lifting of unjustified and/or outdated restrictions (see Section III), the PrEA industry is committed to reinforce cooperation with its key stakeholders as well as strengthen the way the industry is organised in order to further unlock its contribution to a better functioning labour market.

## A) Government: Involving PrEAs in active labour market policies

The PrEA industry calls for closer involvement in national labour market policies in order to unlock its contribution to employment and economic growth.

Actively cooperate with governments to shape a better functioning of the labour markets. The PrEA industry is aware of its strong contribution to the efficiency of the labour market. Hence, it is willing to play an important role in helping to design and supporting the labour policies and is committed to be 'a Partner for Work' for all stakeholders: governments, local authorities and communities, companies, workers, job seekers and trade unions. For example, the PrEA industry is willing to help address skill shortages in collaboration with public employment structures and support governments in implementing effective active labour market policies.

Promote cooperation between Public Employment Services and PrEAs. Cooperation between PES and PrEAs should be enhanced and promoted in all European countries. Such cooperation agreements merge expertise and knowledge of both parties to increase the ability to return outsiders to the labour market. This is because PrEAs have access to an extensive pool of available workers, as well as access to a significant number of job offers thanks to their broad network of branches. PrEAs also have a precise knowledge of local labour market needs, particularly in terms of skill shortages.

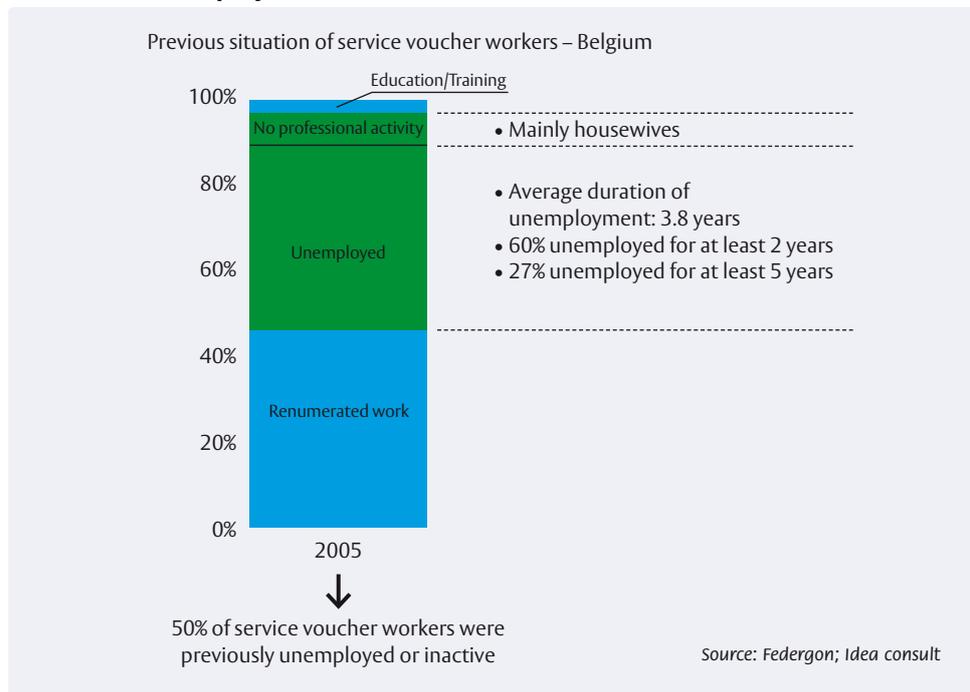
Promote other public initiatives involving PrEAs. Other initiatives such as the service voucher system in Belgium should be developed across Europe, since they actively contribute to unemployment reduction, integration of minorities and combating undeclared work.

**CASE STUDY 13: “How the PrEA industry helps governments turn labour policies into job creation in Belgium” (Exhibit 43)**

The service voucher system, introduced in 2004 by the Belgian federal government, allows individuals to purchase a government-subsidised domestic cleaning service (house cleaning, washing, ironing etc.). The main advantage of the service voucher system is that social charges and income taxes are pre-paid. Temporary work agencies have been granted the right to distribute these service vouchers and today employ more than 40% of the workers placed through that channel.

The system has had a positive impact on the labour market and led to the employment of roughly 42,000 people in 2006. 58% of these workers were previously unemployed (average length of unemployment prior to introduction of service voucher employment was 3.7 years for 2005), or inactive. Furthermore, 10% of voucher users admitted they previously had an incentive for undeclared work before the service was introduced, and 23% admitted that without the system they would have otherwise used undeclared workers. The reduction of undeclared work is not only beneficial to governments, but also to workers, with 50% stating that voucher services keeps them from performing undeclared work.

**EXHIBIT 43: With the service voucher system, PrEAs have brought long-term unemployed and inactive back to the labour market**



## **B) Workers and organisations: Delivering a superior value proposition**

As PrEA clients, agency workers and public or private organisations are the primarily stakeholders to focus on in terms of value propositions. Therefore, the PrEA industry pledges to provide them with the most advantageous and valuable solutions to meeting their needs. PrEAs are devoted to offering workers quality jobs with attractive working conditions, while acting as reliable HR partners to organisations to boost their competitiveness and sustainability.

## **C) Trade Unions: Reinforcing a constructive dialogue to address relevant issues**

The PrEA industry takes heed of the issues that are regularly raised by the trade unions and recognises that effort should be made to provide improved protection of agency workers (i.e. facilitating access to vocational training, ensuring transparency of benefits, providing means to ensure the continuity of rights between assignments). Therefore, it pledges a close dialogue with trade unions to find appropriate solutions and launch common initiatives aimed at improving temporary agency workers' situation while taking into account the specificity of the triangular relationship. The collaboration between trade unions and PrEAs in France, the Netherlands or Spain provide good examples of potential actions. The joint Eurociett/Uni-Europa declaration on Flexicurity<sup>40</sup> can be foreseen as a roadmap for future discussions.

## **D) PrEAs: Continuing to raise the standards of the industry**

The PrEA industry is aware that in some countries there is a need to improve its image and promote a better understanding of its real contribution to the labour market, employers and employees. The industry must also take measures at both European and local levels to be in a position to deliver promises to its clients and ensure an optimal quality of service.

To this end, the PrEA industry is determined to:

- Create strong national federations in countries where no such organisation exists in order to reinforce PrEA activity monitoring;
- Enforce national and European codes of conduct in each branch of the network to guarantee protection of workers' rights;
- Combat any form of unfair competition, illegal practices and undeclared work;
- And build comprehensive statistical databases across countries to increase transparency of the industry and convey evidence-based messages on the reality of the PrEA industry.

#### CASE STUDY 14: **“How the PrEA industry in the UK is actively raising standards in recruitment”**

REC, the Recruitment & Employment Confederation of the UK, has provided a Code of Professional Practice<sup>41</sup> that is binding on all members. The codes of practices set the standards for both candidates and clients should expect when using an REC member.

The REC can investigate complaints and pursue disciplinary action under the framework of its Complaints and Disciplinary Procedure. The Professional Standards Committee (which includes representatives from trade unions and user companies) can expel companies and individuals from membership.

Becoming a member of REC means adopting its standards. An Inspection Team carries out spot-checks of members' compliance, and also offers a range of Member support services aimed at achieving best practice. REC services to members include “REC Audited” which acts as a health-check on business practices; “Diversity Assured” which audits compliance with equality and diversity standards; and the “Quality Mark” award, which accredits education agencies with best practice in the supply of teachers.

#### CASE STUDY 15: **“How the PrEA industry in the Netherlands effectively controls the quality of its members and potential members”**

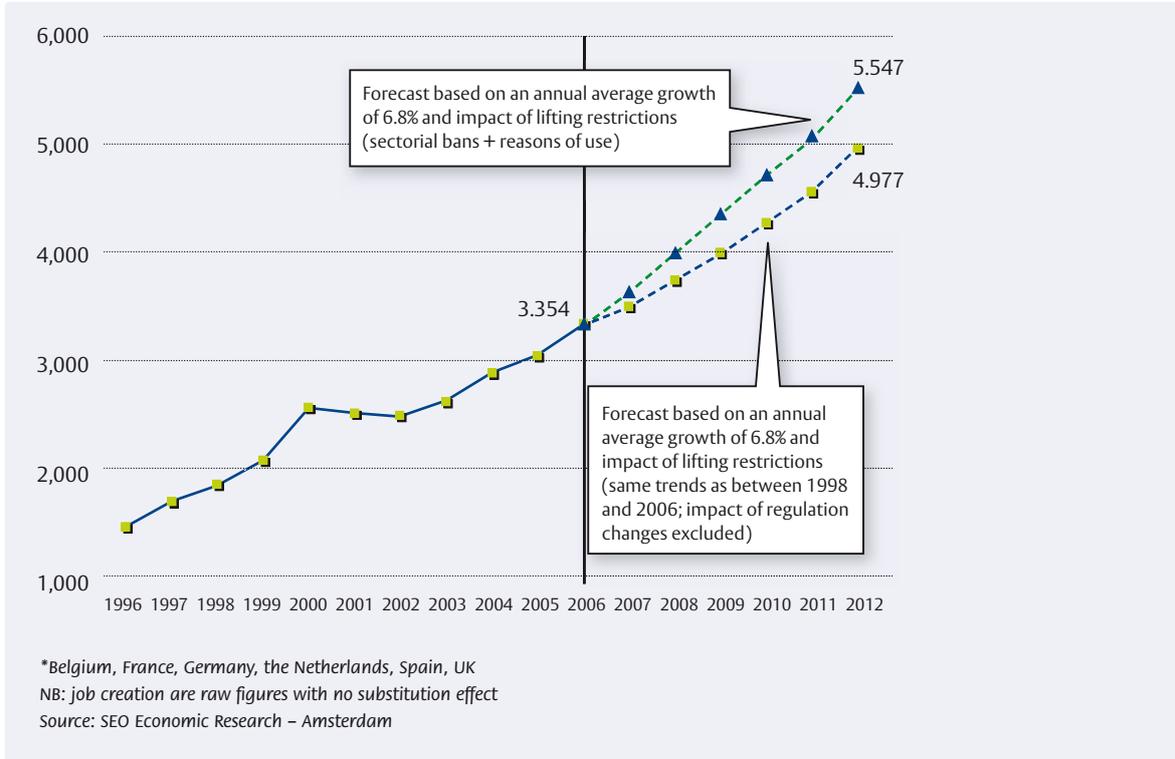
ABU, the Dutch association of private employment agencies, has implemented rigorous quality controls and checks that include admission screening for potential members and continued screening for current members.<sup>42</sup>

Admission screening for potential members includes a “First check” where the company wishing to join must be registered with the SNA (Stichting Normering Arbeid, a bipartite foundation for financial screening) and pass ABU tests, followed by a “Second check” six months later. Checks draw particular attention to whether the company applies the collective labour agreement (CLA) for agency workers and the CLA for the regular staff of the agencies.

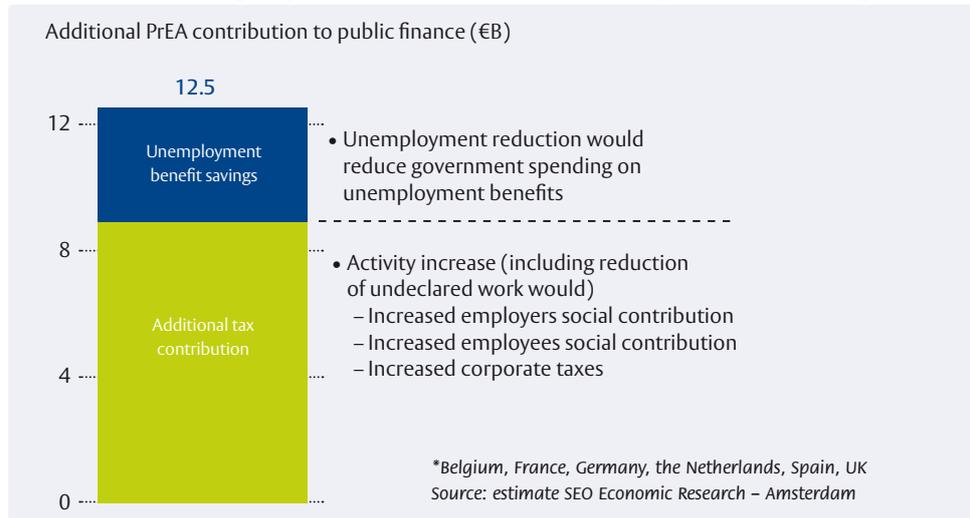
This is then regularly followed up by periodical screening every three years by VRO or other independent institutions that matches the requirements asset by ABU and combined with a SNA check. As also require two SNA checks per year, failure of which to pass results in immediate termination of that company's membership of ABU.



**EXHIBIT 44: Lifting restrictions would create an additional 570,000 jobs in 6 countries by 2012**



**EXHIBIT 45: Heading requested actions would increase public finances by €12.5B**



## Conclusions: What is at Stake

The quantified potential impact of implementing described actions (removal of sectoral bans and “reasons of use” for TAW) as well as the impact of a higher use of TAW in SMEs in Continental Europe has been assessed on six European countries: Belgium, France, Germany, the Netherlands, Spain and UK. These countries account for approximately 85% of the European agency work market in 2006.

Accessing the PrEA industry requests would result in the following:

- **Support PrEAs’ job creation machine**

PrEA employ 3.3 million agency workers (daily FTEs) today in Europe and is an engine for job creation: the industry could raise the number of agency workers it employs to 4.98 million by 2012 only by structural growth (1.6 million additional jobs).

- **Increase PrEA contribution to creating jobs**

In addition to the 1.6 million jobs to be created in Europe through its structural growth within the next 5 years (2007-2012), the PrEA industry could create 570,000 additional jobs in 6 EU countries if two main restrictions on TAW (sectoral bans and limited reasons of use) are lifted (Exhibit 44).

- **Reinforce participation and diversity in the labour market**

These 570,000 additional jobs to be created would help to increase participation and diversity in the labour market, as 37% of these jobs would be occupied by young people, 15% by former long-term unemployed and 6% by older workers.

- **Further increase public revenue and save public spending**

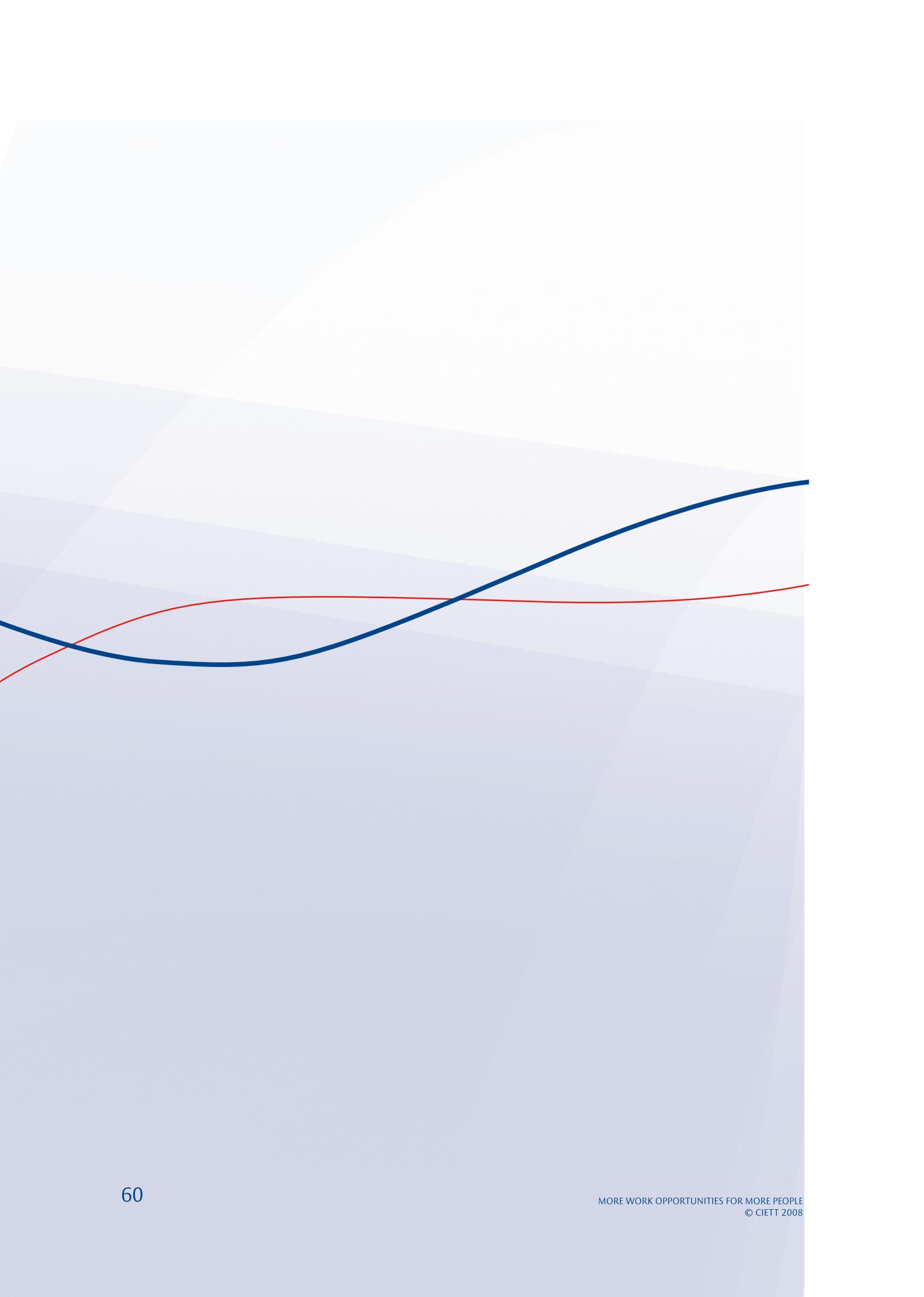
As a result of these additional jobs to be created, for the 6 EU countries, public incomes will increase by 12.5 billion euros (extra generated activity worth 8.9 billion euros<sup>43</sup> and public spending decrease by saving unemployment benefits worth 3.6 billion euros<sup>44</sup>) within 5 years (Exhibit 45).

- **Give workers flexibility over managing their Work-Life balance**

PrEAs provide the flexibility workers now demand to support their other activities, whether it is further education or other courses, personal pursuits or just to spend more time with the family and friends

- **Increase competitiveness and job creation effect of SMEs**

Through a higher use of TAW in Continental Europe by SMEs, PrEAs can allow them to be more reactive to fluctuations in economic activity and thereby to increase their competitiveness (Exhibit 41). It will also lead to the creation of extra 150,000 additional jobs in SMEs (10 to 49 employees) in the 6 EU countries.



## Experts interviewed

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Gillard Christelle, Force Ouvrière, France  
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Ouaki Stéphane, Deputy Head of Cabinet for Commissioner Spidla  
Passchier Catelene, Confederal Secretary, ETUC, Belgium  
Sato Katsuhiko, Japanese Association of Staffing Agencies, Japan  
Silva Armindo, Head of Unit, Labour Law, DG Employment Social Affairs and Equal Opportunities, European Commission  
Sinnige B., Delta Lloyd, UK  
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Uemura Shunichi, Researcher, Japan Institute for Labour Policy and Training  
Van Kestern N.J.J., Director General, VNO, the Netherlands  
Vénier Patrick, Executive Secretary, World Association of Public Employment Services  
Wahlquist Richard, President and CEO, American Staffing Association  
Wheewell Jennifer, DTI, UK  
Windey Paul, Chairman of the National labour Council, Belgium

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- Confederazione Italiana delle Associazioni delle Imprese Fornitrici di Lavoro Temporaneo (Confinterim) [www.confinterim.it](http://www.confinterim.it)
- U.S. Department of Labor (DoL) [www.dol.gov](http://www.dol.gov)
- European Confederation of Private Employment Enterprises (Eurociett) [www.eurociett.eu](http://www.eurociett.eu)
- Federgon [www.federgon.be](http://www.federgon.be)
- International Labour Organization (ILO) [www.ilo.org](http://www.ilo.org)
- Institut National de la Statistique et des Études Économiques (INSEE) [www.insee.fr](http://www.insee.fr)
- International Press Centre, Denmark (IPC) [www.ipc.um.dk](http://www.ipc.um.dk)
- Ministerio de Trabajo y Asuntos Sociales [www.mtas.es](http://www.mtas.es)
- Organisation for Economic Co-operation and Development (OECD) [www.oecd.org](http://www.oecd.org)
- Office National Sécurité Sociale Rijksdienst voor Sociale Zekerheid Landesamt für Soziale Sicherheit (ONSS/RSZ/LSS) [www.onssrszls.fgov.be](http://www.onssrszls.fgov.be)
- Professionnels de l'Intérim, Services et Métiers de l'Emploi (PRISME) [www.prisme.eu](http://www.prisme.eu)
- Prognos [www.prognos.de](http://www.prognos.de)
- Recruitment & Employment Confederation (REC) [www.rec.uk.com](http://www.rec.uk.com)
- Social Security Administration (SSA) [www.ssa.gov](http://www.ssa.gov)
- National Statistics Online [www.statistics.gov.uk](http://www.statistics.gov.uk)
- SwissStaffing [www.swissstaffing.ch](http://www.swissstaffing.ch)
- Uitvoeringsinstituut Werknemersverzekeringen (UWV) [www.uwv.nl](http://www.uwv.nl)
- Związek Agencji Pracy Tymczasowej (ZAPT) [www.zapt.pl](http://www.zapt.pl)

# Acknowledgements

**Special thank you to the following persons  
for their valuable contribution to this report:**

Archi Sébastien, Prisme, France  
Auth Peter, Adecco  
d'Avezac Tristan, Adecco  
Fairweather Anne, REC, United Kingdom  
Ferrero Celia, AGETT, Spain  
Franken Heide, BZA, Germany  
Henseler Reinhold, BZA, Germany  
Houwen Leo, USG People  
Laepple Thomas, BZA, Germany  
de Leeuw Sieto, Randstad  
London Francina, Kelly Services  
Muntz Annemarie, Vedior  
Muyldermans Herwig, Federgon, Belgium  
Oosterwaal Leonie, ABU, the Netherlands  
Roux François, Prisme, France  
Siderman Peter, Adecco Institute  
Tommasini Bernard, Kelly Services  
Tweedy Roger, REC, United Kingdom  
Tzanidaki Johanna, Randstad  
Van der Gaag Aart, ABU, the Netherlands  
Van Haasteren Fred, Randstad  
Van Lieshout Sonja, Vedior  
Verschueren Paul, Federgon, Belgium  
Walsh Amanda, Manpower  
Weber Astrid, BZA, Germany

# Glossary

|                  |   |
|------------------|---|
| CIETT            | International Confederation of Private Employment Agencies  |
| EU               | European Union  |
| EUROCIETT        | European Confederation of Private Employment Agencies   |
| EUROSTAT         | European Office of Statistics   |
| FTE              | Full-Time Equivalent (daily)  |
| FTC              | Fixed term contract   |
| OECD             | Organisation for Economic Co-operation and Development  |
| Penetration rate | Number of agency workers assigned through PrEAs on any given day (in full time equivalent), as a percentage of total employment |
| PES              | Public Employment Services  |
| PrEA             | Private Employment Agency   |
| SME              | Small & Medium Enterprises  |
| TAW              | Temporary Agency Work   |
| TWA              | Temporary Work Agency   |
| Uni-Europa       | European Trade Union for private services   |

# Country abbreviations

|    |                 |
|----|-----------------|
| AT | Austria         |
| BE | Belgium         |
| CH | Switzerland     |
| DE | Germany         |
| DK | Denmark         |
| ES | Spain           |
| IE | Ireland         |
| FI | Finland         |
| FR | France          |
| GR | Greece          |
| HU | Hungary         |
| IT | Italy           |
| LU | Luxembourg      |
| NL | The Netherlands |
| NO | Norway          |
| PL | Poland          |
| PT | Portugal        |
| SE | Sweden          |
| UK | United Kingdom  |

# Ciett at a glance

Founded in Paris in 1967, Ciett is the authoritative voice representing the interests of the private employment agencies across the world.

It is recognised as such by international bodies (e.g. European Union, International Labour Organisation, OECD, IOM) as well as by key stakeholders (IOE, ITUC, BusinessEurope).

Ciett is the only association representing agency work at large (brings together 37 national federations) and in its diversity (represents seven of the largest multinational staffing companies as well as tens of thousands of SMEs). Ciett members consist of private companies operating in the following HR fields: temporary agency work, permanent recruitment, interim management, executive search, outplacement and training.

Ciett promotes the contribution of millions of agency workers to our economy. Representing a well-regulated industry, members of Ciett refuse to compete to the expenses of workers' rights and work hand-in-hand with governments to fight illegal work and social dumping.

Through their network of 120,000 branches and their 700,000 permanent employees, Ciett members employ 8.9 million workers (full time equivalent) on an average day.

## **Ciett's Mission**

The Ciett's mission is to seek greater recognition for the contribution that private employment agencies make to labour markets, especially in relation with 3 key aspects:

- employment creation;
- access to and integration in the labour market of diverse groups of workers (e.g. disabled, first-time entrants, long-term unemployed);
- economic growth and tax revenues.

## **Ciett's Objectives**

Ciett has been set up in order to promote common interests of the agency work sector on an international level. This is implemented through:

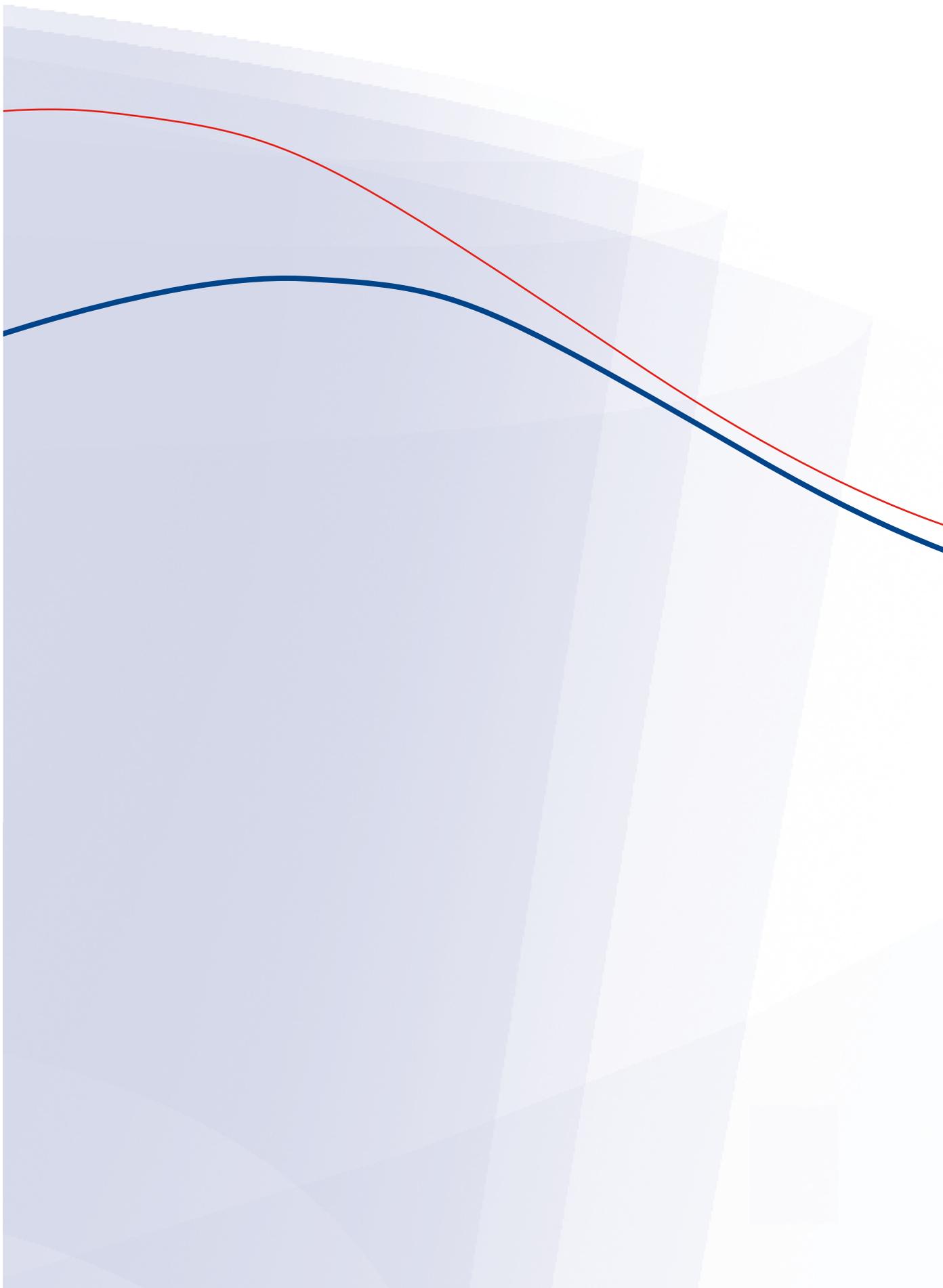
- Helping its members to conduct their businesses in a legal and regulatory environment that is positive and supportive;
- Promoting quality standards within the staffing industry;
- Developing a better understanding of the reality of the staffing industry;
- Speaking as the authoritative body of the private employment businesses;
- Maintaining close contacts with international organisations;
- Making an effective contribution to the successful use of the economic potential of agency work sector.

## Endnotes

- 1 This is a conservative potential, calculated on 6 European countries (France, UK, Belgium, Germany, the Netherlands and Spain) accounting for 85% of PrEA market in EU-27
- 2 Full-Time Equivalent (FTE) refers to the number of temporary agency workers needed to complete the same number of hours as a permanent worker
- 3 Penetration rate is calculated for 19 European countries where comprehensive figures are available
- 4 Growth calculated for the same number of European countries (19)
- 5 This extrapolation is based on the calculation of a compound annual growth rate (CAGR) of 6.8% between 1998 and 2006, then applied to the next 5 years (2007-2012)
- 6 Outsiders include the long-term unemployed, older workers, ethnic minorities and disabled people who are unemployed
- 7 Expressed in daily FTEs
- 8 See Eurociett/Uni-Europa joint declaration on Flexicurity (28th February 2007)
- 9 [www.bain.com](http://www.bain.com)
- 10 Penetration rate is calculated for 19 European countries where comprehensive figures are available
- 11 Penetration rate is defined as: Number of temporary agency workers in FTE/total employment (Eurostat statistics)
- 12 A 'Triangular Relationship' is that between agency workers, temporary work agencies and user-companies
- 13 Available at [www.eurociett.eu](http://www.eurociett.eu)
- 14 Analysis has been performed on 19 European countries for which time series were available.
- 15 Analysis has been performed on 19 European countries for which time series were available.
- 16 "Orchestrating the evolution of private employment agencies towards a stronger society", McKinsey 2000
- 17 IAB – Kurzbericht No.14 / 2006 p. 5
- 18 Turnover is defined as the ratio of number between (absolute number of TAWorkers) and (number of TAWorkers expressed in FTEs). It measures the number of Temporary agency workers needed to fill a Full Time Equivalent job
- 19 PrEA staff in European countries in 2005: 150,000 in the UK, 23,000 in the Netherlands, 22,000 in France, 10,000 in Ireland, 6,800 in Spain, 5,200 in Belgium, 1,200 in Poland, 210 in Luxembourg
- 20 Frictional unemployment is unemployment that comes from people moving between jobs, careers, and locations
- 21 "Temporary Work Agencies and leaving unemployment", Dr. Fernando Muñoz Bullón, University Carlos III of Madrid
- 22 Survey conducted by Bain & Company in March 2007 among 65 experts of the PrEA industry representing various positions (trade unions, federations, academics, governments, EU institutions, user companies...)

- 23 European Commission, Towards Common Principles of Flexicurity June 2007
- 24 Article 13, ILO Convention 181 on PrEAs (1997)
- 25 Joint declaration between Eurociett and UNI-Europa in February 2007 at [www.eurociett.eu](http://www.eurociett.eu)
- 26 €5.6 billion PrEA contribution to social security (~€3.8 billion on employers side and approximately €1.8B on employees side) over a total of approximately €207.4 billion (€153 billion from social contribution and €54.4 billion from CSG)
- 27 Outsider groups include long-term unemployed, older workers, ethnic minorities and disabled people
- 28 Sources: REC 360° Tracking (2006), National Statistics UK (2001)
- 29 Source: Ecorys-Nei
- 30 Older workers includes workers above 45 years of age
- 31 Figures represent the average between 2001 and 2004 results
- 32 Situation 12 months after the entry in Temporary agency work (survey 'Regards des intérimaires sur l'intérim' issued in September 2006 by FPETT)
- 33 Belgian regulation also restricts the use of TAW in inland shipping, removal, storage and port work sectors. In the Netherlands, sea shipping is closed to TAW while French regulation restricts TAW use for work medical sector (médecine du travail)
- 34 In some European countries, organisations have to justify the reason why they call on TAW. To be valid, this purpose has to be part of a list of so-called 'Reasons of use' defined by the regulation
- 35 Waadi law – Article 8: 'loonverhoudingsvoorschrift' (1998)
- 36 Economische gevolgen van artikel 8 Waadi, Nyfer, July 2005
- 37 DARES/French Ministry of Labour 'Les contrats courts vus par les salariés' March 2007
- 38 DARES/French Ministry of Labour 'Les contrats courts vus par les salariés' March 2007
- 39 A job is defined as 'low skill' when no specific qualification is required
- 40 See under Public Affairs/Social Dialogue menu on [www.eurociett.eu](http://www.eurociett.eu)
- 41 [www.rec.uk.com](http://www.rec.uk.com)
- 42 See 'Quality secured' on [www.abu.nl](http://www.abu.nl)
- 43 The extra generated activity worth €12.5 billion is split as follow between the 6 key EU countries: Belgium (€995 million), Germany (€758 million), Spain (€1,939 million), France (€4,618 million), the Netherlands (€584 million) and the UK (€0).
- 44 The public spending decrease by saving unemployment benefits worth €3.6 billion is split as follow between the 6 key EU countries: Belgium (€247 million), Germany (€531 million), Spain (€1,215 million), France (€1,473 million), the Netherlands (€189 million) and the UK (€0).







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