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### **Key Ciett & Eurociett Public Affairs Priorities & Achievements**

#### The Way to Work

Several high-level presentations have been given by Ciett & Eurociett representatives in September and October 2012 to present and promote the "Way to work" positioning and messages, including national events in Italy, Finland and Brazil. The feedback received so far as been very positive.

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#### **Ciett & Eurociett Positions**

- Ciett statement reacting to the IndustriALL triangular trap
- Eurociett Position Paper on the EU Employment Package

#### **PA** calendar

- 22-23 October: EU Presidency Conference on Youth Employment, Eurociett to participate
- 24 October: Denis Pennel to give a presentation on the Way to Work in Italy (Milan)
- 29 October: Study visit of DG Employment / Employment Services Unit to the Netherlands on PrES-PES Cooperation
- 8 November: EU Expert Group on the Agency Work Directive
- 13 November: European Job Mobility Day
- 13-14 November: Eurociett to act as speaker at EU Conference on "Sustainable Growth in the EU – the role of education and training"

### The Way to Work



### **Contact us**

In case you have questions on the public affairs report, please contact the Secretariat:

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### **International Public Affairs**

Ciett speaks at the first meeting of the Forum of the Employers of Maghreb On 10-11 October, Sandro Pettineo, Ciett Policy Advisor, spoke at the first meeting of the Forum of Employers of Maghreb, held in Casablanca, Morocco, which brought together the central employers federations of Morocco (CEGEM), Algeria (CGEA) and Tunisia (UTICA) and the representatives of the industry, including Sonja van Lieshout and Aline Crépin from Randstad, Hédia Kchouk from Adecco and Jamal Belahrach from Manpower.

Organised and financed by the ACT/EMP, the ILO Bureau for Employers' Activities, and supported by the International Organisation of Employers, the Forum aims to strengthen dialogue among the employers of the Region and to offer a platform to discuss common challenges.

Chaired by Eric Oechslin, from ILO ACT/EMP and former IOE staff member, the first meeting addressed the topic of agency work, as it is a key element for the employers of the Region to enhance flexibility and remain competitive.

Ciett's presentation focused on the need of appropriate regulation (ILO Convention No. 181), on the role of the industry in the labour market based on "Adapting to Change" and on the new vision "the Way to Work" with the global pledges.

Ciett assessment and next steps: The meeting provided a good opportunity for Ciett to gain better understanding on the industry in the three countries and to get a better picture on the challenges that private employment agencies face, whether because of unstable governments, lack of regulation or harsh stance of the unions against temporary agency work.

The employers of Maghreb agreed to continue to meet regularly within the Forum and to have an action plan to align their positions as employers on labour market issues (not only temporary agency work). The next meeting of the Forum will be held in Algeria and will address the theme of regional mobility.

Ciett may be invited again in the future, if the members of the Forum decide it is appropriate and if the topic is relevant.

Precarious work: IndustriALL Report "The Triangular Trap"

On 2 October, IndustriALL, the global union representing chemical, metal and textile sectors published a report entitled "the Triangular Trap".

The report underlines the danger of temporary agency work, as a triangular relationship, in undermining the collective bargaining rights of workers and in substituting direct permanent jobs with indirect temporary ones.

The report denounces the explosion of the use of temporary agency work since 1996, based on figures on global annual sales revenues, and tries to refute the messages in "Adapting to Change" on job creation, decent work and the stepping-stone function.

The Triangular Trap report, however, fails to provide facts and figures in support of its claims and mostly resorts to anecdotal examples of alleged misuses taking place in single companies outside Europe, e.g. Philippines, Mexico, Thailand, and to mixing up temporary agency work with outsourcing and subcontracting.

**Ciett actions and next steps**: Ciett issued a statement on the website redressing some of the misquoted figures on the growth of the industry and clarifying and correcting Ciett's advocacy positions. The statement was preferred over a press release since the "Triangular"

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Trap" did not get significant media attention. Despite this, Ciett shared the statement with Planet Labour and Staffing Industry Analysts, two specialised websites on employment issues that had covered the publication of the report.

In addition, a letter was sent to the Secretary General of IndustriALL, Jyrki Raina, to further clarify Ciett's position and to invite IndustriALL to work together to carry out more research on the industry, to develop meaningful dialogue on working conditions of agency workers and to achieve appropriate regulation based on ILO Convention No. 181.

World Bank: new report published on Jobs

The World Bank has recently published its annual World Development Report; the 2013 edition focuses on Jobs. The World Development Report is the flagship publication of the Bank, whose president selects each year a particular aspect related to development.

The report acknowledges that the increased level of flexibility in the labour market is the result of a wider change in the world of work, triggered by several factors, including technological advancement, change in global production and redistribution of skills.

The report offers some good examples on new attitudes to work, and it claims that half of all workers in high-income countries would like to be their own bosses; this trend is lower in medium-low income countries.

Along the lines of freedom to choose work, a good example comes from India where workers are quitting permanent jobs to move into more attractive agency work, and as many as 15% of new recruits are permanent employees switching to temporary jobs.

A full box on page 57 is dedicated to the staffing industry in the developing countries. The box highlights how the staffing industry was irrelevant outside high-income countries 10 years ago, but now it is growing. Its growth can be explained partly by the increasing complexity of regulatory frameworks that employers face and partly by the help the industry provides to manage flexibility during production peaks. The two countries mostly featured in this section are India and South Africa.

**Ciett assessment and actions**: Overall the report is a positive one for the industry as it shows the contribution of the staffing industry in helping companies manage flexibility and complexity in the labour market, but also in providing workers with attractive employment opportunities.

There are also some critical remarks regarding the conditions of workers employed in temporary staffing services, as they are more likely to enjoy fewer contributions to pension funds or health insurance. However, the report looks at the situation of workers in developing countries, where the social security and protection schemes are not yet fully fledged.

Ciett has been providing input and case studies to the World Bank officials in charge of the report. Furthermore, Ciett met representatives of the Bank in Brussels and in Washington, through the American Staffing Association, to present the key findings of "Adapting to Change".

ILO meeting for 2014-2015 sectoral activities

On 25 September, Ciett President, Fred van Haasteren, and Ciett Managing Director, Denis Pennel, took part in the employers' delegation for the tripartite ILO Advisory Committee in Geneva, to discuss the ILO sectoral activities for 2014-2015.

Ciett, supported by the employers of the Cleaning and Catering industries and by the Dutch employers' federation, presented a proposal for a research on the role of business services in the labour market and the economy to be carried out in the framework of the sectoral

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activities 2014-2015.

At the tripartite meeting, the proposal was rejected due to the strong opposition of the International Union of Food workers (IUF), which refused to acknowledge recruitment and employment services as a sector.

In response to such refusal, Ciett pushed the employers' delegation to reject the IUF project to build a tool on decent work and socially responsible tourism.

#### Ciett assessment:

Although Ciett will not have the research on business services within the framework of the ILO sectoral activities 2014-2015, will continue to work with the International Organisation of Employers (IOE) to promote the role of business services and the recruitment and employment services in other fora, e.g. within the Organisation for Economic Co-operation and Development.

### The Way to Work

Denis Pennel presented the Way to work in Finland

On 11 October, Denis Pennel participated in the Annual Conference of HPL (the Finish Association of private employment agencies) and gave a presentation on the "Way to work" and the future of labour markets. He addressed both HPL members as several high-level stakeholders focusing on the contribution of private employment services to well functioning and more inclusive labour markets. More than 100 HPL members took part in the conference and they all received their passport to the Way to Work.

James Gribben presented Adapting to Change Report and Way to work in Brazil

James Gribben took part in an event organised by SINDEPRESTEM (the Brazilian Ciett member federation) on the Adapting to change report. The meeting was well attended with around 100 people in the audience, coming from Sindeprestem members, employers' organisations and government. It was organised with a view to changing the direction of its dialogue with government by really focusing on research based arguments for gaining appropriate regulation. As well as presenting the Adapting to Change report Sindeprestem launched the latest edition of its economic report.

James Gribben gave an extensive presentation on the report on the Way to Work pledges, with a special focus on need to reduce youth unemployment and undeclared work. Decent work was a recurring topic from the interventions from the floor and panellists throughout the day. Sindeprestem were encouraged by how receptive policy makers were to the arguments put forward during the conference. They were also pleased that presentation of Adapting to Change was very much aligned to their current lobbying strategy.

James Gribben participated furthermore in a meeting between Vandor Morales and the chief of staff to the Brazilian minister of employment. Vandor was making the case for how the industry provides an entry point into labour markets for young people. I provided Vandor with supporting arguments from Adapting to Change and spoke about the industry's global pledges.

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### **Top European Public Affairs Priorities**

Agency Work
Directive: Working
on a better
implementation in
key countries

The political debate on the EU Directive on temporary agency work currently very much focuses on a couple of countries, in which the transposition phase has only been completed very recently, is unbalanced or where discussions are still ongoing, as for example:

- In Austria, the bill to transpose the Directive has been adopted on 4<sup>th</sup> September. Based on coordinated and joint lobbying efforts of VZa, the Austrian Chamber of Commerce and Eurociett, the regulation could still be improved, particularly by maintaining the possibility for the industry of ending temporary agency work contracts by mutual agreements.
  - An important change is the setting up of a social vocational training fund for the agency workers, which will be targeting exclusively unemployed agency workers. As of 2013, temporary work agencies will have to pay 0,25% of their payroll to the fund. A significant challenge which remains to be in place is a new obligatory fee of € 110, which has to be paid when ending contracts and which is based on cross-sectoral legislation.
- In Sweden, the draft bill to transpose the Agency Work Directive has entered the discussion in Parliament. The Swedish Eurociett Member "Swedish Staffing Agencies" is highly concerned with the draft bill, as the government proposal does not take sufficient action to review and lift unjustified restrictions (transposition of Article 4), but focuses almost exclusively on the implementation of the equal treatment provisions. It is against this background that SSA considers to take legal action on an inadequate transposition of the Directive, an approach which is strongly supported by Eurociett.
- In the Czech Republic, the new law adopted to transpose the Directive shows significant, negative impacts, as it includes new, unjustified restrictions providing for the ban of the hiring of third country nationals and disabled workers. The Czech Eurociett member APPS is very actively lobbying the government to change this new regulation.
- In the United Kingdom, the impact of the agency workers regulation to transpose the Directive is very closely monitored, given the fact that the regulation will be in place for a year in December 2012. Surveys carried out in the UK show that claims related to the Agency Workers Regulation have increased, while there has only be a very moderate business impact, as illustrated by the latest REC AWR Monitor (8<sup>th</sup> edition published in September 2012).
- *In Denmark,* the presentation of the draft bill to transpose the Agency Work Directive has been postponed by the government until December 2012.

**Eurociett actions:** Eurociett continues to work jointly with its member federations and corporate members on a better implementation of the EU Agency Work Directive. Key actions included:

 The discussion with Eurociett national federations on potential legal actions in countries that have transposed the Directive in an unbalanced way and which have not removed unjustified restrictions. Particularly SSA and APPS are

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- currently seriously considering to take legal action to ensure the removal of unjustified restrictions on temporary agency work.
- 2. Support and assistance to VZa linked to the implementation of the Directive, including letters to the Austrian government and the organisation of several conference calls.
- 3. The organisation of a meeting at DG Employment / Labour Law Unit jointly with Swedish Staffing Agencies (Henrik Bäckström and Gabriella Sebardt) to discuss the transposition of the Directive in Sweden.
- 4. The implementation of meetings with DG Employment / Labour Law Unit, Milan Crabnoch (MEP / ECR / CZ) and the European Disability Forum on the Czech national situation and the new restrictions imposed on temporary agency work.

Posting of Workers: Eurociett advocacy work in the European Parliament

The political debate on the Posting of Workers Enforcement Directive has started in the European Parliament and in Council. In Parliament, hearings have been held in the internal market committee and the employment committee. During these hearings, the provisions on the allowed control measures (Article 9) and on joint and several liability (Art. 12) have proven to be the most controversial elements of the Commission Proposal. On the 28-29 November, the draft report prepared by Ms. Jazlowiecka (MEP / EPP / PL) will be discussed for the first time in the Employment Committee, while the discussions in Parliament are scheduled to last until March/April 2013. In parallel, the Commission proposal is being assessed and discussed in the social affairs working group of the EU Council, where also several dividing lines between countries have been identified.

On 13<sup>th</sup> September, the European Commission decided to withdraw its highly controversial and criticised proposed regulation on the freedom to provide services and the right to strike (so-called Monti II Regulation). This withdrawal is a direct consequence of the launch of the "subsidiarity procedure" (yellow-card procedure) launched by several Member States. This procedure was thus used for the first time since the entry into force of the Lisbon Treaty and the establishment of this mechanism.

**Eurociett actions:** The following key actions have been implemented in September/October:

- 1. Further meetings with leading Members of the EP Employment Committee have been implemented to advocate the Eurociett position.
- Eurociett Policy Advisor Michael Freytag attended the EP Employment Committee and internal Market Committee hearings to network with Members of Parliament and to monitor the debate in Parliament. Reports on both hearings are made available on the intranet.
- 3. Eurociett is furthermore closely coordinating its PA/PR actions with BusinessEurope, the European, cross-industry employers' organisation. Based on these contacts, Eurociett has heart that BusinessEurope recently set up an special advocacy group on the Posting of Workers Enforcement Directive (which is composed of several of its member federations) to share information and coordinate advocacy activities.

EU PARES Conference: Promoting cooperation The European Commission's DG Employment organised on 2<sup>nd</sup> and 3<sup>rd</sup> of October the Annual Stakeholder Conference on Partnerships between Employment Services. The conference took stock of the progress achieved under the PARES Initiative in 2012 and discussed the consensual recommendations on partnerships between employment

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between employment services services, which have been developed in the context of the two strategic dialogue meetings held. The PARES Conference also included two workshops on commercial contracting and partnerships for youth, thus providing a very useful forum for the exchange of best-practice for discussing opportunities linked to partnerships between employment services and for brining together all relevant actors at the European level. Several of the presentations of the PARES Conference are made available on the conference website: http://www.destree.be/pares2012/Home.html

The EU PARES initiative will continue in 2013, particularly through a new course of action called *PARES goes national*. In this context, public and private employment services of EU Member States have been invited to organise jointly and with the support of the European Commission national events to progress in cooperation between employment services. Two national events will be held in 2013, for which public and private employment services of countries interested can apply until 1 March 2013. Interested Eurociett member federations are invited to contact the Eurociett Secretariat to obtain further information on the possibility of organising these national events

**Eurociett Actions:** Eurociett is strongly supporting the PARES Initiative as an important tool to promote more and better cooperation between employment services in Europe. The following key actions have been taken in the recent months:

- More than 20 Eurociett members attended the PARES Conference on 2-3
   October and contributed to the debate. Denis Pennel and Cecilia Stahl
   (Manpower Sweden) acted as speakers during the event.
- Eurociett used its regular dialogue with DG Employment / Employment Services Unit on 15 October to discuss the PARES Initiative and to agree on the next steps to be taken.
- 3. In the coming weeks and months, Eurociett will liaise very closely with its member organisations with regard to the opportunity to organise national events in the context of the PARES Initiative in 2013.

EU Employment Package: Towards a job-rich recovery The EU Employment Package "Towards a job-rich recovery" continues to be at the centre of the EU Employment Policy debate at EU level. On the 6<sup>th</sup> & 7<sup>th</sup> of September, the European Commission organised a high-level conference ("Jobs for Europe") to discuss the Employment Package initiative and the policy recommendations put forward in this context. The event was attended by representatives of Member States, academics, social partners and representatives of the EU Institutions. Of particular interest has been a presentation by Christopher Pissarides, Nobel Prize Winner for Economics in 2011 (the presentation is available to all Ciett members on the Ciett & Eurociett intranet). On the intranet, you will also find a conference report published by DG Employment-

**Eurociett Actions:** Following the publication of the Eurociett position paper in September, several public affairs actions have been taken:

- The position paper has been presented and discussed in meetings with several, leading Members of the European Parliament's Employment and Social Affairs Committee.
- 2. The main Eurociett demands included in the Position Paper have been put forward in face-to-face meetings with DG Employment Employment Services Unit and with the Unit on Employment Analysis. A special focus and attention has been devoted in this context on explaining and illustrating the stepping-

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- stone function of the agency work industry. More detailed reports on these two meetings are available on the Eurociett intranet.
- 3. Annemarie Muntz and Denis Pennel attended the high-level stakeholder Conference "Jobs for Europe" to discuss the Employment Package with key European and Member State stakeholders.

Sectoral Social dialogue committee meeting On 16 October the EU Sectoral Social Dialogue Committee (SSDC) on temporary agency work met for its annual plenary session.

At the meeting, Eurociett and UNI Europa gave a joint presentation on the social dialogue and collective labour agreements in Sweden and discussed the new work programme for 2013-2014 (presentations available on the intranet).

As a recurring item, Eurociett and UNI Europa gave an update on the implementation of the Directive on temporary agency work 2008/104/EC.

Finally, the European Commission presented the main elements of the Employment Package and Eurociett responded by providing its position paper on the initiative and stressing the key role of private employment services in achieving a job-rich recovery.

**Eurociett actions and next steps**: The new work programme for the committee will be prepared based on the discussions of Eurociett and UNI Europa's members. The work programme will be presented and adopted on the first SSDC meeting in February 2013.

Sectoral Social dialogue transitions project

The third and last meeting of the Steering Committee for the joint Eurociett-UNI Europa Transitions project took place on 15 October in Brussels to provide comments and feedback on the third draft of the report on temporary agency work and transitions in the labour market. Comments on the previous version given by Eurociett and its members have been included in this almost final draft.

The field research for the joint project provides data demonstrating the contribution of temporary agency work and the sectoral social partners in facilitating transitions in the labour market. There are two main parts: the first is an EU-wide overview on the industry, on its relevant regulation and on the diversity of profiles of temporary agency workers.

The second part focuses on specific case studies representing six types of transitions, e.g. transitions from unemployment to work, or from education to work and covers in detail six EU Member States: France, Belgium, Netherlands, Italy, United Kingdom, and Germany.

Eckhard Voss, the external consultant in charge of writing the report, and the Steering Committee members, representing France, Netherlands and Belgium from Eurociett's side and UK, Italy and Spain from UNI Europa's side, exchanged views on the case studies and the key messages to be presented with the final report at the pan-European conference on 19 December 2012.

**Eurociett actions and next steps**: In the coming days, Eurociett will receive and circulate to its members the fourth draft of the report for their comments before the report can be finalised. The report will be launched at the pan-European conference to be held on 19 December in Brussels, gathering Eurociett and UNI Europa's members together with key stakeholders from the European Commission, European Parliament, Academia, NGOs, and media.

The conference will also represent a forum for the temporary agency work social

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partners to put forward their key recommendations on how to maximise the role of temporary agency work in facilitating transitions in the labour market.

### **Further European Public Affairs Priorities**

European Semester & labour market reforms The European Parliament's Employment and Social Affairs Committee discussed in October an opinion on the European Semester for economic policy coordination and labour market reforms, which was drafted by Marije Cornelissen (MEP / Greens / NL). The report included several recommendations which are fully supported by Eurociett, including the need to shift taxes away from labour to environment, the call to enhance labour market flexibility by introducing modern forms of employment contracts, stressed the need to enhance the labour market participation of young people and called for action to reduce youth unemployment

**Eurociett Actions:** Eurociett had several meetings with influential Members of Parliament to discuss the draft opinion, including a meeting of Michael Freytag and Leonie Oosterwaal (ABU) with the Rapporteur Marije Cornelissen. As follow-up of the meeting, Eurociett proposed some amendments to the draft opinion, calling for a better recognition of the contribution of private employment services to better functioning labour markets, focused on the role of the industry in securing transitions and offering a stepping-stone to the labour market.

Eurociett contributes to Migration Policy Institute Round Table Eurociett Policy Advisor Michael Freytag contributed to a round table debate on skills mobility in the transatlantic context, which was organised by the Migration Policy Institute Europe. Gathering experts of public authorities, employers' organisation and researchers, the round table debate was structured in three sessions, focusing on a general overview, the perspectives of employers, the government approaches and a round table on barriers to skills mobility. In his interventions, Michael Freytag presented several key messages of the Adapting to Change Report linked to skills and illustrated the commitment of Eurociett to contribute to EU projects related to skills, mobility and better matching of demand and supply of work.

European
Commission
publishes
quarterly
labour market
review

On the 28 September the European Commission published a new edition of its Quarterly Labour Market Review. In the publication, which uses also Eurociett data on temporary agency work market developments, the European Commission stresses that the employment and social situation in the EU remains very serious in the second quarter of 2012 with unemployment rising overall but also displaying significant differences between Member States. The EU has been in recession or on the verge since late 2011 and the overall economic sentiment is at its lowest level in three years. In this context, job-finding prospects remain poor compared to pre-crisis years. The full Quarterly Review can be downloaded from DG Employment's website.

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European
Parliament
study on
enforcement of
fundamental
rights

The European Parliament has recently published a new study on the Enforcement of Fundamental Workers' Rights, which will serve as a supporting background tool for current European policy and legislative debates in the European Parliament. The study provides an overview on international and European law regulating a selection of fundamental workers' rights (freedom of association and the right to collective bargaining, age antidiscrimination, the right to health and safety at work). It then analysis their enforcement in seven Member States (France, Greece, Hungary, Italy, Sweden, Netherlands and United Kingdom). On the basis of these findings, the report explores possible ways forward for improved enforcement of fundamental workers' rights in the European Union, not only in times of economic crisis, but also in the long term.

**Eurociett assessment:** The report raises some points of concern for Eurociett as private employment services and particularly the temporary agency work sector are addressed in several sections of the report. On several occasions, the report provides a quite unbalanced and inaccurate assessment of the role of collective bargaining and regulation on temporary agency work. Eurociett has already contacted the corresponding unit in the European Parliament's research and policy analysis unit to highlight these points of concerns and to clarify incorrect / misleading statements. Eurociett furthermore recommended that European sectoral social partners of sectors covered in such reports should be consulted and involved in the drafting process, which has not been the case with regard to this report. Following its publication end of September, the Report has received very limited media/public attention until now

Eurostat Labour Force Survey

According to the latest Eurostat Labour Force Survey data, almost 70% of employed people (including both employees and self-employed) in the EU27 worked within the services sector in 2011, compared to 62% in 2000. Market service such as trade, transport, financial services etc. account for 39% of persons employed in 2011, while non-market services, such as public administration, education, health, etc. accounted for 30%. The industry and construction sector accounted for 25% and agriculture for 5%. More information on this latest Eurostat publication is available online.

BusinessEurope publication on the Single Market The European, cross-industry employers' organisation BusinessEurope has published in October 2012 a new leaflet on "The Single Market: The Way Forward", which was prepared on the occasion of the 20<sup>th</sup> Anniversary of the Single Market. The leaflet focuses on the progress achieved in all main areas of the single market (free movement of goods, capital and workers. With regard to the free movement of workers, BusinessEurope recommends to increase the mobility of workers (including a focus on the recognition of professional qualifications and by ensuring uniform quality levels for education) and to modernise and simplify administrative procedures for service companies. The publication can be downloaded on the <u>BusinessEurope website</u>.

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### **National Public Affairs News**

### New President of VZa elected

The CEO of Trenkwalder Austria, Klaus Lercher, has been elected as new President of the Austrian Eurociett member VZa. The election comes at a time, where the Austrian agency work industry is facing significant, regulatory challenges, especially linked to the newly introduced end of contract fee of € 110. Alexander Praschek, former President of VZa, has been elected as Vice President.

### New President of APESPE elected

The Portuguese Eurociett member APESPE has appointed a new President with Joachim Adegas, who is following on Marcelino Pena Costa. Mr. Adegas has a degree in corporate communication since and is the Director of the private employment service SPT.

### Chinese government proposes tighter rules on temporary agency work

The Chinese government has presented draft amendments to the Chinese Labour Contract Law in order to restrict the use of temporary agency work to prevent "dispatched labour" from becoming the main channel of employment.

According to the proposed amendments, agency workers can be assigned in three cases: when employment does not exceed 6 months, if they are replacing employees on leave, or if they are used to meet production peaks.

The draft amendments also tighten registration and licensing for private employment agencies and increase the fines to be imposed if private employment agencies violate the relevant law or regulations.

The Chinese Congress will further discuss the draft amendments in their next session and they may adopt them before the end of the year.

### **Abbreviations**

ACT/EMP	ILO Bureau for Employers Activities
AWR	Agency Workers Regulation
CZ	Czech Republic
DG	Directorate General
ECR	European Conservative and Reformist
EP	European Parliament
EPP	European Peoples Party
EU	European Union
ILO	International Labour Organisation
IOE	International Organisation of Employers
IUF	International Union of Food Workers
MEP	Member of the European Parliament
NL	Netherlands
PL	Poland
TAW	Temporary agency work