

Brussels, 22 October 2008

## Temporary Agency Work Directive

### Why is Parliament voting on this now?

In March 2002 the European Commission adopted a proposal to create a level playing field for temporary agency workers across the EU. The European Parliament adopted its opinion on first reading in November 2002. Several EU Council presidencies have sought to find a solution over the past six years.

EU Employment and Social Affairs Ministers succeeded in overcoming years of stalemate on the proposed Directive on temporary agency work by reaching a political agreement on a Common Position by qualified majority at the Employment Council in June this year. The agreement was supported by the sectoral and cross-industry European social partners. The agreement marked a major step forward in European social policy that can also help to strengthen social dialogue.

Today, the European Parliament voted in Strasbourg to support, without amendment, the proposals put forward by the Council and the Commission.

### What does the draft Directive aim to do?

The legislation aims to ensure that temporary agency workers are treated on an equal basis with permanent workers. It also aims to recognise the legitimate contribution of the temporary work sector in creating jobs as well as the responsibilities of agencies as employers.

The draft Directive ensures that the principle of equal treatment between temporary agency workers and the workers directly recruited by user companies, as regards basic working and employment conditions, should apply from day one of their assignments except if social partners agree otherwise.

### Who will benefit?

Over 3 million workers<sup>1</sup> in the EU are currently temporary agency workers and the numbers involved in this sector have been increasing. A large proportion of temporary agency work is done by low-skilled workers, although many assignments are also for skilled technical and professional positions.

There is much variation between EU Member States in the main sectors and occupations using temporary agency work, with some using it mainly in manufacturing, others primarily for services and in some cases a combination of the two.

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<sup>1</sup> This represents a daily average, or full time equivalent, of the numbers employed by more than 20,000 temporary agency firms and accounts for between 1% and 2% of employment in the EU-15. Strong growth is also apparent in the 12 new Member States. Industry sources indicate that over 6 million persons are employed as temporary agency workers at some time in the course of a year.

Students and women returning to work after family-related absence also use temporary agency work as a means of acquiring work experience and developing their abilities. In most EU countries, however, the majority of agency workers are male.

### **How will they benefit?**

Research into the working conditions of agency workers has found that temporary agency work is typically accompanied by inferior working conditions in terms of pay, holiday entitlement, training and career development opportunities. The legislation will bring an end to discrimination against temporary agency workers and ensure they have equal treatment with permanent workers from day one in terms of pay, maternity leave and leave entitlement.

In addition, they will benefit from:

- being informed about permanent employment opportunities in the user enterprise;
- equal access to collective facilities (canteen, childcare facilities, transport service);
- improved access to training and childcare facilities in periods between their assignments so to increase their employability.

### **Will Member States still be able to restrict temporary agency work?**

Under the Directive, Member States must review and justify existing restrictions or prohibitions on the use of temporary agency work. Such restrictions can only be maintained under the Directive if they are justified on grounds of general interest. At that stage, any continuing prohibitions or restrictions must be reviewed and made the subject of a report to the Commission. The Commission reserves its right to take action if restrictions and prohibitions are not reviewed and justified in accordance with the Directive.

### **How does this fit with the EU's growth and jobs agenda and flexicurity approach?**

The Directive will complement existing law in a number of Member States by laying down a common and flexible framework for the use of temporary agency work. This will also contribute to creating jobs and to developing flexible forms of working.

This balanced approach is consistent with the objectives of the EU's Strategy for Growth and Jobs and is an example of putting the flexicurity approach into practice. It will help to establish more security and better conditions for temporary agency workers while maintaining the flexibility that industry needs and that workers want when reconciling family life and working life.

**What about differences in national systems?**

The Directive provides for different labour market conditions and industrial relations practice among the Member States to be accommodated. It allows scope for derogation from the principle of equal treatment by means of collective agreement or – under specific conditions – by agreement between the national social partners.

**When will the rules change for agency workers?**

EU countries are now required to incorporate the provisions of the Directive in their national law. It will then come into effect after three years.