

How temporary agency work compares with other forms of work

Final Report | March 2015

On demand of:

Eurociett
UNI Europa

Project n° VS/2013/0389

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Executive summary

A study to compare temporary agency work (TAW) with other forms of work: getting a clear picture of the dynamics in the labour market

Different forms of work are coexisting in the European Labour market. These forms of work differ in various aspects, such as, among others, the length of assignments, the contractual arrangement and the access to social protection. These forms of work are regulated at EU level and at national level.

During the last decades, changes occurred in the European labour market. Indeed, while full-time open-ended contracts remain the most widespread contractual arrangement, over time they are being complemented by other forms of employment. An increase in part-time work occurred in the last years and the line between different forms of work is blurring, e.g. temporary agency workers can also be employed with open-ended contracts. Understanding the changes in the labour market is the key to ensure the development of sound policies that aim at enhancing the protection of workers as well as improving the overall efficiency of the labour market.

In this view, it is important to get a clear picture of the evolution of the size of the different forms of work, the working conditions they provide and their contribution in the labour market.

In this context, the main objective of this study is to compare TAW with other forms of work with respect to the following topics:

- ▶ The size and evolution;
- ▶ The EU regulation;
- ▶ The effective working and employment conditions.

The study focuses on the comparison of TAW with three other forms of work that have an important place in the labour market: open-ended contracts, fixed-term contracts (FTCs) and self-employment. In order to compare TAW with these forms of work, three different types of methodological analysis have been conducted:

- ▶ Desk-research and data analysis;
- ▶ Survey conducted among the Eurociett and UNI Europa members;
- ▶ Case study analysis.

This executive summary briefly presents the main results of the study.



TAW still represents a small share of total employment and has evolved discontinuously during the last decade

The share of TAW is small when compared to other forms of work

Regarding the EU-27, TAW accounted for 1.8% of total employment in 2012. The share of TAW remains relatively small compared to other forms of work: in the EU-27, open-ended contracts accounted for around 75% of total employment in 2013 while the share of temporary employment¹ and self-employment amounted respectively to around 11% and 14%.

At EU-level, no specific form of work strongly increased at the expense of another form of work in the last decade

Between 1998 and 2012, the share of TAW in total employment increased by 1 percentage point in the EU-15. However, recent evolutions show contrasting dynamics: the penetration rate of TAW was growing from 2003 to 2007, but the crisis of 2008 had a negative impact on this trend. Between 2003 and 2012, the penetration rate increased only by 0.4 percentage point in the EU-15. Therefore, we can conclude that there is not a strong structural growth of TAW in the European labour market.²

Regarding the other forms of work, in the EU-15, the following evolutions occurred from 1996 to 2013:

- ▶ The share of open-ended contracts decreased by 1.4 percentage points;
- ▶ Temporary employment increased by 1.9 percentage points;
- ▶ Self-employment decreased by 0.5 percentage point.

While the labour market is currently changing (e.g. increase in part-time work, blurring lines between some forms of work, etc.), we cannot conclude that a strong growth of a specific form of work occurred at the expense of another form of work at EU level. Indeed, all forms of work evolve, in absolute terms, in a same direction that is determined by economic conditions. Moreover, in relative terms, there are discontinuous evolutions (e.g. drop in TAW during the crisis, etc.) in the labour market.

At national level, distinct profiles and strong dynamics might be identified

Different profiles (in terms of share of the forms of work) and dynamics may be distinguished among the European countries:

- ▶ Some countries are characterised by a particularly high share of a given form of work: e.g. in Spain and in Italy, self-employment accounted for respectively around 22% and 15% of total employment in 2013 (for around 11% in the EU-15);
- ▶ Distinct dynamics occurred in the labour market during the last years: e.g. in France and in Spain, a strong increase of fixed-term contracts of short duration (less than one month) occurred. In the Netherlands, a decrease in the share of open-ended contracts may be pointed out (-8 percentage points between 2001 and 2013).

The share and the evolution of the different forms of work might be explained by the evolution of some key indicators, such as the GDP growth rate. Moreover, existing regulations on the different forms of work might explain some of the differences in the relative size: e.g. the relatively smaller share of TAW compared to the share of FTCs might be the consequence of a stricter regulation on TAW.

¹ The category "temporary employment" does not only represent fixed-term contracts. Temporary agency work is part of this category. No harmonized EU-data are publicly available for fixed-term contracts only.

² However, it is important to point out that these general findings hide several disparities between countries. As an example, in Germany, the penetration rate of TAW increased by 1.7 percentage points between 1996 and 2012 while, in Spain, the penetration rate of TAW was similar in 2012 than in 1998. In 2012, the penetration rate of TAW amounted to 2.8% in the Netherlands in 2012 while it was only 0.5% in Spain in the same year.



TAW plays a key role in the labour market

Despite the very slow growth (in stock) registered in the last decade, TAW plays an important role for firms, workers and the labour market as a whole. TAW is characterized by a triangular relationship, between a user undertaking, an employee and an agency.

TAW offers firms the required flexibility to face changes in demand and provides firms workers with the required qualifications and skills

First, TAW allows facing temporary increase (or decrease) in demand due to, among other reasons, changes in economic conditions. The strong positive correlation between the evolution of TAW and economic conditions is confirmed in the study and indicates that firms rely on TAW to adapt to economic changes.

Secondly, in some countries, systems have been developed by social partners in order to reduce the cost of TAW for the user undertakings while offering more employment security to workers. For example, in Germany, collective labour agreements allow combining lower costs (derogation from the principle of equal treatment in pay in Germany) while guarantying employment and social protection stability for the workers (open-ended contracts for agency workers in Germany). In the Netherlands, the social partners in the TAW sector built a system where a high degree of flexibility is offered in the first phase while the accumulation of worked days then leads to an increase in employment and income protection.

Thirdly, TAW allows firms to hire candidates with the desired qualifications and skills. Indeed, agencies put efforts in building the qualifications and skills of the workers and in matching them with the profile desired by the firm. In the TAW sector, several initiatives have been developed by social partners (bipartite funds or bodies) in order to enhance access to training for agency workers.

TAW acts as a bridge from unemployment to work and offers workers flexibility in working time and diversity in working experience

Regarding the workers, the study has highlighted some of the key roles played by TAW. First, temporary agency work facilitates the transitions from unemployment to work both at short term and when considering a longer time span.

- ▶ In France (2012) and in Germany (2011), 60% of the temporary agency workers were unemployed before entering temporary agency work. When considering a longer time span, it appears that the bridging effect from unemployment to work still remains in some countries: e.g. in France, one year after entering TAW, 68% of the workers were still employed (TAW, fixed-term or open-ended contracts).
- ▶ Another study in France indicates that, among a pool of unemployed workers in 2012, 54% of former temporary agency workers were employed again one year later against 43% for FTCs. However, when looking at the perceptions of the workers, the results of the EWCS (2010) show that, at EU level, temporary agency workers have a higher perceived risk of costly job loss (i.e. a high perceived risk of job lost and a low perceived re-employment probability) than other workers.

Other studies show that, in comparison to other forms of temporary work or in comparison to unemployment, TAW can be more efficient in facilitating transitions to open-ended contracts.

Furthermore, some workers enter TAW because they are looking for flexibility in their employment. TAW offers them flexibility in their working time and the opportunity to gain diverse working experience.

Students use TAW as a bridge from education to work. Finally, for those who enter the labour market for the first time, TAW allows them to acquire a first relevant professional experience that can help them to enhance their position in the labour market.

TAW helps to increase the participation rate and to fight undeclared work

Regarding the labour market as a whole, the following results might be pointed out:

- ▶ The share of temporary agency work is positively correlated with the share of the activity rate: the activity rate tends to be higher in countries where the share of temporary agency work is high.
- ▶ In countries where it is easier to resort to TAW have smaller undeclared economies. These results might emphasize the role of TAW in increasing labour force participation rate and in fighting undeclared economy.



TAW is broadly regulated at EU level and several restrictions on the use of TAW are in place

EU regulations provide a common ground in regulating the forms of work but leave room for national specificities

Open-ended contracts are often considered as the “general employment contracts” and are therefore under the scope of all the earliest directives related to working and employment conditions. Then, a trend occurred towards specifically considering other forms of employment: i.e. the directive on temporary agency work (2008/104/EC) and the directive on fixed term work (1999/70/EC) have been implemented.

European regulations give an important role to social dialogue / social partners in establishing the different rules that determine the working and employment conditions of the forms of work. Moreover, in some directives, several derogations or exemptions can be accepted in case social partners at national level reach agreements that differ from those described in the directive, which reinforce the role of social partners.

Despite this common ground, regulations on various topics still differ widely between the EU countries: some directives allow derogation in their implementation and various topics are still mostly regulated at national level.

The principle of equal-treatment is generally implemented

In 2008, the directive 2008/104/EC on temporary agency work has been implemented. In particular, the directive aims, among other objectives, at establishing the principle of equal treatment of agency workers with employees in user undertakings and at establishing a suitable framework for the use of temporary agency work with a view to contribute effectively to job creation and to the development of flexible forms of work. Another directive, aimed at protecting the health and safety of temporary agency workers, has been implemented: the directive on Health and Safety in Fixed-Term and Temporary Employment (91/383/EEC).

The review of the implementation of the directive indicates that there have been some improvements in regulating TAW. Furthermore, as allowed in the directive, some derogations to the provisions of the directive (scope of the directive, equal treatment, etc.) have been reached through social partners’ agreements in various countries (Austria, the Netherlands, Germany, etc.).

The review of the restrictions/prohibitions (sectoral restrictions, maximum length of assignment and maximum number of renewals, etc.) in the Member States show that several restrictions on the use of TAW remain in place, however the situation widely differs across various countries. In this context, it must be ensured that these restrictions do not hamper the contribution of TAW to job creation and to improve the functioning of the labour market.

The principle of non-discrimination is implemented

FTCs are mainly regulated at the European level by two directives: the directive on fixed-term work (1999/70/EC) and the directive on Health and Safety in Fixed-Term and Temporary Employment (91/383/EEC). The directive on fixed-term work has two specific goals: to ensure that fixed-term workers do not suffer unjustified discrimination and to prevent the abuse of successive fixed-term contracts between the same employer and employee for the same work.

The principle of non-discrimination has been implemented in all Member countries. Regarding the utilisation of conditions/restrictions on the use of fixed-term work, it appears that “objective reasons for the use” and “limitations on contract renewal or duration” are in place in various countries. However, a wide diversity remains regarding the specific provisions related to maximum length of duration, the number of renewals, etc.

When comparing TAW and FTCs, it appears that additional restrictions exist for temporary agency work (sectoral restrictions, etc.), while these restrictions do not exist for fixed-term contracts.

Self-employment is barely regulated at EU level

EU regulations cover only aspects related to the ease of free movements of self-employed and aspects related to the equal treatment in maternity benefits (see directive 2010/41/EU). Regarding the other topics, regulations exist exclusively at national level.



TAW and open-ended contracts offer comparable rights regarding key aspects in employment and working conditions

TAW provides similar access to social protection as open-ended contracts

In the countries covered by the survey conducted for this study, temporary agency work and fixed-term contracts provide similar conditions of access and similar provisions as open-ended contracts with regards to unemployment benefits, sick benefits, maternity leave, healthcare and pension's benefits. In comparison, self-employment offers much less protection in this respect than open-ended contracts, TAW and FTCs. The differences are particularly striking with regards to unemployment benefits, sick benefits, maternity leave and pension's benefits but tend to be smaller with regards to healthcare.

The effective access to social benefits might be difficult for workers with contracts of short duration: this is why portability of rights is important

While access to social protection of TAW and FTCs is similar to that of open-ended contracts, the access to social benefits in practice might be difficult for temporary employment (fixed-term contracts or TAW) of short duration:

- ▶ The required accumulation of worked days or amount earned ("thresholds") that gives access to social benefits (pension's benefits, unemployment benefits, etc.) can be difficult to reach.
- ▶ In case of contracts of very short duration, illness or pregnancy may have a negative impact on the worker: social benefits might stop if the contract stops and a new contract might not be given to the worker.

In this view, it may be important to provide additional compensations in some cases and to ensure the portability and the effective accountability of the rights accumulated under different contracts of short duration. The portability of rights must be insured both within a given form of work (e.g. the TAW sector has paved the way in this respect in some countries) and between the different forms of work (from TAW to other forms of work) in order to protect workers with different contracts.

In the TAW sector, social partners developed initiatives aimed at enhancing social protection of workers with a contract of short duration

Regarding the TAW sector, several bipartite bodies or funds have been developed to provide compensations for workers with contracts of short duration and to ease the portability of rights within the temporary agency sector. It appears that such initiatives do not exist at such a scale for fixed-term contracts (or self-employment).

Below, we quote some of the initiatives / provisions developed by social partners in the TAW sector (other initiatives can be found in the report):

- ▶ With regards to **sick benefits**:
 - ◆ **In Belgium**, a collective labour agreement has been designed and implemented in order to further protect the agency workers: they now receive additional compensation from the agency during the first 30 days of their incapacity.
 - ◆ **In France**, collective agreements have been concluded between social partners in order to provide additional compensations in case of illness or accident. The organisation in charge of managing these additional compensations is called "Reunica". In case of strong disability, an annuity is also paid if the agency worker warrants 1.800 hours of service in the profession during the 24 months prior to the work stoppage.
 - ◆ In **the Netherlands** a Collective Labour Agreement (CLA) provides additional provisions for workers in "phase A" (i.e. workers who have accumulated few working days, see section 5.3).
- ▶ With regards to **healthcare**, in **Italy**, additional protection, regarding e.g. dental care or surgery, are offered to temporary agency workers.
- ▶ With regards to **pension's benefits**:
 - ◆ In **France**, a single pension fund for temporary agency workers has been set up. This eases the compilation of all the career paths of workers and informs workers about their current situation, in terms of pension's rights.
 - ◆ In **Italy**, an additional private pension fund (FONTEMP) has been set up to allow temporary agency workers to benefit from additional provisions.



TAW performs particularly well for vocational training and health and safety conditions

Open-ended contracts provide in general better basic working and employment conditions than other forms of work

With regards to basic working and employment conditions (i.e. working time, broadly defined in the context of the study, and pay), it appears that open-ended contracts provide in general better conditions than the other types of contracts:

- ▶ When focusing on working time, the indicator of Working Time Quality (scheduling, flexibility on hours worked, etc.) developed by Eurofound, indicates that open-ended contracts and self-employment offer better working time quality than fixed-term contracts and, to a slightly lesser extent, than TAW. The high score for self-employed might be explained by the flexibility it offers in the scheduling of the working time.
- ▶ When looking at pay and when comparing temporary agency workers with fixed-term employees, the results of the 5th European Working Conditions Survey (EWCS) conducted in 2010 by Eurofound show that the proportion of temporary agency workers who earn more than €9.000 per year is higher than when considering fixed-term contracts (46% vs. 40%) but smaller than when considering open-ended contracts or self-employed (74% for open-ended contracts and 68% for self-employed).

It is important to notice that there are wide methodological issues in assessing the working and employment conditions between different forms of work. Indeed, differences between forms of work may be due to other factors than the contractual arrangement itself: e.g. the sector, the occupation or the age of the worker can have an impact on key aspects of working and employment conditions (such as pay). If the workers' characteristics are not equivalent from a form of work to another, it turns out to be difficult to isolate the differences that are effectively due to the contractual arrangement.

Temporary agency workers feel less at risk at the workplace than other workers and social partners developed initiatives specifically dedicated to agency workers

First, with regards to the initiatives developed by social partners, the results of the survey conducted in the context of this study indicate that:

- ▶ For open-ended contracts, TAW and fixed-term contracts, it appears that social partners developed initiatives in around 50% of the countries covered by the survey. However, in the TAW sector, initiatives dedicated specifically to temporary agency workers exist while such specific initiatives do not exist for FTCs.
- ▶ With regards to self-employment, fewer initiatives are developed in the surveyed countries.

According to the results of the EWCS (2010), temporary agency workers feel less at risk than other workers: 79% of temporary agency workers declare that their safety is not at risk at work, while this percentage amounts to 76% for open-ended contracts and fixed-term contracts and 72% for self-employed.

A large majority of temporary agency workers had undergone training in the last 12 months and initiatives developed by social partners facilitate access to this training

First, the results of the survey conducted for this study indicate that:

- ▶ On average, fixed-term contracts and temporary agency workers have slightly less access to vocational training than workers under open-ended contracts.
- ▶ However, the number of countries in which some initiatives are developed by social partners in order to enhance the access to vocational training is similar for open-ended contracts, fixed-term contracts and temporary agency work.
- ▶ In comparison to TAW, it appears that, in general, fewer specific initiatives or funds seem to exist in order to facilitate the access to training for employees with fixed-term contracts. For example, in the Netherlands, a bipartite institution ("STOOF") aims at enhancing the access to vocational training for temporary agency workers. Such an institution does not exist at such a scale for FTCs.
- ▶ Self-employed have less access to vocational training and fewer initiatives are developed for these workers by social partners.

These results are confirmed by the EWCS (2010). According to the EWCS (2010), a large majority of temporary agency workers (77%), workers with open-ended contracts (82%) and with fixed-term contracts (78%) had



undergone training in the last 12 months (including self-paid training and on the job training). The proportion of self-employed having undergone training in the last 12 months is much smaller (55%).

Temporary agency workers have access to representative's bodies at various levels

In a majority of the countries considered in the survey, workers with open-ended contracts or fixed-term contracts and temporary agency workers have access to representatives at national, sectoral and firm level. Regarding self-employment, in a large majority of surveyed countries workers have no access to representatives.



The development of unique bipartite bodies/funds is a key feature of TAW and a key point of distinction in comparison to other forms of flexible work

Social partners develop unique bipartite bodies/funds in the TAW sector

As presented before, in order to enhance protection of agency workers (particularly those with contracts of short term duration), the social partners developed initiatives in the temporary agency sector of various countries (France, Netherlands, Belgium, Italy, etc.). These bipartite bodies or funds aim at enhancing access to social protection for agency workers. The social partners also developed bodies and funds in order to enhance working conditions of workers (e.g. development of funds for vocational training, etc.). These initiatives cover all agency workers, regardless of the user company where they are assigned.

It appears that comparable provisions do not systematically exist for standard fixed-term contracts or self-employment, which tends to indicate that the particular employment relationship induced by agency work (triangular relationship) helps to develop provisions aimed at enhancing working conditions of workers.

The triangular relationship allows the development of unique bodies or funds: it constitutes a key difference with respect to other forms of flexible work

The development of such unique bodies / funds is fostered by the triangular relationship of TAW: the intermediary role of the agencies as well as the active role of the social partners is fundamental. The same does not exist when considering fixed-term contracts (FTCs group various types of contracts, in various sectors) or self-employment. The diversity in fixed-term contracts (or self-employment) and the lack of unique intermediaries make it difficult to develop unique organisations or funds for those workers.

It is moreover important to notice that the intermediation in the TAW sector also allows for the privatization of the bodies / funds: e.g. in France, the organisation that allows a better registration of the career paths of the TAW workers is privately funded, which offers the opportunity to not increase public spending in compiling career paths of workers accumulating different contracts.

In this view, the strength of TAW, with respect to other forms of flexible work (i.e. standard fixed-term contracts or self-employment), lies in the fact that the triangular relationship facilitates the creation of systems and initiatives that allow to combine flexibility and enhancement of working and employment conditions.



1/ Introduction

This chapter aims at presenting the following information:

- ▶ The general context of the study;
- ▶ The objectives of the study;
- ▶ The methodology followed;
- ▶ The structure of the report.

1.1 General context of the study

Different forms of work are coexisting on the European Labour market. These forms of work differ in various aspects, such as, among others, the length of assignments, the contractual arrangement and the access to social protection benefits. These forms of work are regulated at EU level and at national level.

The rationale behind the existence of different forms of work is, first, to answer specific needs of both employees and employers in terms of flexibility and development. The existence of different forms of work also contributes to ease the transitions in the labour market (from unemployment to work, from education to work, etc.).

Temporary agency work is one of the forms of work that exist in the labour market. This form of work is characterized by a triangular relationship, between a user undertaking, an employee and an agency. During the 90's and the early 2000's, the size of temporary agency work has grown in some European countries. As indicated in section 2.3, it is however important to note that the size of TAW remains small and that the increase in TAW then stopped in several countries, particularly during the economic crisis of 2008-2009.

In a Memorandum of Understanding (MoU) in 2008³, both CIETT and Uni Global Union⁴, agreed that '*temporary agency work can contribute to:*

- ▶ *Facilitating fluctuations in the labour market, e.g. the matching of supply and demand;*
- ▶ *Implementing active labour market policies and creating pathways between unemployment and employment by:*
 - ◆ *Helping jobseekers entering or re-entering the labour market;*
 - ◆ *Helping disadvantaged people entering into the labour market;*
 - ◆ *Providing more work opportunities for more people.*
- ▶ *Facilitating the transition between education and work, e.g. by providing students and young workers with their first access to professional life and an opportunity to gain work experience;*
- ▶ *Facilitating the transition between assignments and jobs by providing agency workers with vocational training;*
- ▶ *Promoting conversion between different types of work contracts, e.g. by assisting in a transition from a temporary agency contract to fixed-term or open-ended contracts;*
- ▶ *Improving life work balance, e.g. by providing flexible working time arrangements such as part-time work and flexible working hours;*
- ▶ *Helping fight undeclared work* (CIETT corporates members and Uni Global Union, 2008, p.2-3).

In the MoU (2008), Uni Global Union and Ciett also recognized the need for an appropriate regulatory framework that, among other goals, '*guarantees that temporary work agencies do not compete to the detriment of workers right and working conditions*' and '*combines adequate protection, decent working and employment conditions for temporary agency workers and proper conditions for the operation of temporary work agencies in a well-functioning labour market*' (CIETT corporates members and Uni Global Union, 2008, p.2-3). In this view, the

³ The Memorandum of Understanding in 2008 aimed at achieving 'fair conditions for the temporary agency work industry and temporary agency workers through global social dialogue' (CIETT corporates members and Uni Global Union, 2008, p.1).

⁴ CIETT and UNI Global Union are the global counterparts of Eurociett and UNI Europa. The Memorandum of Understanding was signed by Ciett corporate members and UNI Global Union members.



implementation of the directive in 2008 was an important step in setting minimum and common standards regarding the regulation of temporary agency work. Within the EU, there are still however significant varieties of approaches to regulate temporary agency employment, temporary agencies and the services provided.

Given these recent evolutions, it is particularly important to deepen the analysis of the working conditions of temporary agency workers and to deepen the understanding of the role of temporary agency work in the labour market.

1.2 Objectives of the study

Given the general context described in section 1.1, the main objectives of this study are to assess the working conditions of workers employed by a temporary work agency, in comparison with other forms of work and to deepen the understanding of the role played by the temporary agency work in the labour market, compared with other forms of work. More specifically, the table below provides the research questions linked to the specific topics of the study.

Table 1: Specific research questions of the study

Topic	Research question
The size/market share of temporary agency work compared to other forms of work	What is the share of these forms of work in the European labour market and at national level?
	What has been the trend in their development?
	What factors have influenced their development?
	What is the relation, if any, between these forms of work in the labour market? Does the increase of one have an impact on another?
The capability of temporary agency workers to represent themselves in the labour market through organised bodies/social partners, to engage in social dialogue and to conclude collective labour agreements	Is there any form of representation in the labour market? Are they organised in representative bodies/social partners?
	Do they provide information, reports or data about themselves and their activities? Do they provide statistics on the labour market?
	Does any form of social dialogue take place?
	Are there instances of collective bargaining? Did these yield collective labour agreements?
	Are there any initiatives undertaken by the social partners to improve quality of work and life of the workers concerned?
Presence of regulation for these forms of work	Is there any specific regulation at the EU and/or national level that applies?
	What are the key provisions regulating their functioning and operations?
	What kind of protection do they provide for their workers?
	How is EU regulation implemented at the national level?
Basic working and employment conditions	Do regulation and its implementation have an impact on the use of these forms of work?
	How are working time limits regulated (hours per week, night work, rest, etc.)?
Access to social protection	How do these forms of work compare to each other with regard to "pay"?
	Definition of social protection
	To what extent these forms of work grant access to healthcare, unemployment benefits, sick benefits, maternity leave, pension benefits, etc.
Occupational health and safety provisions and practices	How do these forms of work compare with open-ended contracts?
	Definition of occupational health and safety
	Are there any specific provisions/practices applicable for health and safety?
	Are there any specific initiatives developed by the social partners?
Access to vocational training	How do these forms of work compare with open-ended contracts?
	Definition of vocational training
	Do these forms of work offer access to vocational training?
	Are there any specific initiatives that facilitate access to training?
Their impact in terms of labour market participation	Is there any role for the social partners to enhance training?
	How do these forms of work compare with open-ended contracts?
	To what extent these forms of work facilitate transitions from unemployment to work, from education to work, from temporary to open-ended contracts?
	What is their impact on the fight against informal work? Do they contribute to converting undeclared/informal work into work with rights?
	To what extent they contribute to increase labour market participation?

Source: IDEA Consult based on tender specifications



1.3 Methodology of the study

In order to achieve the objectives of the study, the research is based on a **"3-axis analysis"** that includes the following research methods:

- ▶ A desk research that consists both in a literature review and data collection and analysis.
- ▶ A survey conducted among the Eurociett and UNI Europa members⁵.
- ▶ Case studies⁶.

In annex 1.1, more information related the research methods are provided.

As explained above, the study is mainly based on comparisons of TAW with other forms of work. We **selected 3 other forms of work that are compared to temporary agency work**. The table below presents the different forms of work and their definition / description in the context of this study. In annex 1.1, the criteria applied to select these form of work in the context of the study are provided.

Table 2: Description of the forms of work selected for the study

Form of work	Description
Temporary agency work (TAW)	This category covers the 'workers with a contract of employment or employment relationship with a temporary-work agency who are assigned to user undertakings to work temporarily under their supervision and direction'. ⁷ The basic common feature of all agency work is a "three-way relationship", sometimes called a triangular employment relation, between a user undertaking, an employee and an agency.
Open-ended contracts	This category covers the employees with work contracts of undefined duration. It includes both full-time and part-time open-ended contracts. This form of employment is also often described as "permanent employment". ⁸
Fixed-term contracts (FTCs)	In this category, we consider only standard "direct" fixed-term contracts. This category does not include seasonal workers or temporary agency work (or all other type of "non-direct" fixed-term contracts).
Self-employment	A self-employed is someone 'pursuing a gainful activity for their own account, under the conditions laid down by national law'. ⁹

Source: IDEA consult based on the OECD and the European Commission

It is important to point out that these categories of employment do not represent perfectly homogenous types of contracts. Indeed, a certain level of diversity remains inside these categories (due, among other explanations, to the differences that exist in terms of national laws). For example, "self-employment" may represent diverse ranges of situations / contracts.

⁵ The specific aim of the survey was to collect information at national level about the legislations and initiatives related to working and employment conditions for the different forms of work. Between July 2014 and September 2014, we received 30 filled-in questionnaires. This allows us to collect comparable information for 21 European countries.

⁶ The case studies aim at further deepening the analysis of 6 specific relevant topics by focusing on the situation in one or two European countries.

⁷ See Directive 2008/104/EC. This category also includes the agency workers that are hired under an open-ended contract with the temporary agency.

⁸ See e.g. OECD (2014), Definition permanent and temporary workers, <http://www.oecd.org/els/emp/45590204.pdf>.

⁹ See Directive 2010/41/EU.



Moreover, some of these categories overlap. Indeed, agency workers can be hired under an open-ended contract or a fixed-term contract by the agency. As specified in the following sections, some of the results that are presented (e.g. the evolution of the forms of work) must therefore be interpreted with caution.

1.4 Structure of the report

The structure of this report is as follow:

- ▶ First, in the chapter 2, we analyse the **size of temporary agency work compared to the size of the other forms of work**. This analysis is based on the available comparable data (mostly LFS data and Ciett data). In this chapter, we also briefly analyse how the evolutions of the size of the forms of work can be related one to another and how these evolutions can be linked to the level of some key indicators.
- ▶ Then, the chapter 3 provides a brief analysis of the **EU regulation that surrounds TAW and the other forms of work** and its implementation in national laws. The information provided in this chapter is based on the European documents regarding the legislations and its implementation in the countries.
- ▶ The chapter 4 evaluates the **effective working and employment conditions of temporary agency workers compared to the other workers**. This assessment is based upon two main types of information:
 - ◆ The comparisons of effective national legislations (regarding social protection, health and safety provisions, etc.) collected through the survey conducted on the Eurociett and UNI Europa members
 - ◆ The results of the European Working and Employment Conditions Survey (EWCS) conducted in 2010 by Eurofound. These results allow comparing the different forms of work with respect to specific topics related to the effective working and employment conditions.
- ▶ The chapter 5 presents **the 6 case studies**. These case studies are based on national documents and data and allow to further deepening the comparison of TAW with the other forms of work.
- ▶ Finally, in the chapter 6, we conclude the report by providing an **horizontal analysis** based on the different information collected throughout the study.



2/ Temporary agency work compared to other forms of work: size and evolution

2.1 Key findings of this chapter

The objective of this chapter is to analyse the current size (in terms of share in total employment) and the evolution of the forms of work selected for the study. More specifically, the main objective is to point out the current trends that takes place in the labour market across the EU, with a focus on the evolution of temporary agency work compared to the other forms of work. In order to analyse the evolutions of the different forms of work, we rely on two major data sources: the data from the Labour Force Survey (LFS) and the Ciett data (more information regarding the utilisation of these data in the context of this study can be found in Annex 1/).

We present below the key findings of this chapter. See the respective subsequent sections for a more detailed analysis.

Overview of the forms of work and the working time in Europe (*section 2.2*)

Different forms of work are coexisting in the European Labour market. During the last decades, changes occurred in the European labour market. Indeed, while full-time open-ended contracts remain the most widespread contractual arrangement, over time they are being complemented by other forms of employment. An increase in part-time work occurred in the last years and the line between different forms of work is blurring, e.g. temporary agency workers can also be employed with open-ended contracts. Given this blurring line between some of the forms of work considered, caution is required when analysing the evolution of the different forms of work.

Evolution and size of TAW (*section 2.3.*)

Regarding the EU-15, TAW accounted for 2.5% of total employment in 2012. The size of TAW remains therefore relatively small when compared to the size of the other forms of work (see below). As discussed in section 2.8, the size and the evolution of the forms of work might be explained by the evolution of some key indicators, such as GDP growth rate. The relatively smaller size of TAW compared to the size of FTCs might also be the consequence, as illustrated in chapter 3/, of a stricter regulation on TAW.

Between 1998 and 2012, the share of TAW in total employment increased by 1 percentage point. However, the recent evolutions show contrasted dynamics: the penetration rate of TAW was continuously growing from 2003 to 2007 in the EU-15 but the crisis had a negative impact on the evolution of the penetration rate. Therefore, between 2003 and 2012, in the EU-15, the penetration rate increased only by 0.4 percentage point. We cannot therefore conclude that a strong structural growth of TAW is currently taking place in the European labour market. It is important to point out that these general findings hide several disparities between the countries.

As an example, in Germany, the penetration rate increased by 1.7 percentage points between 1996 and 2012 while, in Spain, the penetration rate was similar in 2012 than in 1998. In 2012, the penetration rate amounted to 2.8% in the Netherlands in 2012 while it was only 0.5% in Spain in the same year.

It is also important to point out that this analysis is based on an analysis of the stock of TAW (and the other forms of work) in the labour market. When taking into account a more dynamic perspective (flux), the importance of TAW in the labour market appears more clearly. A high dynamic in terms of assignments can be noticed. Among other reasons, it allows TAW to play a key role as a bridge from unemployment to work (see chapters 3 and 5).

Evolution and size of the other forms of work (*sections 2.4 to 2.6*)

Regarding the evolution and the size of the other forms of work, it appears that, in 2013, open-ended contracts still account for a large share of total employment (around 75%) in Europe. Between 1996 and 2013, the share of open-ended contracts decreased by 1.4 percentage points in the EU-15, despite a slight increase during the crisis. Regarding the share of temporary employment, it increased by 1.9 percentage points in the EU-15 between 1996 and 2013, while the share of self-employment decreased by 0.5 percentage point in the EU-15 during the same period.



Despite the (slight) decrease in open-ended contracts during the period 2001-2013, we can't argue that a strong increase in "flexible" forms of work¹⁰ occurred during the period 2001-2013: the evolution differs from a year to another and does not seem to follow a structural path.

Again, it is important to note that both the evolution and the current size of the different forms of work differ widely in the countries considered (e.g. in 2013, self-employment accounted for 22% of total employment in Italy for 14% in the EU-15 while in Spain, temporary employment accounted for 19% of total employment for 11% in the EU-15).

Relation between the different forms of work (section 2.7)

In absolute terms, the evolutions of the forms of work are strongly positively correlated: all forms of employment considered evolve then in the same direction (in absolute terms). Regarding the EU-15 and the period 1998 to 2012, no form of employment therefore grows strongly at the expense of another.

In relative terms (share in total employment), a trade-off exists between open-ended contracts and temporary employment and between open-ended contracts and TAW. Moreover, unsurprisingly, temporary employment and TAW are positively correlated. These relations might be explained, as indicated below, by different reactions to changes in the economic conditions.

Evolutions of the different forms of work and GDP growth (section 2.8)

First, in absolute terms, all forms of work are strongly positively correlated to the evolution of the GDP (correlation coefficients are above 0.9 for all forms of work).

If we look at the evolution of the sizes of each form of work in relative terms (share in total employment), it appears that temporary agency work (and more generally temporary employment) react relatively more than the other forms of employment to changes in economic conditions. In case of an economic downturn (or expansion), the temporary agency workforce (and more generally, temporary employment) is the first to adapt to the economic conditions: the share of temporary agency work in the total employment decreases (or increases) while the share of open-ended contracts increases (or decreases). However, after a while, the businesses have been able to adapt their regular workforce to the economic conditions: the share of open-ended contracts might decrease (or increase), on the contrary of temporary employment. These observations reflect the higher flexibility of the temporary employment in general and of the temporary agency work in particular.

Size of TAW and some other key indicators (section 2.8)

The size of temporary agency work is positively associated with the size of the activity rate. It also appears that the countries where it is easier to resort to TWA have smaller undeclared economies. These results might emphasize on the role of temporary agency work in increasing labour force participation rate and fighting undeclared economy. As indicated above, TAW also plays also a key role in allowing business to quickly adapt to economic conditions.

Therefore, TAW plays an important role in the labour market through, among other reasons, the flexibility it may offer. However, it is important to ensure that this flexibility does not occur at the expense of the working and employment conditions of the workers. We further analyse this point in chapter 4/.

¹⁰ In this study, "flexible forms of work" groups fixed-term contracts, temporary agency work and self-employment.



2.2 Different forms of work: a general overview

Several employment relationships coexist in the labour market, some of which are not under the scope of this study.

Therefore, in order to get first a broader picture of the labour market we provide below a global overview regarding the size of the different “employment” relationships in the EU, including the unregulated forms of work (“no contract”) and the “apprenticeship and other training schemes”¹¹.

Table 3: Size of the different forms of work in EU-27 in 2010 – Global overview

Type of contract	2010
Open-ended contracts	67.9%
Fixed-term contracts	10.2%
TAW	1.1%
Apprenticeship or other training scheme	0.9%
No contract¹²	4.0%
Self-employed	15.8%
Total	100%

Source: IDEA Consult based on microdata from Eurofound EWCS 2010 (microdata received from UK Data)

The following key features can be drawn from this table:

- ▶ Open-ended contracts account for most of the employment relationships in the European Union (around 70%). In terms of size, the second and third most important employment relationships in the EU are respectively self-employment (15%) and fixed-term contracts (10%).
- ▶ Temporary agency work accounts for 1.1% of the total contracts in the European Union which is a bit above apprenticeship or other training scheme (0.9%).
- ▶ It is also important to point out that the category “no contract” accounts for a relatively high share of the total contracts in the European Union (around 4%).

¹¹ It is important to point out that the more in-depth analysis provided in the following sections are based on other data sources (mainly LFS data) and do not take “no-contract” and “other training scheme” into account. Therefore, the share of the employment relationships presented below differs from the share used in the analysis of the following sections.

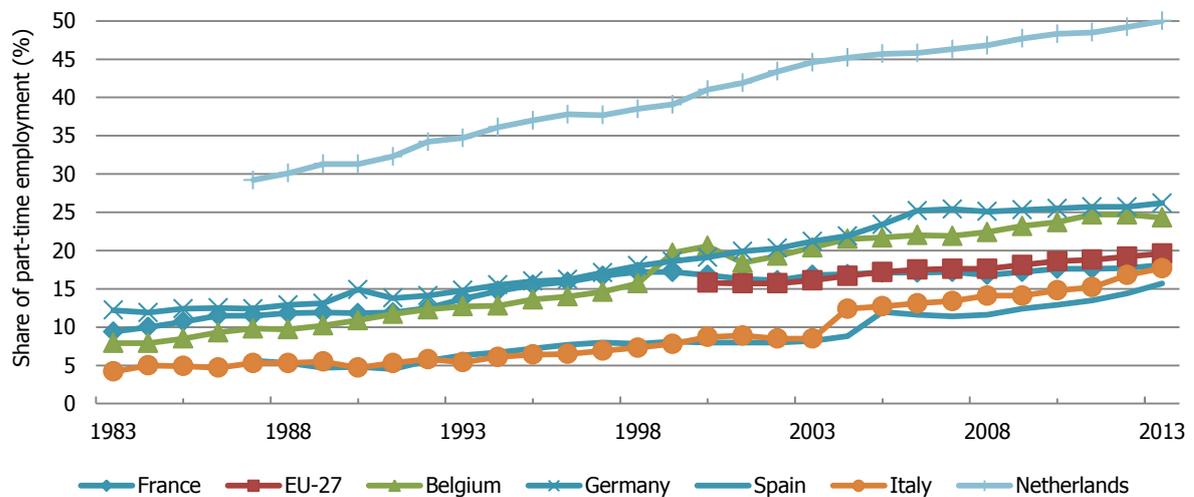
¹² This category includes employment relationships without formal written contracts. This category can incorporate various situations depending on the national context.



We provide below some insights regarding working time and its evolution in the EU-27 and in the selected countries. More specifically, the Figure 1 below presents the evolution of the share of part-time employment in total employment in the EU-27 and in the “selected countries” (i.e. the European countries on which are focused the case studies). The following main observations can be drawn from this figure:

- ▶ In 2013, part-time employment accounted for around 20% of total employment in the EU-27. Between 2000 and 2012, part-time employment increased by 3.8 percentage points in the EU-27.
- ▶ It turns out that the share of part-time employment varies widely between the EU countries¹³. Regarding the selected countries, 50% of the persons employed in the Netherlands worked part-time in 2013 while this share amounted to only 18% in Italy. In most of the selected countries, a rather sharp increase of part-time work took place during the 80’s and the 90’s. In all the selected countries, part-time employment became still more important during the 2000’s. The highest increase took place in the Netherlands: between 2000 and 2013, the increase of part-time employment amounted to nearly 10 percentage points.

Figure 1: Evolution of the share of part-time employment in total employment



Source: IDEA Consult based on Eurostat

In the following sections, we analyse in detail the size and the evolution of TAW and the other forms of work selected for the study (open-ended contracts, fixed-term contracts and self-employment).

¹³ In annex, a table provides the share of part-time employment for all EU countries in 2013.



2.3 Temporary agency work

Regarding temporary agency work, the analysis of the size and the evolution of TAW are based on one main indicator: the “penetration rate” of TAW in the labour market (Ciett data). This penetration rate represents the share of the daily average number of temporary agency workers (in full time equivalent¹⁴) in the total employment.¹⁵

It is moreover important to point out that in a large majority of the EU-27 countries (specifically, all the countries except Belgium and Poland), the use of open-ended contract in agency work is authorized. The data presented also include these agency workers hired under an open-ended contract by the agency. The data therefore not strictly stick to “temporary” agency workers only.

It is also important to note that the following analysis is based on an analysis of the stock of TAW (and the other forms of work) in the labour market. When taking into account a more dynamic perspective (flux), the importance of TAW in the labour market appears more clearly. A high dynamic in terms of assignments can be noticed¹⁶. Among other reasons, it allows TAW to play a key role as a bridge from unemployment to work (see chapter 5/).

The following analysis of the size and the evolution of TAW are provided for both the EU-27 and the selected countries. Additional information regarding other EU countries are available in annex and are discussed when data tend to be far from EU average.

2.3.1 The size of temporary agency work

The Table 4 provides the penetration rates of TAW in the EU-27 and in the selected countries.¹⁷ In 2012, the penetration rate of TAW in the EU-27 amounted to 1.8% in the EU-27. Regarding selected countries, it appears that the penetration rate was particularly high in the Netherlands (2.8%) while it was lower in Italy (0.9%) and in Spain (0.5%). Germany (2.2%), France (2.0%) and Belgium (1.9%) are in an intermediate situation.

With regards to other EU countries (see annex), it appears that the penetration rate of TAW also widely differs between some countries: in UK the penetration rate amounted to 3.8% of total employment while it was only 0.2% in Greece or 0.03% in Latvia.

Table 4: Penetration rate¹⁸ of TAW (%)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EU-27¹⁹	1.5%	1.6%	1.7%	1.8%	2.0%	1.8%	1.4%	1.6%	1.9%	1.8%
Belgium²⁰	1.6%	1.8%	1.8%	2.1%	2.2%	2.1%	1.6%	1.8%	2.0%	1.9%
France	2.3%	2.3%	2.3%	2.4%	2.5%	2.3%	1.7%	2.0%	2.2%	2.0%
Germany	0.9%	1.1%	1.2%	1.6%	1.9%	2.0%	1.6%	2.0%	2.2%	2.2%
Italy	0.6%	0.7%	0.7%	0.8%	1.0%	0.9%	0.7%	0.9%	1.0%	0.9%
Netherlands	1.9%	1.9%	2.2%	2.5%	2.8%	2.9%	2.5%	2.5%	2.6%	2.7%
Spain	0.6%	0.7%	0.7%	0.7%	0.7%	0.6%	0.4%	0.5%	0.5%	0.5%

Source: IDEA Consult based on Ciett data

¹⁴ For comparison purposes, it is important to point out that neither the size of “total employment” nor the size of the other forms of work analysed later are expressed in full time equivalent.

¹⁵ Annual average data from ILO (LFS) updated in 2013.

¹⁶ We do not provide a specific analysis of the flux of TAW given no harmonized data allow covering numerous European countries.

¹⁷ A table with information regarding all European countries may be found in the annex.

¹⁸ The penetration rate is calculated as follows: daily average number of temporary agency workers in FTE / total employment.

¹⁹ Without Malta and Cyprus.

²⁰ Without students.



The OECD (2014) provides complementary information regarding the size of TAW. The following table presents the percentage of temporary agency workers in total employees (average 2011-2012).

Table 5: Percentage of TAW in all employees

**Table 4.1. Permanent and fixed-term contracts,
of which with a temporary work agency**
Percentage of all employees, average 2011-12

	Permanent			Fixed-term			Temporary work agency
	All permanent contracts	Not with a temporary work agency	With a temporary work agency	All fixed-term contracts	Not with a temporary work agency	With a temporary work agency	
Australia	94.1	..	..	5.9	..	..	..
Austria	90.6	88.6	2.0	9.4	9.2	0.3	2.2
Belgium	91.5	91.5	0.0	8.5	6.7	1.8	1.8
Canada	86.5	..	..	13.5	..	..	..
Chile	69.5	..	..	30.5	..	..	..
Czech Republic	91.9	90.7	1.2	8.1	7.9	0.2	1.4
Denmark	91.3	90.5	0.8	8.7	8.4	0.3	1.1
Estonia	96.0	95.8	0.2	4.0	3.9	0.1	0.2
Finland	84.4	83.9	0.5	15.6	14.9	0.7	1.1
France	84.9	84.9	0.0	15.1	12.8	2.3	2.3
Germany	85.6	83.9	1.8	14.4	13.1	1.2	2.8
Greece	89.2	89.0	0.3	10.8	10.7	0.1	0.4
Hungary	90.8	90.2	0.7	9.2	8.8	0.4	1.0
Iceland	87.2	87.2	0.0	12.8	12.8	0.0	0.0
Ireland	89.8	89.3	0.6	10.2	9.8	0.4	0.9
Italy	86.4	86.4	0.1	13.6	13.0	0.6	0.6
Japan	87.0	..	..	13.0	..	..	1.7
Korea	77.9	77.9	0.0	22.1	21.0	1.1	1.1
Luxembourg	92.7	91.8	0.9	7.4	6.7	0.6	1.5
Netherlands	81.2	80.8	0.5	18.8	16.3	2.5	2.9
Norway	91.8	91.7	0.1	8.2	8.1	0.1	0.2
Poland	73.3	73.3	0.0	26.7	26.2	0.5	0.5
Portugal	78.6	78.0	0.6	21.5	20.1	1.4	1.9
Slovak Republic	93.4	91.9	1.5	6.6	6.1	0.5	2.1
Slovenia	82.5	81.9	0.7	17.5	12.8	4.6	5.3
Spain	75.5	74.0	1.5	24.5	23.4	1.2	2.7
Sweden	83.8	83.1	0.7	16.2	15.6	0.5	1.3
Switzerland	87.1	86.6	0.5	12.9	12.5	0.4	0.9
Turkey	87.9	87.9	0.0	12.1	12.1	0.0	0.0
United Kingdom	93.9	..	..	6.1	..	..	..
United States	..	..	..	..	..	..	1.8
Latvia	94.3	93.0	1.3	5.7	4.9	0.8	2.1
Lithuania	97.3	96.7	0.6	2.7	2.6	0.1	0.7

Note: For the United States, data refers to the share of temporary help services workers in total non-farm employees. .. Not available.

Source: OECD calculations based on microdata from the European Union Labour Force Survey (EU-LFS), Korean Additional Survey on Economically Active Population (March 2012), Japanese Labour Force Statistics, US Current Employment Statistics and OECD (2013), "Labour Market Statistics. Employment by permanency of the job: incidence", OECD Employment and Labour Market Statistics (database), <http://dx.doi.org/10.1787/data-00297-en>.

StatLink  <http://dx.doi.org/10.1787/888933133172>

Source: OECD (2014)

According to this source, the share of temporary agency workers in total employees amounts to 1.8% in Belgium, 0.6% in Italy, 2.3% in France, 2.7% in Spain, 2.9% in the Netherlands and 2.8% in Germany. These data may differ from the data derived from the penetration rate of Ciett data for several reasons:

- ▶ First, the sources aren't similar (the data used here are the EU-LFS data while penetration rate are based on Ciett data).
- ▶ Then, self-employment is not considered here which implies a higher size of TAW than the size previously presented (particularly for Spain where the share of self-employed is very high).
- ▶ Finally, these data aren't expressed in full time equivalent (while penetration rate is expressed in FTE). Given, the possible very small duration of numerous agency work assignments, this may lead to an important overestimation of the size of temporary agency work, when compared to open-ended contracts.

However, despite this potential high overestimation, these data bring interesting insights regarding the share of open-ended contracts versus fixed-term contracts among temporary agency workers:



- ▶ In 2011-2012, in Belgium and in France, all temporary agency workers were hired under a fixed-term contract. Open-ended contracts for agency workers are still forbidden in Belgium while since 2013 it is authorized in France. In Italy and in the Netherlands some agency workers were hired under an open-ended contract but most of them are hired under a fixed-term contract.
- ▶ In Spain and, to a larger extent, in Germany, a majority of the agency workers were hired under an open-ended contracts in 2011-2012 (56% in Spain and 60% in Germany, according to these data). A case study will analyse the advantages/disadvantages of open-ended ended contracts for agency workers.

As illustrated in the following section, the size of TAW in the labour market is relatively small when compared to the size of the other forms of work. As demonstrated in the section 2.8, the evolution and the size of the forms of work might be explained by the evolution of some key indicators, such as GDP growth rate. The relatively smaller size of TAW compared to the size of FTCs might also be the consequence, as illustrated in chapter 3/, of a stricter regulation on TAW.

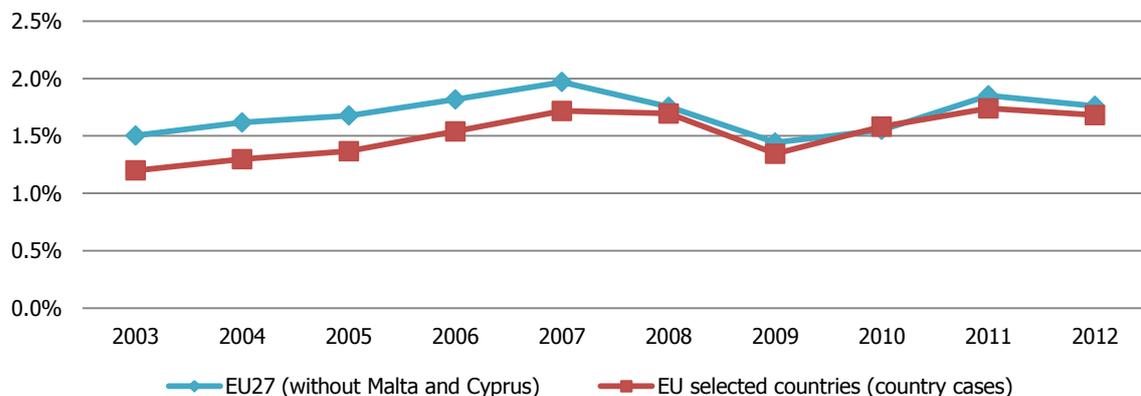
2.3.2 The evolution of temporary agency work

We present below the more recent evolutions (2003-2012) of temporary agency work in the EU-27 and in the group of the selected countries. A longer time span cannot be considered for the EU-27 given that there is a lack of data regarding the situation before the early 2000's for numerous European countries.

From 2003 to 2012, the penetration rate increased from 1.5% to 1.8% in the EU-27. During the period 2003-2012, four main distinct evolutions may be pointed out:

- ▶ Between 2003 and 2007, the penetration rate of TAW increased: in the EU-27 and in the group of selected countries, the penetration rate increased by 0.5 percentage point.
- ▶ Then, the crisis negatively affected the evolution of TAW: between 2007 and 2009 the penetration rate decreased by 0.6% in the EU-27 to reach a level (1.4%) below the 2003 level (1.5%). In the group of selected countries, the drop during the crisis amounted to 0.4 percentage point.
- ▶ Between 2009 and 2011, we can notice an increase in the penetration rate of TAW (+0.5 percentage point in the EU-27 and +0.4 percentage point in the selected countries).
- ▶ Between 2011 and 2012, the growth of TAW stopped: the penetration rate decreased by around 1 percentage point in the EU-27 and in the selected countries.

Figure 2: Evolution of the penetration rate of TAW in the European Union²¹



Source: IDEA Consult based on Ciett data

The Figure 3 presents the evolution of TAW from 1996 to 2012 in each selected country and in the EU-15. It appears from this figure that in the EU-15 and in all the selected countries (except Spain), the penetration rate

²¹ Regarding the evolution in the EU-27, it is important to point out that, for some countries, data are not available each year. Such countries do not account for a large share of temporary agency workers in Europe. Therefore, it doesn't influence much the global evolution in the EU-27.

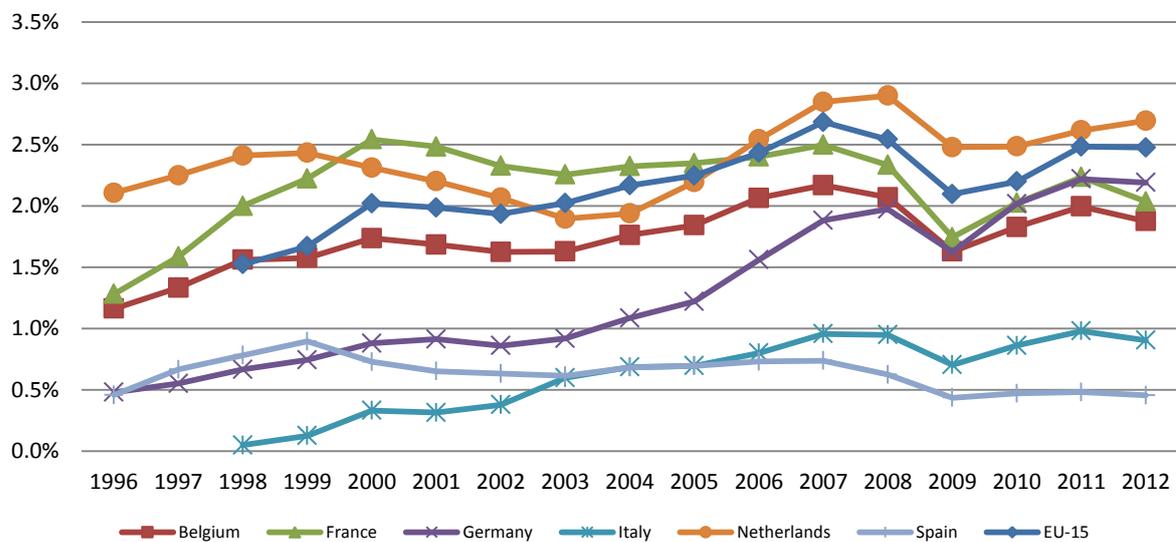


was higher in 2012 than it was in 1996. Between 1998 and 2012, the penetration rate increased by 1 percentage point in the EU-15. In Germany, the penetration rate increased by 1.7 percentage points between 1996 and 2012. During the same time, the penetration rate in Italy and in the France increased by 0.9 percentage point and 0.7 percentage point respectively. Finally, between 1996 and 2012, the penetration rate increased by 0.6 percentage point in the Netherlands and by 0.5 percentage point in Belgium. As said above, the penetration rate didn't grow in Spain between 1996 and 2012 and amounted to 0.5% in 1996 and in 2012.

From 1996 to 2012, the size of TAW didn't grow continuously in the different selected countries:

- ▶ In all the selected countries, the penetration rate of tax increased between 1996 and 2000.
- ▶ In the early 2000's, the penetration rate decreased in all the selected countries except in Italy and Germany.
- ▶ It is also important to point out that, between 2008 and 2009, TAW decreased in all the selected countries, reflecting the major impact of the crisis on the size of TAW.

Figure 3: Evolution of the penetration rate of TAW in selected countries and in the EU-15²²



Source: IDEA Consult based on Ciett data

In conclusion, a rather contrasted evolution of the size of TAW may be noticed. The evolution of TAW seems to be deeply related to the evolution of the economic conditions: during the period considered TAW appeared to grow slightly in Europe, except when the economic conditions worsened. The relation between the evolution of TAW and the growth of the GDP will be further deepened in section 2.8.

²² The data for Luxembourg, Portugal and Greece are not included because these data are not available each year for the period considered.



2.4 Open-ended contracts

The LFS data provide information regarding the evolution of “permanent employment”, which is, in the context of this study, equivalent to “open-ended contracts”. These data present the number of persons who are hired under open-ended contracts in their main occupation. It is important to recall that this category also includes agency workers hired under an open-ended contract.

The table below presents the share of open-ended contracts in total employment, for both the EU-27 and the selected countries.

The following main observations may be pointed out with regards to the size of open-ended contracts in 2013:

- ▶ In the EU-27, workers under open-ended contracts accounted for around 75% of total employment in 2013²³.
- ▶ Regarding the selected countries, this share is slightly larger in Belgium, Germany and France with respectively 80% of total employment in Belgium, 78% in Germany and 75% in France. In contrast, the share of workers under open-ended contracts is relatively small in Spain (64%), Italy (68%) and in the Netherlands (69%).
- ▶ A table in annex provides information regarding the other EU countries. It appears that in Bulgaria, Estonia, Latvia, Lithuania and Luxembourg, the share of workers under open-ended contracts in the total employment is around 85%. In contrast, in Cyprus, Republic of Macedonia, Greece, Italy, Netherlands, Poland, Portugal and Spain it accounts for less than 70% of the total employment.

Table 6: Size of open-ended contracts - Share in total employment (%)

	2008	2009	2010	2011	2012	2013
European Union (27 countries)	74.4%	74.7%	74.3%	74.3%	74.6%	74.6%
Belgium	80.3%	79.9%	80.2%	79.7%	80.2%	79.5%
France	77.0%	77.2%	76.2%	75.9%	76.2%	75.0%
Germany	77.0%	77.0%	76.8%	76.8%	77.6%	78.3%
Italy	67.6%	68.5%	68.2%	67.9%	67.7%	68.2%
Netherlands	72.7%	72.6%	71.2%	71.2%	70.3%	68.8%
Spain	59.8%	63.3%	63.8%	63.6%	64.2%	64.0%

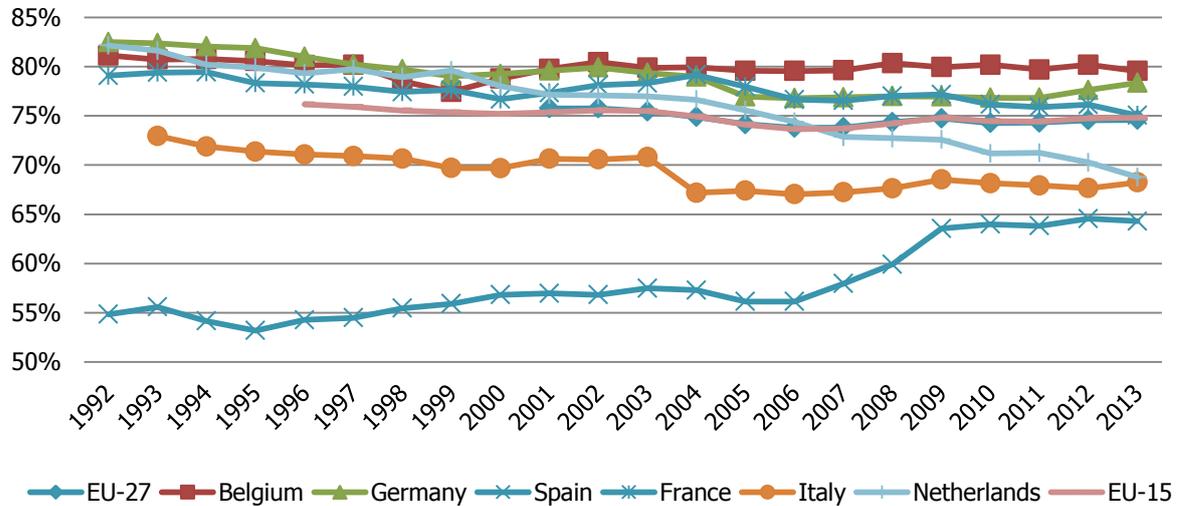
Source: IDEA Consult based on Eurostat data

²³ The data presented in this section differ from the data presented on the section **Error! Reference source not found..** These data were based on results from the EWCS 2010 and were considering additional forms of employment (e.g. no contract).



Below, the Figure 4 presents the evolution of open-ended contracts in the EU-27 (2001-2013), in the EU-15 (1996-2013) and in the selected countries (1992-2013).

Figure 4: Evolution of the share of open-ended contracts



Source: IDEA Consult based on Eurostat data

In the EU-27, the share of open-ended contracts remains around 75% of total employment since 2001²⁴. Therefore, despite the decrease that occurred between 2002 and 2006, we can't argue that there is currently a strong structural decrease in open-ended contracts, when considering the EU-27 as a whole and the period 2001-2013²⁵. This observation is confirmed by SEO (2013) that states that more flexible forms of employment, i.e. the sum of self-employment, TAW and fixed-term contract, aren't structurally growing during this last decade in the EU-27. In order to analyse a longer time span, we also included the evolution of open-ended contracts in the EU-15. It turns out that the share of open-ended contracts decreased by 1.4 percentage points between 1996 and 2013 and remained also around 75% of total employment since 1998. As illustrated below, when analysing the evolutions at national level, it appears however that strong changes in the size of open-ended contracts occurred in some Member countries (e.g. in the Netherlands, see below).

Regarding the selected countries cases, it appears that the share of open-ended contracts was smaller in 1992 than in 2013, in all selected countries except Spain. The largest decreases occurred in the Netherlands (-13.4 percentage points), in Italy (-4.7 percentage points) and in Germany (-4.1 percentage points). In Spain, the share of open-ended contracts increased by 9.4 percentage points between 1992 and 2013.

During this period, the evolution of open-ended contracts was however contrasted. In particular, we can point out two main periods:

- ▶ First, it appears that a clear decrease in open-ended contracts might be noticed between 1992 and 1999 in all the selected countries except Spain.

²⁴ No older data available for EU-27.

²⁵ This observation does not hold anymore when considering evolutions of open-ended contracts in some specific Member countries.



- ▶ During the 2000's there is not a continuous trend that can be noticed. First, during the early 2000's (2000-2002), an increase in the share of open-ended contracts occurred in all these countries, except in the Netherlands. Then, after a small decrease around 2004, the share of open-ended contracts remained at rather stable level in all the selected countries (except in the Netherlands where a clear decrease might be noticed). More specifically, we provide below the evolution (in terms of percentage points) of the share of open-ended contracts in the selected countries between 2001-2013:
 - ◆ In the Netherlands, in line with the evolution of both self-employment and temporary employment, a sharp decrease in open-ended contracts occurred between 2001 and 2013 (-8 percentage points). The share of open-ended contracts decreased by 2.4 percentage points in Italy, by 2.3 percentage points in France, by 1.3 percentage points in Germany and by 0.3 percentage point in Belgium.
 - ◆ In contrast, between 2001 and 2013, the share of open-ended contracts increased by 7 percentage points in Spain.

2.5 Fixed-term employment

There is no available harmonized data that allow for a cross-country comparison of the size of "fixed-term employment", as defined in the study. Indeed, fixed-term contracts are part of the LFS data on "temporary employment"²⁶. These data also include Temporary Agency Work and apprentices and must therefore be analysed with caution when assessing for the size and the evolution of fixed-term employment. At our knowledge, no harmonized data available publicly allow to analyse systematically the evolution of standard direct fixed-term contracts in the EU-27.²⁷

For informational purpose, we provide below the data from the OECD indicating the components of temporary employment. It appears that in France, in 2001, temporary agency workers accounted for 25% of all temporary contracts while fixed-term contracts accounted for 56% of all temporary contracts. In the Netherlands, temporary agency work accounted for 36.8% of all temporary contracts in 2001 while fixed-term contracts accounted for 23.8%. The analysis of temporary employment will therefore reflect only partially the evolution of standard direct fixed-term contracts.

²⁶ LFS data on "temporary employment" include jobs for which 'employer and employee agree that its end is determined by objective conditions such as a specific date, the completion of a task or the return of another employee who has been temporarily replaced (usually stated in a work contract of limited duration). Typical cases are: (a) persons with seasonal employment; (b) persons engaged by an agency or employment exchange and hired to a third party to perform a specific task (unless there is a written work contract of unlimited duration); (c) persons with specific training contracts' (Eurostat, 2014a, p.1).

²⁷ A study by GHK in 2012 provides some information about the size of "standard" fixed-term contracts by subtracting temporary agency work and apprentices from temporary employment (based on LFS microdata). These results are however only available for the years 2000, 2007, 2010. The proportion of fixed-term contracts is expressed as the share in total employees and not in total employment. We therefore cannot use these results to provide sufficiently detailed information. We however complement the results on temporary employment by these results when possible and relevant



Table 7: Components of temporary employment (OECD data)

		Table 3.1. Components of temporary employment				
		Percentage of temporary workers having each type of contract ^a				
		Temporary help agency workers	Fixed-term contracts	On-call workers	Seasonal workers	Other temporary workers
Australia	1997	21.7	75.9	..	2.4	..
Canada	1995	2.1	50.4	33.0	14.5	..
France	1990	12.2	48.6	..	2.8	36.4
	1995	12.2	45.0	..	3.1	39.7
	2001	25.7	57.9	..	3.4	40.9
Korea	2001	5.7	63.9	13.4	..	17.0
Mexico	1995	..	17.1	..	47.8	35.1
	2000	..	9.3	..	54.0	36.6
Netherlands	1992	25.1	28.1	29.6	..	17.3
	1995	31.4	27.7	28.7	..	12.2
	1999	36.8	23.8	27.3	..	12.1
United Kingdom	1992	6.7	48.1	..	6.5	38.7
	1995	10.4	54.0	..	4.4	..
	2000	15.8	48.3	..	4.1	31.8
United States	1995	14.1	..	14.2	..	71.8
	2001	13.2	..	14.8	..	72.0

.. Data not available.
a) See Table 3.A.2 in Annex 3.A for explanation of the categories of contract type reported for each country.
Source: Data from national Labour Force Surveys for France, Mexico and United Kingdom; Pot *et al.* (2000) for Netherlands; the 2001 Supplement to the Labour Force Survey for Korea; the 1995 Survey of Work Arrangements (SWA) for Canada; the 1997 Survey of Forms of Employment (FOE) for Australia; and the 1995 and 2001 Supplements on Contingent and Alternative Work Arrangements to the Current Population Survey for United States.

Source: OECD

The Table 5, presented in section 2.3, provides information on the prevalence of TAW among fixed-term contracts. These OECD data covering the period 2010-2011 tend to indicate clearly that TAW accounts for a relatively low share of all fixed-term contracts. Indeed, according to these data, TAW accounts for around 8% of all fixed-term contracts in Germany, 21% in Belgium, 15% in France, 4% in Italy, 13% in the Netherlands and 5% in Spain. The size of TAW is therefore relatively small in these countries when compared to the size of the fixed-term contracts. Therefore, in countries such as France, Italy and Spain, the evolution of temporary employment (presented below) reflects quite accurately the evolution of fixed-term contracts and is not heavily influenced by the evolution of TAW.

The table below provides information regarding the size of temporary employment in the total employment in the EU-27 and in the selected countries (see annex for information regarding all EU countries). The following observations may be pointed out:

- ▶ In the EU-27, temporary employment accounted for 11.3% of total employment in 2013.
- ▶ Regarding the selected countries, it appears that the share differs widely between the different countries. In Belgium (7%) and in Italy (9.9%) temporary work accounted for less than 10% of total employment while the share of temporary employment in total employment is above 15% the Netherlands (16.7%) and in Spain (19%). In France (14.5%) and Germany (12%), temporary employment is between 10% and 15% of total employment. When looking at fixed-term contracts only, GHK (2012)²⁸ provides information on the share of fixed-term contracts in total employees in 2010 (excluding self-employment). While these results are only available for the years 2000, 2007 and 2010, it appears that the results from GHK (2012) are in line with those described above: the size of fixed-term contracts was particularly high in Spain and in the Netherlands and relatively smaller in Belgium and Italy.

²⁸ See ICF GHK (2012), Evaluative Study of Directive 1997/81/EC (supplemented by Directive 98/23/EC) on Part-Time Work and Directive 1999/70/EC on Fixed-Term Employment: Draft final report.



- ▶ Regarding other European countries, as indicated in the table in annex, it appears that temporary employment accounts for a particularly small share of total employment in Romania, Bulgaria Lithuania, Estonia (less than 5% for each of these countries) while it accounts for a relatively high share in Portugal (16%) and Poland (20%).

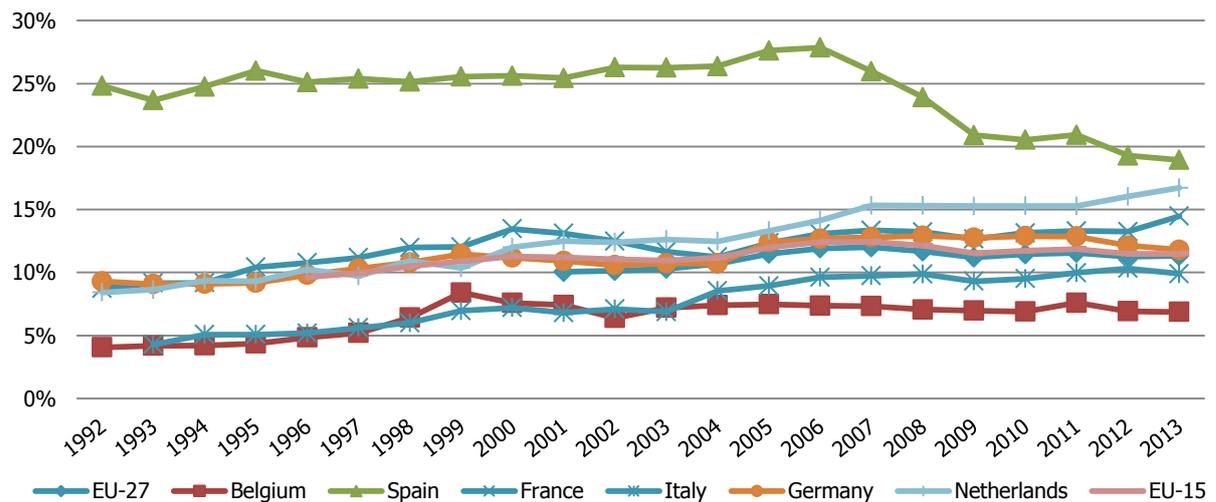
Table 8: Size of temporary employment – Share in total employment

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
EU-27	10.3%	10.7%	11.5%	11.9%	12.0%	11.7%	11.2%	11.4%	11.6%	11.3%	11.3%
Belgium	7.2%	7.4%	7.5%	7.4%	7.3%	7.1%	7.0%	6.9%	7.6%	6.9%	6.9%
France	11.7%	11.2%	12.3%	13.1%	13.4%	13.2%	12.7%	13.2%	13.3%	13.2%	14.5%
Germany	10.7%	10.7%	12.4%	12.7%	12.8%	12.9%	12.8%	12.9%	12.9%	12.1%	11.8%
Italy	6.9%	8.5%	8.9%	9.6%	9.7%	9.9%	9.3%	9.5%	10.0%	10.3%	9.9%
Netherlands	12.6%	12.5%	13.3%	14.2%	15.3%	15.3%	15.3%	15.3%	15.3%	16.0%	16.7%
Spain	25.8%	26.0%	27.2%	27.9%	26.0%	24.0%	21.0%	20.7%	21.1%	19.4%	19.1%

Source: IDEA Consult based on Eurostat data

The figure below presents the evolution of the size of the temporary employment in the EU-27 (2001-2013), in the EU-15 (1996-2013) and in the different selected countries (1992-2013).

Figure 5: Evolution of temporary employment (% total employment)



Source: IDEA Consult based on Eurostat data

In the EU-27, the share of temporary employment in total employment slightly increased between 2001 and 2013 (+1.2 percentage points). When looking at a longer time span, it appears that temporary employment increased by 1.9 percentage points in the EU-15 between 1996 and 2013.

Regarding the selected countries and in line with the previous observations related to the evolution of open-ended contracts, the share of temporary employment was higher in 2013 than in 1992 in all the countries considered except in Spain. The highest increase took place in the Netherlands (+8 percentage points) while the share of temporary employment decreased by 5.9 percentage points in Spain. In line with the evolution of open-ended contracts, the evolution of temporary employment has not been continuous during the period 1992-2013. In particular, we can point out the following trends.

- ▶ It appears first that the share of temporary employment increased during the 90's in all the selected countries except Spain.



- ▶ Then, in the early 2000's, the share of temporary employment then decreased in these countries but increased in Spain.
- ▶ Globally, between 2001 and 2013, the following evolutions may be noticed. In the Netherlands, the size of temporary employment increased by 4 percentage points. In Italy, the growth rate amounted to 3.1 percentage points. In France, the growth rate of temporary employment was 1.4 percentage points while it grew of only 0.9 percentage point in Germany. In Spain (-6 percentage points) and, to a lesser extent, in Belgium (-0.4 percentage point) temporary employment deceased between 20001 and 2013.

2.6 Self-employment

The table below provides an overview of the size of self-employment in the EU-27 and in the selected countries. In annex, a table presents the data for all the EU-27 countries. The following main observations may be pointed out:

- ▶ In the EU-27, self-employment accounted for 14.1% of the total employment in 2013.
- ▶ Again, this general finding hides various disparities between countries. Regarding the selected countries, self-employment accounts for around 22% of total employment in Italy and 17% in Spain. Self-employment is of lesser importance in Germany and France, where it accounts for around 10%. The percentages of self-employed in Belgium (13.6%) and in the Netherlands (14.5%) are close to the EU average.
- ▶ In other EU countries, large disparities are also observable. In the Czech Republic, Macedonia, Greece, Poland or Romania, self-employment accounts for around 20% of total employment. In contrast, in countries such as Denmark, Estonia, Luxembourg or Sweden, self-employed accounts for less than 10% of the total workers.

Table 9: Size of self-employment - Share in total employment (%)

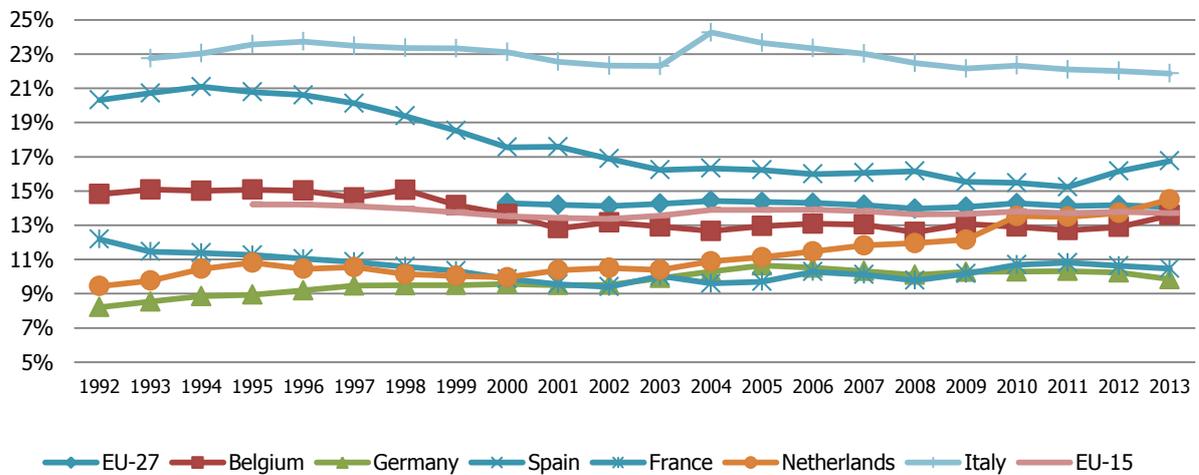
	2009	2010	2011	2012	2013
EU-27	14.1%	14.3%	14.1%	14.2%	14.1%
Belgium	13.1%	12.9%	12.7%	12.9%	13.6%
France	10.2%	10.7%	10.8%	10.6%	10.5%
Germany	10.3%	10.3%	10.3%	10.2%	9.8%
Italy	22.2%	22.3%	22.1%	22.0%	21.9%
Netherlands	12.2%	13.5%	13.5%	13.7%	14.5%
Spain	15.6%	15.6%	15.3%	16.4%	17.0%

Source: IDEA Consult based on Eurostat data



The figure below shows the evolution of self-employment in the EU-27 (2001-2013), in the EU-15 (1996-2013) and in the selected countries (1992-2013).

Figure 6: Evolution of self-employment – Share in total employment



Source: IDEA Consult based on Eurostat data

As we can see on this figure, in the EU-27 and in the EU-15, the share of self-employment in total employment is rather steady. Between 2000 and 2013, self-employment decreased by only 0.2 percentage point in the EU-27, from 14.3% to 14.1%. In the EU-15, a decrease of 0.5 percentage point can be noticed from 1995 to 2013.

Regarding the selected countries, between 1992 and 2013, the share of self-employment in total employment has decreased in Belgium (-1.2 percentage points), in Italy (-0.9 percentage point), in Spain (-3.6 percentage points) and in France (-1.7 percentage points) while it has increased in Germany (1.6%) and in the Netherlands (5.1%).

As indicated on the figure, no clear common trends can be pointed out during that period. We can however point out the following individual interesting evolutions:

- ▶ In Spain, a sharp decrease of self-employment occurred in the second part of the 90's.
- ▶ In the Netherlands a continuous increase occurred in the 2000's (the share of self-employment in total employment increased by around 5 percentage points between 2000 and 2013).

The following two section aims at identifying possible relations among the evolutions of the forms of work. More specifically, the following analysis will be provided:

- ▶ First, an analysis of the relations between the size of the different forms of work is provided;
- ▶ Then, we provide an analysis of the relations between the size of some key indicators and the forms of work considered.



2.7 Relation between the forms of work

The objective of this analysis is to answer the following questions: Does an increase/decrease of the size of one form of work is associated with an increase/decrease of the size of another form of work? In other word, are these forms of work “complementary” or “substitutive”? Are there specific trade-offs in the EU labour market?

In order to answer these questions, we calculated the correlation coefficients²⁹ between the sizes of each form of work considered. The correlation coefficients were calculated on two measures of the forms of work:

- ▶ Correlation coefficients with respect to the absolute level;
- ▶ Correlation coefficients with respect to the share of each form of work in total employment.

The results presented below are aimed at identifying broad trends / indications and must be analysed with cautions as the analysis provided includes several limitations:

- ▶ The analysis is based on the LFS data. It is therefore important to recall that some of the categories considered overlap: agency workers are split up between the categories of “open-ended contracts” and “temporary employment”. There is therefore a certain level of autocorrelation between these categories of employment.
- ▶ We analysis the evolution at the aggregate level (EU-15 or EU-27) which may hide several disparities between countries.
- ▶ Given that we aggregate data at the EU-15 or the EU-27 level, the time span considered is rather small (mainly 1998-2012).
- ▶ Finally, the analysis relies mainly on the correlation coefficients. We therefore do not analyse causal relations neither conduct additional statistical tests to further assess the relations.

2.7.1 Evolution of the forms of work in absolute terms

We first look at the size of the forms of work in absolute terms. We consider the sizes of the different forms of work in the EU-15 from 1998 to 2012. The table below indicates the correlation coefficients related to the evolution, of each form of work, in absolute terms. Strong correlations³⁰ are highlighted in colour (green for positive, red for negative).

Figure 7: Size in absolute terms - Correlation coefficients for the EU-15³¹ (1998-2012)

	Open-ended contracts	Self-employment	Temporary employment	TAW
Open-ended contracts	1	0.92	0.89	0.91
Self-employment	0.92	1	0.93	0.91
Temporary employment ³²	0.89	0.93	1	0.95
TAW	0.91	0.91	0.95	1

Source: IDEA Consult based on Eurostat (LFS Data) and Ciett data.

Unsurprisingly, as indicated in the table, the evolutions of the forms of work are strongly positively correlated: all forms of employment considered evolve in the same direction (in absolute terms). These results tend to indicate that, for the EU-15 and for the time span considered, no form of employment grows strongly at the expense of

²⁹ A coefficient of correlation is a measure that determines the degree to which two variable's movements are associated. The coefficient of correlation varies from '-1' to '+1'. A '-1' indicates perfect negative correlation, and '+1' indicates perfect positive correlation.

³⁰ We consider that a correlation coefficient is “strongly” positive or negative when the absolute value is above 0.53 (see Pearson’s correlation for 12 degrees of freedom).

³¹ Regarding TAW, the data for Luxembourg, Portugal and Greece are not included because these data are not available each year for the period considered.

³² “Temporary employment” includes “temporary agency work”.



another. We further analyse below the relations between the forms of employment by looking at the evolutions in relative terms (share in total employment).

2.7.2 Evolution of the forms of work in relative terms (share in total employment)

The Table 10 provides the correlation coefficients related to the size of each form of work, in relative terms (share in total employment). We consider the sizes of the different forms of work in the EU-15³³ from 1998 to 2012. The “strong” results (above 0.53³⁴) are highlighted in colour (green for positive, red for negative).

Table 10: Size in relative terms (share in total employment) - Correlation coefficients for the EU-15 (1998-2012)

	Open-ended contracts	Self-employment	Temporary employment	TAW
Open-ended contracts	1	0.07	-0.96	-0.88
Self-employment	0.07	1	-0.36	-0.37
Temporary employment ³⁵	-0.96	-0.36	1	0.93
TAW	-0.88	-0.37	0.93	1

Source: IDEA Consult based on Eurostat and Ciett data

Before briefly analysing the results, it is important to recall that we measure here the relations between the different shares in total employment. As seen above, in absolute terms, all the forms of work considered were positively strongly correlated. Three major observations may be pointed out from this table:

- ▶ First, unsurprisingly, the evolution of the share of open-ended contracts is strongly negatively correlated to the evolution of the share of temporary employment. A decrease (increase) of the share of open-ended contracts in the total employment is therefore associated to an increase (decrease) in the share of temporary employment. This indicates that the evolution of self-employment does not compensate totally the evolution in open-ended contracts or temporary employment (that includes temporary agency work).
- ▶ The share of TAW is also negatively correlated to the share of open-ended contracts. As indicated below, this might be explained by different reactions (in relative terms) to the evolutions of economic conditions.
- ▶ Regarding the relations between the different forms of “flexible” work (i.e. self-employment, temporary and TAW), it turns out that, unsurprisingly, the share of temporary employment and the share of TAW are strongly positively correlated. Except for this biased relation, no clear trade-offs exist between the forms of flexible employment, i.e. between self-employment and the other forms of “flexible work”. From these results, we can’t argue that the evolution of a given form of flexible work is strongly linked to the evolution of another form of flexible work. This observation is confirmed by SEO (2013), that states that, for all the different groups of countries considered in their study (group of countries that differ from ours), ‘none of the relations shows a structural correlation between growth in one form of flexible labour and growth or decline in any other form of flexible labour’ (SEO, 2013, p.9). It indicates therefore that a growth in one type of flexible labour is not structurally compensated by a decline in another type of flexible labour.

³³ We stick to EU-15 because, regarding the EU-27, a sufficiently long time span cannot be considered: the data regarding TAW are not available for numerous European countries for the years before the 2000’s.

³⁴ We consider that a correlation coefficient is “strongly” positive or negative when the absolute value is above 0.53 (see Pearson’s correlation for 12 degrees of freedom).

³⁵ Temporary employment includes “temporary agency work”.



2.7.3 Relation between the level of the different forms of employment across European countries in 2008 (IZA 2010)

IZA (2010) brings other interesting insights concerning the relation between the different forms of employment by calculating the correlates of “non-standard employment”³⁶ among 24 Member States at a given point in time (in 2008). They consider therefore, contrarily to the previous analysis we have provided before, a static analysis of the level of each form of work. Their analysis further differs from ours by subdividing the different forms of employment studied through part-time and full-time categories. Temporary agency work is not considered in the analysis.

According to these analyses, the following results may be pointed out:

- ▶ Among the 24 Member States considered, the level of open-ended part-time contracts and fixed-term part time contract is strongly correlated: these two forms of employment appear to be complementary.
- ▶ Self-employment full-time and open-ended part time is strongly negatively correlated. Therefore, in countries where full time self-employment is high, open-ended part time employment tends to be small. This tends to indicate a substitutive relationship between these forms of employment.

2.8 Relation between the forms of work and some key indicators

This section aims at analysing how the size and/or the evolution of the different forms of work might be correlated to the size and/or the evolution of some key indicators (respectively GDP growth, the activity rate, the level of employment protection and the importance of the size of the undeclared economy). More specifically, this section aims at answering the following questions:

- ▶ Does an increase/decrease of the real GDP is associated with an increase/decrease of the size of a given form of work?
- ▶ Does an increase/decrease in the activity rate is associated with an increase/decrease of the size of a given form of work?
- ▶ What is the relation between the level of employment protection and the level of the different forms of employment?
- ▶ Do some structural changes, in sector, gender composition or market transactions might explain some dynamics of the forms of work?
- ▶ What is the relation between the size of the undeclared economy and the regulation surrounding the different forms of work?

2.8.1 GDP Growth

First, when considering the different forms of work in absolute terms, it appears that, unsurprisingly, all forms of work are strongly positively correlated to the evolution of the GDP (correlation coefficients are above 0.9 for all forms of work). The size of all the forms of work considered increase, in absolute terms, when there is an increase in real GDP.

We further analyse the relation between the evolution of the forms of work by looking at the evolution of the sizes of each form of work in relative terms (share in total employment) in order to identify whether a form of work react relatively more/less to the modifications of the economic conditions.

The table below provides, for the EU-15 and for the period 1998-2012, the correlation coefficients between the share of the different forms of work (in total employment) and the evolution of the real GDP in year t and in year $t-1$. The aim of analysing the relation with the growth rate of the GDP in year $t-1$ is to allow for a time-lag and therefore allowing companies to adjust to economic conditions. Strong correlations³⁷ are highlighted in colour (green for positive, red for negative).

³⁶ In IZA (2010), “non-standard employment” includes part-time employment, fixed-term employment (including TAW) and self-employment.

³⁷ We consider that a correlation coefficient is “strongly” positive or negative when the absolute value is above 0.53 (see Pearson’s correlation for 12 degrees of freedom).



Before analysing the results, it is important to recall that the analysis of the correlation coefficients cannot bring information regarding the causality between two variables: i.e. it is therefore not possible to argue that the evolution of the share of a given form of work implies a given evolution of the growth of the GDP.

Table 11: Size in *relative* terms (share in total employment) and evolution of the real GDP - Correlation coefficients for the EU-15 (1998-2012)

	Real GDP	GDP growth (year t-1)
Open-ended contracts	-0,81	0,10
Self-employment	0,17	-0,18
Temporary employment	0,85	-0,06
TAW	0,95	-0,06

Source: IDEA Consult based on Eurostat and Ciett data

This table provides clear results regarding the relation (in relative terms) between the evolution of the different forms of work and the evolution of the GDP.

With regards to the relation between the forms of work and the evolution of the GDP of the year t, the following main results may be pointed out:

- ▶ The share of **open-ended contracts** in total employment is contra-cyclical: the share of open-ended contracts is negatively correlated with the level of the GDP in year t. This observation tends to indicate that, when there is an increase in GDP, the number of employees under open-ended contracts increases relatively less sharply than the number of employees under another contract.
- ▶ Inversely, the shares of **temporary employment and temporary agency work** are pro-cyclical: the evolution of the share of these two forms of work is deeply positively correlated with the evolution of the GDP. This observation tends to indicate that, when there is an increase in GDP, the number of workers with a temporary (agency) employment contract increases relatively more sharply than the number of employees with an open-ended contract.
- ▶ Regarding **self-employment**, no strong coefficient is found. Therefore, on the basis of this aggregation of data (EU-15) and for the time span considered, we cannot assess whether self-employment is rather pro or contra cyclical. However, some other research tend to indicate that self-employment is rather contra-cyclical. The outcomes of various studies confirm the assessment, first made by Kuznets in 1966, that there is a negative association between economic development and self-employment rate. For example, Pietrobilli (2004) carried a cross-country analysis on a large sample of developing countries and the analysis confirms the 'negative relationship between a country's economic development and its rate of self-employment. In other words, self-employment would be a "sponge" providing subsistence for those who could not find better alternatives' (Pietrobilli, 2004, p.9). However, their analysis also point out that self-employment may have a positive effect on the development process by sparking in some countries a positive virtuous circle with higher tax collection, higher government support and in turn higher self-employment (Pietrobilli,2004, p.9-10). Blanchflower (2000) examined the relationship between the growth in real GDP and changes in self-employment rate, using regressions based on time series data on 23 countries (mostly European countries) for the period 1966-1996. Presuming a causal relation from self-employment to growth (real GDP growth rate is the dependent variable), it appears that an increase in the proportion of self-employment in total employment tends to produce lower GDP, confirming the negative relationship between self-employment and growth.

We complement the analysis of the relation between the forms of work and growth by investigating how the different forms of work are related with the growth rate of GDP in the previous year. As said above, the aim of this analysis is to evaluate how the different forms of work evolve when allowing time for businesses to adapt their workforce. As indicated in the Table 11, the main results are the following:

- ▶ The share of open-ended is weakly positively related to GDP growth rate of the previous year.
- ▶ The share of temporary employment and the share of TAW are weakly negatively correlated to the GDP growth rate of the previous year.



Combining these results with the results described above, the following explanation can be provided³⁸. It appears that, in case of economic expansion, the temporary agency workforce (and more generally, temporary employment) is the first to adapt to the economic conditions: the share of temporary agency work in the total employment increases. However, after a while, the businesses have been able to adapt their regular workforce to the economic conditions: the share of open-ended contracts may then increase, on the contrary of temporary employment. These observations reflect the higher flexibility of the temporary employment in general and of the temporary agency work in particular.

2.8.2 Activity rate

The relation between the different forms of employment may also be analysed with regards to the level and the evolution of the activity rate. IZA (2010) studied the link between the share of "non-standard employment relation"³⁹ and the labour force participation of the 15-64 years old (or activity rate⁴⁰) in 24 countries. They provide both a static analysis (correlation at a given point in time across countries) and a dynamic analysis (correlation across time within the countries). The following results may be pointed out:

- ▶ In 2008, a positive correlation between the share of aggregate non-standard employment in total employment and the participation rate (15-64 years old) is noticed: the countries where the share of aggregate non-standard employment is high tend to have a higher participation rate. This may reflect on the role of such employment relation in increasing the activity rate⁴¹. They complement this analysis by providing an analysis of the evolution of part-time employment (in open-ended contracts, fixed term contracts, temporary agency work and self-employment) and the evolution of the activity rate: it appears that the evolutions of both indicators is positively correlated, indicating that an increase in part-time employment is associated, in the countries considered, with an increase of the activity rate.
- ▶ Regarding more specifically temporary agency work, in 2008, the share of temporary agency is positively and strongly correlated with the participation rate among the countries considered: the countries where the share of TAW is high tend to have a higher participation rate. This may reflect on the role of TAW in increasing the activity rate.⁴²

2.8.3 Structural changes: sectoral and gender compositions and market transactions

Below, we briefly analyse some reasons that might explain the dynamics of non-standard forms of employment, respectively the structural changes both in supply and demand side. Some of these reasons might in turn explain why activity rate also evolves in parallel.

- ▶ According to IZA (2010) some of the dynamics of non-standard employment can be explained through structural changes in sectoral and in gender composition. A German study covering the period 1991 to 2007 finds that structural change of gender composition explains 8% of the decline in standard employment and structural changes in the sectoral composition explains 16%. Another study in Germany (statistisches Bundesamt, 2008) indicates that wholesale and retail trade, restaurants and hotels, business services and social (particularly health) services are most prone to non-standard employment.
- ▶ Still following IZA (2010), the sectoral clusters in which part-time work is concentrated share a low level of labour division and a high share of self-servicing. Most of these services (expanding education, health and social services) are directly oriented towards persons and have been provided in former times by unpaid household work or barter exchanges in neighbourhoods.

In summary, according to IZA (2010), the driving force of part-time work seems to be grounded in the interaction of changing work preferences (particularly among women) and transforming formerly unpaid services into market transaction. (IZA, 2010, p.24). It is important to recall that their study cover the pre-crisis period. As indicated in

³⁸ This observation must be interpreted carefully, given that we only analyse here the correlation and not causality.

³⁹ In IZA (2010), "non-standard employment" includes part-time employment, fixed-term employment (including TAW) and self-employment.

⁴⁰ As indicating by the OECD, the activity rate (by age group) is calculated as the active population (employed plus unemployed) divided by the working age population.

⁴¹ IZA (2010) however does not conduct analysis aimed at measuring the causality. Only correlations are measured.

⁴² It is however important to point out that the analysis is based on correlation and not causality. It is therefore not proven that the high activity rate is due to agency work.



the previous section it is now less clear that a strong growth of non-standard form of employment is currently happening in Europe.

Another explanation of the dynamics in the forms of work is the regulation that surrounds the latter. Some studies provide an analysis of the link between the level of employment protection and the size of the different forms of work. We provide below some of the key results.

2.8.4 Strictness of regulation

As indicated in SEO (2013), it turns out that the total share of temporary employment is positively correlated with the extent of employment protection for open-ended contracts against dismissals. These results indicate that, higher is the strictness of regulation on regular contracts, higher is the share of temporary employment in the total employment. The figure related to these findings may be found in annex.

Moreover, ILO (2012) provides information related to the relation between the share of temporary employment and the gap in employment protection between permanent and temporary employment. The simulations realized and presented in a figure in annex show that *'when considering a linear relationship, as the gap in stringency goes up, the share of temporary employment in total employment goes up'* (ILO, 2012, p.15). This result indicates that the, higher is the difference in strictness of regulation between permanent and temporary contracts, higher is the share of temporary employment in total employment.

It appears then that the size of temporary employment and/or fixed-term contract is correlated with the level of employment protection. In the following chapter, the regulation that surrounds the different forms of work is analysed.

2.8.5 Undeclared economy

Finally, this section examines the relation between the size of the undeclared economy and the ease to resort to temporary employment opportunities to meet labour demands. This section is based on the results of SEO (2014). The following results might be pointed out:

- ▶ There is a significant negative correlation between the ease with which firms can turn to TWA and the size of the undeclared economy; countries where it is easier to resort to TWAs have smaller undeclared economies.
- ▶ Countries where private employment services are regulated in the most efficient manner⁴³ have smaller undeclared economies. According to SEO (2014), the reasons for this can be that the regulatory conditions foster a private employment services industry that is developed and can contribute to better functioning labour markets where the need to turn to undeclared work is less necessary because firms can easily resort to TWAs to fulfil their needs⁴⁴.

⁴³ Measured by the score of the Private Employment Services Regulatory Efficiency Index calculated by BCG for Ciett (2012).

⁴⁴ It is however important to point out that the analysis is based on correlations and not on causality. It is therefore not proven that the small size of the undeclared economy is due to the ease to resort to TAW.



3/ EU regulation for temporary agency work and other forms of work

3.1 Key findings of this chapter

The objective of this chapter is twofold:

- ▶ To analyse the European regulation that surrounds the different forms of work;
- ▶ To briefly describe, when relevant, the implementation of the EU legislations in the national laws.

We present below the key findings of this chapter. See the respective subsequent sections for a more detailed analysis.

Main characteristics of labour regulations in the EU (*section 3.2*)

In the European Union, the different forms of work are regulated through both European and national laws. European legislations allow for building a common ground between Members. While the first European legislations regarding labour laws were mainly devoted to “open-ended contracts”, some directives have been introduced to specifically address some issues regarding part-time and fixed-term employment (e.g., the directive 1997/81/EC, supplemented by directive 98/23/EC, on Part-Time Work and directive 1999/70/EC on Fixed-Term Work).

However despite this common ground, regulations on various topics still differ widely between the EU countries. Indeed, some directives allow for derogation in their implementation. Moreover, various topics are still mainly regulated at national level.

The European regulation gives also an important role to social dialogue / social partners in establishing the different rules that surround the working and employment conditions of the forms of work. Moreover, it appears that in some directives, several derogations or exemptions may be accepted in case social partners at national level reach agreements that differ from those described in the directive, which reinforce the role of social partners.

Key provisions regulating open-ended contracts (*section 3.3*)

Open-ended contracts are often considered as the “general employment contracts” and are therefore under the scope of all the earliest directives related to working and employment conditions. However, with regards to several topics, national laws have still considerable importance. The regulation of open-ended contracts therefore still differs widely between EU countries,

Key provisions regulating temporary agency work (*section 3.4*)

In 2008, the directive 2008/104/EC on temporary agency work has been implemented. In particular, the directive aims, among other objectives, at establishing the principle of equal treatment of agency workers with employees in user undertakings and at establishing a suitable framework for the use of temporary agency work with a view to contribute effectively to job creation and to the development of flexible forms of work. Another directive, aimed at protecting the health and safety of temporary agency workers has been implemented: the Directive on Health and Safety in Fixed-Term and Temporary Employment (91/383/EEC).

The review of the implementation of the directive indicates that there have been some improvements in regulating TAW. It appears also that, as provided in the Directive, some derogations to the provisions of the directive (scope of the directive, equal treatment, etc.) have been reached through social partners agreements in various countries (Austria, the Netherlands, Germany, etc.).

The review of the restrictions/prohibitions (sectoral restrictions, maximum length of assignment and maximum number of renewals, etc.) in place in the Member States show that several restrictions on the use of TAW remain in place, however the situation widely differs across various countries. In this view, it must be ensured that these restrictions do not hamper the contribution of TAW to job creation and to improve the functioning of the labour market.

The diversity in the regulations is confirmed by the information provided by the OECD indicator on the strictness of regulation of TAW. The level of this indicator varies indeed widely between countries. In particular, according



to this indicator, the regulation surrounding temporary agency work is less strict in the Netherlands than in the other selected country cases (Belgium, France, Spain, Italy, and Germany) and is below the OECD average. The strictness of the regulation is particularly high in Belgium, Spain, France and Italy. In Germany, the level of the indicator is close to the OECD average.

Key provisions regulating fixed-term contracts (section 3.5)

Fixed-term contracts are mainly regulated at European level by two directives:

- ▶ The directive on fixed-term work (1999/70/EC) that has two specific goals:
 - ◆ To ensure that fixed-term workers do not suffer unjustified discrimination ;
 - ◆ To prevent the abuse of successive fixed-term contracts between the same employer and employee for the same work.
- ▶ The directive on Health and Safety in Fixed-Term and Temporary Employment (91/383/EEC)

The principle of non-discrimination has been implemented in all Member countries. Regarding the utilisation of conditions/restrictions on the use of fixed-term work, it appears that “objective reasons for the use” and “limitations on contract renewal or duration” are in place in various countries (16 Member countries out of the 27 countries). However, a wide diversity remains regarding the specific provisions related to maximum length of duration, the number of renewals, etc.

Therefore, there are wide differences in the level of protection of standard fixed-term contracts in the different OECD countries. Regarding the selected country cases, it appears that Germany, Belgium and the Netherlands have a strictness of protection below the OECD average while in Italy, Spain and France the level of protection of fixed-term employment is above OECD average.

When comparing TAW and Fixed-term contracts, it appears that additional restrictions exist for temporary agency work such as sectoral restrictions or the ban to replace striking workers, etc. These restrictions do not exist for standard fixed-term contracts.

Key provisions regulating self-employment (section 3.6)

It is important to point out that, as the other forms of work, self-employment does not group “homogenous” workers. There are different understanding, definitions and subcategories across the countries.

It appears that self-employment is barely regulated at European level: there are only some provisions related to the ease of the free movements of these workers and related to the equal treatment in maternity benefits (see directive 2010/41/EU). Regarding the other topics, regulations exist exclusively at national level.



3.2 Main characteristics of labour regulation in the European Union

This section aims at very briefly describing some key characteristics related to the regulation of the labour market in the European Union.

3.2.1 Coexistence of both European and national regulations

In the European Union, the Employment and social situations is regulated through both European and national laws. In this view and as indicated by the European Commission, *'the role of the European Community (EC) is to support and complement the activities of the Member States in the area of social policy, in line with the provisions of the EC Treaty'* (European Commission, 2014a, p.1). With regards to labour laws, the community level covers two main areas:

- ▶ *'Working conditions, including provisions on working time, part-time and fixed-term work and posting of workers;*
- ▶ *Information and consultation of workers, including in the event of collective redundancies and transfers of undertakings'* (European Commission, 2014a, p.1).

In order to support and complement the activities of the Member States in these areas, the EC therefore adopts legislation defining minimum requirements at EU level in the fields of working and employment conditions and the information and consultation of workers. The Member States then transpose the Community law into their national law and implement it, guaranteeing a similar level of protection of your rights and obligations throughout the EU' (European Commission, 2014a, p.1).

Despite this common ground, the level of employment protection, etc. differs between the EU countries. Indeed, some directives allow for derogation in their implementation. Moreover, various topics are still mainly regulated at national level.

3.2.2 Inclusion of other forms of work in the EU regulation

The first European legislations regarding labour laws were mainly devoted to "open-ended contracts". Indeed, as stated in Deakin (2013)⁴⁵, open-ended contracts are often considered as the "general employment relationship" (SER). However, most Member States have experienced, during the 80's or the 90's, an overall increase in the rate of part-time and fixed-term employment, with concern being raised about the working conditions of employees on such contracts. Some directives have therefore been created to specifically address some issues regarding these forms of work (e.g., the directive 1997/81/EC, supplemented by directive 98/23/EC, on Part-Time Work and directive 1999/70/EC on Fixed-Term Work).

Following Deakin (2013), the integration of these forms of work in regulation took place through the emergence of reforms 'that changed the personal scope of worker protective laws, aimed at enlarging the definition of wage-dependent labour and lowering or removing wages and hours thresholds and minimum qualifying periods which had the effect to exclude atypical workers from protection' and through the emergence of reforms that 'shifted in the substance of protection by involving a weakening of the rights of workers in the core or by establishing specific set of legal rights of workers for those in the periphery (e.g. the above mentioned EU directives, based on a principle of equivalence)' (Deakin, 2013, p.7).

3.2.3 Role of social partners in labour law design and implementation

As we will see for each specific form of work, the European regulation gives an important role to social dialogue / social partners in establishing the different rules that surround the working and employment conditions.

The Articles 138-139 of the EC treaty introduced a "European Social Dialogue" that is based on a two stage process. The Commission first consults social partners (UNICE⁴⁶, ETUC and CEEP). Then, if it induces positive reactions, the social partners negotiation takes place. If social partners can reach an agreement, it gets then made into law through an EU directive or an amendment of a national collective agreement. This system allows employment law to be adopted very fast (e.g. Fixed-term work directive (99/70) was adopted in 3 months from the date that social partners reached agreement).

⁴⁵ See Deakin (2013), Addressing labour market segmentation: The role of labour law, ILO Working Paper No. 52, http://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---dialogue/documents/publication/wcms_223702.pdf.

⁴⁶ Now BUSINESSEUROPE.



Beside the important role of social partners in designing the laws, it appears that in some directives several derogations or exemptions may be accepted in case Social partners at national level reach agreements that differ from those described in the directive, which reinforce the role of social partners.

According to Deakin (2013), involvement of social partners, through the collective bargaining process is '*helpful for a number of reasons: it assists in more effective resolution of distributional conflicts over the allocation of risks, allow for local conditions to be taken into account in the operation of protective norms, rendering them more flexible*' (Deakin, 2013, p.12).

Regarding temporary agency work specifically, the role of social partners in better regulating this form of work will be analysed in a case study.

In the following sections, we present the European legislation that surrounds the different aspects of each form of work that are under the scope of this research.



3.3 Key provisions regulating open-ended contracts

As said above, open-ended contracts are often considered as the general employment contracts and are therefore under the scope of all the earliest directives related to working and employment conditions.

Several aspects of open-ended contracts are therefore regulated at EU level. Indeed, several directives include provisions regarding employment and working conditions of workers under an open-ended contract. The table below presents a brief overview of the EU legislation, in regards to specific topics related to the working and employment conditions of workers under an open-ended contract.

Table 12: Existing EU legislation related to specific working and employment conditions for open-ended contracts

General categories	Specific topics	EU regulation
"Basic employment and working conditions"⁴⁷	Working time, overtime, break, rest period, night work, holidays and public holidays	<ul style="list-style-type: none"> ▶ Working Time Directive 2003/88/EC ▶ Pregnant Workers Directive 92/85/EEC ▶ Parental Leave Directive 96/34/EC and 97/75/EC
	Pay	<i>Rights provided at National level</i>
Social protection	Access to health care	<i>Rights provided at National level</i>
	Access to unemployment benefits	<i>Rights provided at National level</i>
	Access to sick benefits	▶ <i>Mainly National level</i> / but EU coordination of sickness benefits and free movement of patients
	Pensions benefits	<ul style="list-style-type: none"> ▶ Occupational Pension Funds Directive 2003/41/EC ▶ Insolvency Protection Directive 2008/94/EC[1] article 8
	Dismissal	<ul style="list-style-type: none"> ▶ Business Transfers Directive 2001/23/EC art 7 ▶ Collective Redundancies Directive 98/59/EC art 2
Health and Safety	Specific provisions for health	▶ Health and Safety Framework Directive 89/391/EC
	Specific provisions for safety	▶ Minimum Workplace Safety Directive 89/654/EC
Access to employment, collective facilities and training	Access to employment	▶ Directive 76/207/EEC of 9 February 1976 on the implementation of the principle of equal treatment for men and women as regards access to employment, vocational training and promotion, and working conditions (equal treatment, no specific rights)
	Collective facilities	▶ N.a. for open-ended contracts (de facto)
	Access to vocational training	▶ Directive 76/207/EEC of 9 February 1976 on the implementation of the principle of equal treatment (equal treatment, no specific rights)
Representation / Social dialogue	Access to representative bodies	▶ <i>Mainly national level</i> / but Directive 2002/14/EC establishing a general framework for informing and consulting employees in the European Community

Source: IDEA Consult based on EU legislations

As seen above, EU labour laws provide numerous provisions regarding organisation and regulation of open-ended contracts. However, with regards to several topics, national laws have still considerable importance. The regulation of open-ended contracts therefore still differs widely between EU countries.

⁴⁷ As defined by the directive 2008/104/EC on temporary agency work.



3.4 Key provisions regulating temporary agency work

3.4.1 Description of EU legislations

Before the implementation of the **EU directive on Temporary Agency work in 2008**, the EU Member States had a specific regulatory framework for temporary agency work that was based on national legislation. Some of the EU Member States had even no regulatory framework for temporary agency work. Therefore, there were considerable differences in the use of temporary agency work and in the legal situation, status and working conditions of temporary agency workers within the European Union.

The *Directive 2008/104/EC on temporary agency work* has then been designed. Following the European Commission (2014b), the purpose of the directive is 'to ensure the protection of temporary agency workers and to improve the quality of temporary agency work while taking into account the need to establish a suitable framework for the use of temporary agency work with a view to contributing effectively to job creation and to the development of flexible forms of working' (European Commission, 2014b, p.2).

In particular, the directive:

- ▶ 'establishes the principle of equal treatment in user undertakings, while allowing for certain limited derogations under precise conditions;
- ▶ requires Member States to list their unjustified restrictions on the use of agency work. The restrictions on the use of agency work must be in line with the following limitative reasons: to ensure protection of workers, to prevent abuses and to ensure well-functioning labour market. It is important to point out that the use of restrictions must comply with the need for 'establishing a suitable framework for the use of temporary agency work with a view to contributing effectively to job creation and to the development of flexible forms of working' (Article 2 of the directive);
- ▶ improves agency workers' access to permanent employment, to collective facilities in user undertakings and to training;
- ▶ includes provisions on the representation of agency workers.' (European Commission, 2014b, p.2)

One of the significant provisions of the directive is that temporary agency workers should enjoy the same treatment, payment and other conditions of employment as permanent employees at the user enterprise in a comparable position. The directive indeed states that 'the basic working and employment conditions of temporary agency workers shall be, for the duration of their assignment at a user undertaking, at least those that would apply if they had been recruited directly by that undertaking to occupy the same job' (Directive 2008/104/EC, p.5). Other provisions of the directive are presented in the table on the following page.

Another directive, specifically linked to TAW is the **directive on Health and Safety in Fixed-Term and Temporary Employment (91/383/EEC)**. The following goals are pursued by this directive:

- ▶ To ensure that temporary agency workers have the same level of safety and health protection at work as other employees.
- ▶ It also provides for a duty on undertakings to give adequate information and training to these particular workers before they take up their duties in order to protect their safety and health at work.
- ▶ It gives Member States the option of prohibiting fixed-term and temporary workers from being used for certain types of work which would be particularly dangerous to their safety or health, and in particular for certain work which requires special medical surveillance as defined in national legislation.
- ▶ The directive clarifies the responsibilities between temporary employment agencies and user undertakings regarding information and training and the conditions governing performance of the work.

The Table 13 provides an overview of the EU regulations, in relation to each specific topic.



Table 13: Existing EU legislations related to specific working and employment conditions for temporary agency workers

General categories	Specific topics	EU regulation
Basic employment and working conditions	Working time, overtime, break, rest period, night work, holidays and public holidays	▶ 2008/104/EC: Principle of equal treatment ⁴⁸ but exemptions (national social partners agreements)
	Pay	▶ 2008/104/EC: Principle of equal treatment but exemption for permanent agency workers
Social protection	Access to health care	<i>National level</i>
	Access to unemployment benefits	<i>National level</i>
	Access to sick benefits	<i>National level</i>
	Pensions benefits	<i>National level</i>
	Dismissal	<i>National level</i>
Health and Safety	Specific provisions for health	▶ Directive 91/383/EEC
	Specific provisions for safety	▶ Directive 91/383/EEC
Access to permanent employment, collective facilities and training	Access to employment	▶ 2008/104/EC: "informed of any vacant posts" and "ensure that no clauses prohibiting conclusion of a contract of employment or employment relationship between the user undertaking and the temporary agency worker"
	Collective facilities	▶ 2008/104/EC: Given access to amenities or collective facilities (canteen, transport services, etc.) unless difference of treatment for objectives reasons
	Access to vocational training	▶ 2008/104/EC: No specific rights but take suitable measures to <ul style="list-style-type: none"> ◆ "improve TAW access to training and even in the period between assignments ◆ to improve temporary agency workers' access to training for user undertakings' workers"
Representation / Social dialogue	Access to representative bodies	<p>▶ 2008/104/EC:</p> <ul style="list-style-type: none"> ◆ Temporary agency workers must be taken into account for the purpose of calculating the threshold above which bodies representing workers are to be formed ◆ Temporary agency workers can also be taken into account for user undertaking threshold ◆ User undertakings must provide suitable information on the use of temporary agency workers to bodies representatives <p>▶ <i>The possible rights to have access to representative bodies is regulated at national level</i></p>

Source: IDEA consult based on European legislations

⁴⁸ As stated in the directive 2008/104/EC, "Basic working and employment conditions of temporary agency workers shall be, for the duration of their assignment at a user undertaking, at least those that would apply if they had been recruited directly by that undertaking to occupy the same job".



3.4.2 Implementation of EU legislations

3.4.2.1 Introduction

The EU directive on temporary agency work allows for derogation in the implementation of the principle of equal treatment. The directive also leaves room for interpretation concerning certain issues and questions, e.g. on the exact definition of “basic working and employment conditions” or the understanding of “pay”.

In reality, there are thus still large national differences in dealing with and implementing the provisions of the directive, which reflects different national systems of labour law and social policy regulation as well as different models of industrial relations and policy orientations towards non-traditional forms of work. Therefore, we briefly analyse in this section the implementation of the EU legislations on TAW in the Member States.

The structure of this section is as followed:

- ▶ We first provide an analysis of the implementation of the key provisions included in the directive. This section is based on the review of the implementation of the directive made by the European Commission in 2014 (EC, 2014b) and on the review of various documents⁴⁹ that present the restrictions on the use of TAW in place in the European countries. The aim of the analysis is to assess whether a given provision / restriction has been implemented or not in a given country.
- ▶ Then, we provide an indication of the strictness of the different national legislations, based on OECD indicators. The objective is to analyse how varies the regulation of TAW in the countries with respect to the topics covered by the directive.

⁴⁹ See OECD (2014), Eurociett and UNI Europa (2013) and Business Europe (2013).



3.4.2.2 Review of the implementation of the different provisions

The Table 14 provides a general overview regarding the implementation of the directive. The information provided is based on the review of the implementation of the directive made by the European Commission in 2014, the OECD employment outlook 2014, Eurociett and UNI Europa (2013) and Business Europe (2013). For the different topics presented, the table indicates in which countries the specific provision applies. We briefly discuss the results below.

Table 14: Overview of the implementation of the directive on TAW

General Provisions	Specific Provisions	Member States where provision applies
Scope of the directive	Exclusion of some workers from the scope of the directive	AT, CY, DK, HU, IE, MT and SE
Principle of equal treatment in working time and pay	Derogation from the principle through social partners agreements	AT, BG, DK, FI, DE, HU, IT, NL (derogation given the use of open-ended contracts: AT, SE, MT, UK, IE)
Restrictions / Protections on the use of TAW⁵⁰	Forbidden in some sectors	AT,BE,BG,DE,FI,FR,HU,NL,EL,PL
	Reasons for use	AT, BE, BG, CZ, FR, FI, IT, LU, PL, PT, NO ⁵¹
	Forbidden in some dangerous activities	BE, EE, FI, FR, LT, EL,IT, PL, PT, SI
	Forbidden to replace striking workers ⁵²	AT, BE, BG, CZ, DK, FI, FR, DE, EL, IT, NL, PL, RO,CH, SE
	Maximum length of assignments	BE, CZ, DE, HU,IT, LUX, PL, PT, EE, FR, EL, NO, ES, LV
	Contract renewals and/or duration ⁵³	IT,LU, NL,PT, AT, BE, CZ, EE, FI, FR, DE, EL, HU,LV,NO,PL,RO,SK,SI,ES,SE,CH
Access to open-ended contracts, collective facilities and training	Derogation from the principle of equal access to amenities and collective facilities in the user undertaking if the difference in treatment is justified by objective reasons	AT, BE, CY, DK, FI, DE, EL, IE, LV, LT, MT, NL, SE and UK
Representation: calculation of the threshold above which bodies representing workers are to be formed	Temporary agency workers are counted in the temporary agency employing them	BG, HR, CZ, DK, EE, FI, HU, IE, IT, LT, MT, PL, SI, ES, SE and UK
	Temporary agency workers are counted in both the agency and the user undertaking	AT, CY, FR, DE, EL, LU, NL, PT and SK
	Temporary workers are counted only the undertaking	BE, LV and RO

Source: IDEA consult based on EC (2014b), OECD (2014), Eurociett and UNI Europa (2013) and Business Europe (2013)

With regards to **the scope of the directive**, the directive enables Member States, after consulting the social partners, to exclude from the scope of their transposition measures the employment relationships concluded under a specific public or publicly-supported vocational training, integration or retraining programme. That is to

⁵⁰ This analysis is based on the following documents: EC (2014), OECD (2014), Business Europe (2013) and Eurociett and UNI Europa (2013).

⁵¹ There might be additional potential objective reasons for the use of agency workers under fixed-term contracts that are specific to fixed-term contracts.

⁵² Information regarding 20 countries was reviewed. The restriction on replacing striking workers is part of the Eurociett Code of Conduct (see Principle 7).

⁵³ For agency workers under fixed-term contracts.



say that the countries have the possibility not to apply the requests of the directive for some specific temporary agency workers (those under a specific public or publicly-support programme). As indicated in the table, a large majority of Member States do not however exclude any of the above-mentioned employment relationships from their national implementing provisions. According to EC (2014b), the only countries where some workers are excluded from the scope of the directives are the following ones: Austria, Cyprus, Denmark, Hungary, Ireland, Malta and Sweden do however apply this exclusion.

As said above, the directive on TAW requires the implementation of the **principle of "equal treatment"** (with respect to workers under open-ended contracts) in working time and pay. The Directive however allows for some derogations of the principle of equal treatment of temporary agency workers with respect to workers hired under open-ended contracts. According to EC (2014b), on the time of reviewing the implementation of the directive, all Member States recognised the principle of equal treatment but 12 Member States allowed derogations from the principle under certain conditions:

- ▶ Ten Member States (Austria⁵⁴, Bulgaria, Denmark, Finland, Germany, Hungary, Ireland, Italy, the Netherlands and Sweden) have adopted provisions allowing collective labour agreements derogating from equal treatment (working time and pay) of agency workers.
- ▶ Moreover, regarding equal pay in particular, a further derogation of the principle of equal treatment is provided by the directive regarding the workers who have an open-ended contract of employment with a temporary work agency and who continue to be paid in the time between assignments. A majority of Member States do not apply the derogation: the principle of equal treatment in pay also holds, in a majority of countries, for temporary agency worker under open-ended contract. However, Hungary, Ireland, Malta, Sweden and the United Kingdom provide for the possibility to derogate from equal pay during assignments for agency workers who hold an open-ended contract of employment and who are paid even between assignments (i.e. during periods in which they are out of work). For these workers, the principle of equal pay may therefore not be implemented in the above listed countries.

Restrictions and prohibitions on the use of temporary agency work are also regulated in some ways by the directive. More specifically, the directive states that the prohibitions or restrictions on the use of temporary agency work shall be justified only on grounds of general interest relating in particular to:

- ▶ The protection of temporary agency workers;
- ▶ The requirements of health and safety at work;
- ▶ The need to ensure that the labour market functions properly;
- ▶ The need to ensure that abuses are prevented.

The table indicates the countries in which specific restrictions apply. The results indicate that various restrictions or conditions on the use of TAW exist in the European countries. As indicated in the table, the following restrictions hold in a several European countries:

- ▶ The use of TAW is forbidden in some sectors and/or in some dangerous activities;
- ▶ The use of TAW is forbidden when aimed at replacing striking workers (see in this view the Principle 7 of the Eurociett Code of Conduct);
- ▶ Specific reasons must justify the use of TAW;
- ▶ The length of assignment, the contract renewal and/or duration are limited.

The Directive on TAW also requires Member States to provide, in national law, equal treatment regarding **access to open-ended contracts, collective facilities and training**. As indicated in the table, according to EC (2004b), the related article has been transposed almost literally by a number of Member States. However, 14 countries (Austria, Belgium, Cyprus, Denmark, Finland, Germany, Greece, Ireland, Latvia, Lithuania, Malta, Netherlands, Sweden and the United Kingdom), i.e. half the Member States, said that they make use of the possibility to derogate from equal access to amenities and collective facilities in the user undertaking if the difference in treatment is justified by objective reasons.

⁵⁴ Regarding Austria, the CLA on temporary agency work does not derogate from equal treatment but defines pay based on the comparable worker in the user company. Furthermore, additional benefits (such as access to training) are regulated by CLA.



With regards to **representation and Social dialogue**, the following observations were made by the Commission (EC, 2014b):

- ▶ Regarding the calculation of the threshold above which bodies representing workers are to be formed, it appears that in most Member States, temporary agency workers are counted in the temporary-work agency employing them (Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, Hungary, Ireland, Italy, Lithuania, Malta, Poland, Slovenia, Spain, Sweden and United Kingdom) or in both the agency and the user undertaking to which they are assigned (Austria, Cyprus, France, Germany, Greece, Luxembourg, Netherlands, Portugal and Slovakia). In only three Member States (Belgium, Latvia and Romania), they are taken into account only in the user undertaking.
- ▶ A provision of the directive states that the user undertaking must provide suitable information on the use of temporary agency workers to bodies representing workers in the undertaking. It appears that the Commission *'is not aware of any particular problem in the implementation of this provision'* (European Commission, 2014b, p.15).

To conclude this section, the Commission estimates after having reviewed the implementation that *'significant work has been carried out on transposition of the directive, in particular in Member States where there was either no legislation specifically regulating temporary agency work, or where the principle of equal treatment was recognised in national law for the first time'* (European Commission, 2014b, p.19). According to the Commission, the provisions of the directive seem to have been correctly implemented and applied. However, the Commission states the twofold goal of the directive has not yet been fully fulfilled. Indeed, according to EC (2014b):

- ▶ *'On one hand, the extent of the use of certain derogations to the principle of equal treatment may, in specific cases, have led to a situation where the application of the directive has no real effects upon the improvement of the protection of temporary agency workers.'*
- ▶ *'On the other hand, the review of restrictions and prohibitions on the use of temporary agency work has served, in the majority of cases, to legitimate the status quo, instead of giving an impetus to the rethinking of the role of agency work in modern, flexible labour markets.'* (European Commission, 2014b, p.19).

This section has demonstrated that a wide diversity of regulation remains among the European countries. Below, we present a measure of the strictness of regulation on TAW related to the provisions of the directives.

3.4.2.3 Provisions of the directive and strictness of employment regulation

On the basis of the implementation of "equal treatment" and the conditions/restrictions on the use of TAW, the OECD provides an indicator that allows measuring the differences in the strictness of regulation that exist among the OECD Members.

More specifically, the indicator of strictness of regulation of temporary agency work includes:

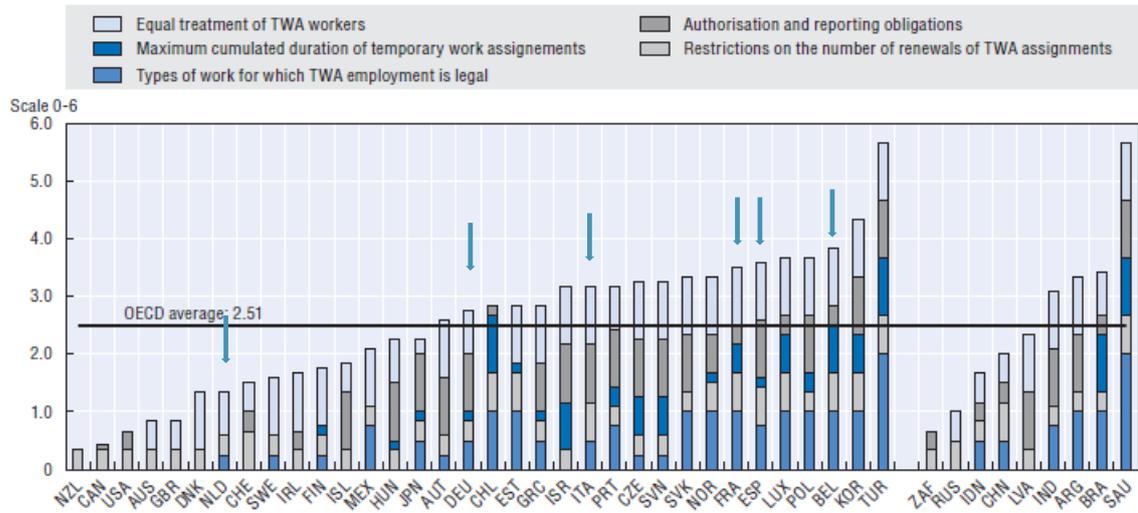
- ▶ An indicator of the implementation of the principle of "equal treatment", which is a principle provided in the directive on temporary agency work (see section 3.4);
- ▶ The maximum cumulated duration of temporary work assignments;
- ▶ The types of work for which TWA employment is legal;
- ▶ The authorization and reporting obligations;
- ▶ The restrictions on the number of renewals of TAW assignments.

The Figure 8 indicates the level of these indicators for the OECD countries. This figure confirms that large differences exist among the OECD countries in terms of legislation of TAW. The level of the indicator varies indeed widely. Regarding the selected countries (highlighted in the figure by a blue arrow), large differences may be pointed out:

- ▶ In the Netherlands, the regulation surrounding temporary agency is less strict than in the other selected country cases (Belgium, France, Spain, Italy, and Germany) and is below the OECD average.
- ▶ In the 5 other selected countries, the regulation is stricter than the OECD average. This might be explained by the agreements reached by the social partners on various aspects of TAW. This will be further analysed in the case study on section 5.4. The strictness of the regulation is particularly high in Belgium, Spain, France and Italy. In Germany, the level of the indicator is close to the OECD average.



Figure 8: Regulation on temporary-agency-work employment



Note: Data refer to 2013 for OECD countries and Latvia, 2012 for other countries. The figure presents the contribution of different subcomponents to the indicator of regulation for TWA employment (EPTWA). TWA employment is defined here as the employment of workers with a contract under which the employer (i.e. the agency), within the framework of its business or professional practice, places the employee at the disposal of a third party (i.e. the user firm) in order to perform work (i.e. the assignment) under supervision and direction of that user firm by virtue of an agreement for the provision of services between the user firm and the agency. The height of the bar represents the value of the EPTWA indicator.

Source: OECD Employment Protection Database, 2013 update, <http://dx.doi.org/10.1787/lfs-epl-data-en>.

StatLink  <http://dx.doi.org/10.1787/888932852770>

Source: OECD Employment Outlook 2013



3.5 Key provisions regulating fixed-term employment

3.5.1 Description of EU legislations

Fixed term work is mainly regulated at the EU level by two directives. First, the **directive on fixed-term work (1999/70/EC)** has been implemented in 1999 and has two specific goals:

- ▶ To ensure that fixed-term worker do not suffer unjustified discrimination ;
- ▶ To prevent the abuse of successive fixed-term contracts between the same employer and employee for the same work.

This directive is based on a Framework Agreement between Europe's trade unions and employers. In order to prevent abuse of successive fixed-term contracts, EU Member States, after consultation with the social partners, must put in place one or more of the following limits:

- ▶ The objective reasons that would justify the renewal of fixed-term contracts or relationships;
- ▶ The maximum total duration of successive fixed-term employment contracts and relationships;
- ▶ The permitted number of renewals;
- ▶ Member States must also lay down penalties for infringements.

Another directive, specifically linked to fixed-term work is the **directive on Health and Safety in Fixed-Term and Temporary Employment (91/383/EEC)**. As said on the section 3.4, the following goals are pursued by this directive:

- ▶ To ensures that fixed-term and temporary agency workers have the same level of safety and health protection at work as other employees.
- ▶ It also provides for a duty on undertakings to give adequate information and training to these particular workers before they take up their duties in order to protect their safety and health at work.
- ▶ It gives Member States the option of prohibiting fixed-term and temporary workers from being used for certain types of work which would be particularly dangerous to their safety or health, and in particular for certain work which requires special medical surveillance as defined in national legislation.

The Table 15 provides an overview of the EU regulations, in relation to each specific topic.



Table 15: Existing EU legislations related to specific working and employment conditions for fixed-term employment

Global categories	Specific topics	European directive (s)
Basic employment and working conditions	Working time, overtime, break, rest period, night work, holidays and public holidays	▶ Directive 1999/70/EC: Principle of non-discrimination ⁵⁵
	Pay	
Social protection	Access to health care	▶ <i>National level</i>
	Access to unemployment benefits	▶ <i>National level</i>
	Access to sick benefits	▶ <i>National level</i>
	Pensions benefits	▶ <i>National level</i>
	Dismissal	▶ <i>National level</i>
Health and Safety	Specific provisions for health	▶ Directive 91/383/EEC
	Specific provisions for safety	▶ Directive 91/383/EEC
Access to employment, collective facilities and training	Access to employment	▶ 1999/70/EC "informed of any vacant posts" and "ensure that they have same opportunity to secure permanent positions"
	Collective facilities	▶ <i>National level</i>
	Access to vocational training	▶ Directive 1999/70/EC. ◆ As far as possible, employers should "facilitate access to appropriate training opportunities to enhance skills, career development and occupational mobility".
Representation / Social dialogue	Access to representative bodies	▶ Directive 1999/70/EC. ◆ Fixed-term worker must be taken into account for the purpose of calculating the threshold above which bodies representing workers are to be formed ◆ As far as possible, undertaking must provide information to existing worker's representative bodies about fixed-term work in the undertaking ▶ <i>Access to representative bodies is regulated at national level</i>

Source: IDEA Consult based on EU legislation

⁵⁵ "With respect to employment conditions, fixed-term workers shall not be treated in a less favorable manner than comparable permanent workers solely because they have a fixed-term contract or relation unless different treatment is justified on objective grounds" (Council Directive 1999/70/EC, p.5.)



3.5.2 Implementation of EU legislations

3.5.2.1 Introduction

The EU directive on fixed-term work leaves room for interpretation concerning certain issues and questions, e.g. on the duration and renewal of the fixed-term contracts, etc.

In reality, there are thus still large national differences in dealing with and implementing the provisions of the directive, which reflects different national systems of labour law and social policy regulation as well as different models of industrial relations and policy orientations towards non-traditional forms of work. Therefore, we briefly analyse in this section the implementation of the EU legislations on fixed-term work in the Member States.

The structure of this section is as follow:

- ▶ We first provide an analysis of the implementation of the key provisions included in the directive. This section is based on the review of the implementation made by the EC (2006), the EC (2008), the OECD employment outlook (2014), ILO (2012) and Business Europe (2013). The aim of the analysis is to assess whether a given provision / restriction has been implemented in a given country.
- ▶ Then, we provide an indication of the strictness of the different national legislations, based on OECD indicators. The objective is to analyse how varies the regulation of fixed-term contracts in the countries with respect to the topics covered by the directive.

3.5.2.2 Review of the implementation of the directive

The implementation of the directive on fixed-term employment has, according to ILO (2012), induced major impact in countries which did not previously have regulation on fixed-term employment such as e.g. in the UK. In line with the legislation surrounding the other forms of work, several national laws complement or specify the provisions related to working and employment conditions of fixed-term workers. These national specificities will be further deepened in the next chapters.

The Table 16 provides a general overview regarding the implementation of the main provisions included in the directive. The information provided is based on the review of the implementation of the directive made by the EC (2006), the EC (2008), the OECD employment outlook (2014), ILO (2012) and Business Europe (2013). For the different topics presented, the table indicates in which countries the specific provision applies. We briefly discuss the results below.

Table 16: Overview of the implementation of the directive on fixed-term contracts

General Provisions	Specific provisions	Member States where provision applies
Non-discrimination	Implementation of the principle	All countries have implemented
Restrictions on the use of fixed-term contracts⁵⁶	Objective reasons for use (first or successive contracts)	BE, DK, EE, FI, FR, DE, EL,IR,IT,LU,NO, PT,SK,SI,ES,SE
	Further limitations on contracts renewals and/or duration	EE,CZ,FR,DE,EL,HU,IR,IT,LU,NL,NO,PL,PT,SI, ES,SE,UK

Source: IDEA Consult based on EC (2006), EC (2008) OECD (2014), ILO (2012) and Business Europe (2013).

As indicated in EC (2012), which provides a review of the implementation of the directive, it appears that the **principle of non-discrimination** has been recognised and implemented in all Member States. No derogation has been identified.

The Table 16 describes **the conditions/restrictions that apply for fixed-term contracts** in the Member States. As indicated in the table, "objective reasons for the use" and "limitations on contract renewal or duration" are in place in various countries. As regard to the comparison with TAW, it appears that additional restrictions exist for temporary agency work: sectoral restrictions, forbidden to replace striking workers, etc. These restrictions do not exist for standard fixed-term contracts.

⁵⁶ This analysis is based on the following documents: EC (2006), EC (2008), OECD (2014), Business Europe (2013) and Eurociett and UNI Europa (2013).



This section has demonstrated that a wide diversity of regulations remain among the European countries. Below, we present a measure of the strictness of regulation on fixed-term contracts related to the provisions of the directives.

3.5.2.3 Strengthen of regulation on fixed-term work

The OECD provides an indicator that allows measuring the differences in the strictness of regulation of fixed-term contracts that exist among the OECD Members. In particular this indicator allows measuring the differences that exist regarding the conditions/restrictions on the use of fixed-term contracts. The indicator specifically includes the following information:

- ◆ The maximum cumulated duration of successive fixed-term contracts;
- ◆ Valid cases for use of standard fixed-term contracts;
- ◆ The maximum number of successive fixed-term contracts.

Given that the composition of the indicators related to temporary agency work and the indicators related to standard fixed-term contracts differs, the level of these two indicators cannot be strictly compared. We may however notice that the regulation on agency work is composed of more categories than fixed-term contracts, reflecting the different requirements described in the directives.

Again, there are wide differences in the level of protection of standard fixed-term contracts in the different OECD countries (see figure below).

- ▶ Regarding the selected country cases, it appears that Germany, Belgium and the Netherlands have a strictness of protection below the OECD average while in Italy, Spain and France the level of protection of fixed-term employment is above OECD average.
- ▶ Regarding the other EU countries, the level of strictness of regulation for fixed-term employment is particularly low in the UK. In contrast, in Greece, Estonia, Norway and in the Luxembourg, the level of the indicators is well above the OECD average.

Figure 9: Regulation on fixed-term employment



Note: Data refer to 2013 for OECD countries and Latvia, 2012 for other countries. The figure presents the contribution of different subcomponents to the indicator of regulation for standard fixed-term contracts (EPFTC). A standard fixed-term contract is defined here as a generic employment contract with a precisely specified end date (in the form of day, month and year at which the employment relationship is set to end, if the contract is not renewed). The height of the bar represents the value of the EPFTC indicator.

Source: OECD Employment Protection Database, 2013 update, <http://dx.doi.org/10.1787/lfs-epl-data-en>.

StatLink <http://dx.doi.org/10.1787/888932852751>

Source: OECD Employment Outlook 2013



3.6 Key provisions regulating self-employment

First, it is important to point out that, as indicated in EC (2010), there are ‘different understandings and definitions of the term self-employment across the countries, with a number of different subcategories defined: for instance, according to the legal status of the enterprise, whether the business has employees or not (employers versus own-account workers) and/or the sector in which the business operates (e.g. agriculture). Some countries also make the distinction between self-employed status and the status of ‘dependent self-employed’ (e.g. Spain, Italy), where the self-employed person works for only one client. Others distinguish self-employment which is carried out in addition to paid employment (e.g. Belgium)’ (European Commission, 2010, p.6). This form of work, as other forms of work (e.g. temporary agency workers), does not therefore group “homogenous” workers. In the context of the study, we consider, as defined by the directive 2010/41/EU, all workers ‘pursuing a gainful activity for their own account, under the conditions laid down by national law’. This therefore includes “professionals” (e.g. doctors) or “standards” self-employed (e.g. farmers) and may also include some “economically dependent self-employed”.

As indicated in Eurofound (2014a), the diversity of the self-employed has attracted diverse forms of regulation, mainly decided at national level. According to Eurofound (2014a), ‘EU employment law addresses the self-employed mainly in narrowly specific areas such as free movement and equal treatment’ (Eurofound, 2014a, p.1).

- ▶ Regarding free-movement, a number of directives have been adopted to promote the mutual recognition of diverse national systems of qualification and their regulation, and the regulation of particular professional qualifications (lawyers, doctors, architects). Despite these legal moves, free movement of self-employed persons, particularly self-employed professionals, has remained relatively low.
- ▶ With regards to equal treatment and self-employed persons, there is a directive on the application of the principle of equal treatment between women and men engaged in an activity in a self-employed capacity, and on the protection of self-employed women during pregnancy and maternity. A political agreement was also reached in November 2009 allowing self-employed female workers to have the same access to maternity leave as salaried workers and assisting spouses to have access to the same social protection systems as formally self-employed workers. Equal treatment of self-employed persons extends beyond gender equality: the Council Directive 2000/43 established the principle of equal treatment for all, irrespective of racial or ethnic origin.

Despite these EU legislations linked to self-employment, it appears, as seen in the Table 17, that most topics are not regulated at EU level.

Table 17: Existing EU legislation related to specific working and employment conditions for self-employment

General categories	Specific topics	European directive (s)
Basic employment and working conditions	Working time, overtime, break, rest period, night work, holidays and public holidays	▶ Regulated at national level
	Pay	▶ Regulated at national level
Social protection	Access to health care	▶ Regulated at national level
	Access to unemployment benefits	▶ Regulated at national level
	Access to sick benefits	▶ Directive 2010/41/EU for equal treatment in Maternity benefits
	Pensions benefits	▶ Regulated at national level
	Dismissal	▶ Regulated at national level
Health and Safety	Specific provisions for health	▶ Regulated at national level
	Specific provisions for safety	▶ Regulated at national level
Access to employment, collective facilities and training	Access to employment	▶ Regulated at national level
	Collective facilities	▶ Regulated at national level
	Access to vocational training	▶ Regulated at national level
Social dialogue	Access to representative bodies	▶ Regulated at national level

Source: IDEA Consult based on EU legislations



As explain above, self-employment is mostly regulated at national level only. The provisions related to self-employment vary therefore widely between the countries. These differences will be further analysed through the survey and the case studies.



4/ Effective working and employment conditions

4.1 Key findings of this chapter

This chapter aims at assessing the effective working and employment conditions of temporary agency workers compared to other forms of work. The comparison of the different forms of work is conducted on various topics related to working and employment conditions. For each topic, data have been collected in order to provide comparisons between the forms of work. The main data sources used in the study are the results of the 5th European Working Conditions Survey from Eurofound⁵⁷ and the results of the survey conducted among Eurociett and UNI Europa members in the context of the study (see annex 1/ for more information on the data sources and the methodology of the survey).

It is important to notice that there are wide methodological issues in assessing the working and employment conditions between different forms of work. Indeed, differences between forms of work may be due to other factors than the contractual arrangement itself: e.g. the sector of the undertaking, the function and the age of the workers may influence the results if the distribution of the workers, in terms of sector, function or age, differs from a form of work to another (which seems to be the case). It is therefore difficult to isolate the differences that are effectively due to the contractual arrangement if the workers' characteristics are not equivalent from a form of work to another. It is therefore important to analyse with cautions the different data presented below.

We present below the key findings of this chapter. See the respective subsequent sections for a more detailed analysis.

Access to social protection (section 4.2)

In the countries covered by the survey conducted in this study, it appears that temporary agency work and fixed-term contracts provide rather similar access and provisions as open-ended contracts with regards to the various topics studied (i.e. unemployment benefits, sick benefits, maternity leave, healthcare, pension's benefits).

However, the effective access to these benefits is sometimes difficult by the potential temporary nature of these forms of employment:

- ▶ The required accumulation of worked days that give access to social benefits may be more difficult to reach;
- ▶ In case of contracts of very short duration, illness or pregnancy may have negative impact for the worker: social benefits might stop if the contracts stops and a new contract might not be given to the worker.

In order to further protect the workers, the social partners have developed provisions in the temporary agency sector of various countries (France, Netherlands, Belgium, Italy, etc.). These provisions aim at compensating for the discontinuous nature of the work and for the difficulty for agency workers to reach the necessary thresholds (in terms of worked days, etc.) that give access to social protection provisions. It appears that such provisions do not systematically exist for standard fixed-term contracts, which tends to indicate that the particular employment relationship induced by agency work (triangular relationship) might help to develop provisions aimed at enhancing working conditions of workers. The index of access to social protection is therefore slightly higher for temporary agency work than for standard fixed-term contracts.

Self-employment offers much less protection than open-ended contracts, FCTs and TAW. The differences are particularly important with regards to unemployment benefits, sick benefits, maternity leave and pension's benefits but tend to be smaller with regards to healthcare.

⁵⁷ See European Foundation for the Improvement of Living and Working Conditions, European Working Conditions Survey, 2010 [computer file]. Colchester, Essex: UK Data Archive [distributor], February 2012. SN: 6971, <http://dx.doi.org/10.5255/UKDA-SN-6971-1>. The micro data used in this chapter have been obtained via UK Data.



Basic working and employment conditions (section 4.3)

With regards to basic working and employment conditions (i.e. working time, broadly defined in the context of the study, and pay), it appears that open-ended contracts provide in general better conditions than the other types of contracts.

- ▶ When focusing on working time, the indicator of Working Time Quality (scheduling, flexibility on hours worked, etc.) developed by Eurofound, indicates that open-ended contracts and self-employment offer higher working time quality than fixed-term contracts and, to a slightly lesser extent, than TAW. The high score for self-employed might be explained by the flexibility it offers in the scheduling of the working time.
- ▶ When looking at pay and when comparing temporary agency workers with fixed-term employees, we notice that the proportion of temporary agency workers who earn more than 9.000€ per year is higher than for fixed-term contracts (46% vs. 40%) but smaller than for open-ended contracts or self-employed (74% for open-ended contracts and 68% for self-employed).

Occupational health and safety provisions and practices (section 4.4)

First, with regard to the initiatives developed by social partners, the results of the survey conducted in the context of this study indicate that:

- ▶ Regarding open-ended contracts, TAW and fixed-term contracts, it appears that some initiatives are developed by social partners in about 50% of the countries covered by the survey.
- ▶ Regarding fixed-term contracts, the proportion of countries where initiatives are developed is roughly identical to the proportion for open-ended contracts or TAW. However, contrarily to temporary agency work, no further specific developments for fixed-term workers seem to be in place.
- ▶ With regards to self-employment, fewer initiatives are developed in the surveyed countries.

Then, according to the results of the EWCS (2010), temporary agency workers feel (slightly) less at risk than other workers: 79% of temporary agency workers declare that their safety is not at risk at work, while this percentage amounts to 76% for open-ended contracts and fixed-term contracts and 72% for self-employed.

Access to vocational training (section 4.5)

First, the results of the survey conducted in the context of the study indicate that:

- ▶ On average, fixed-term contracts and temporary agency workers have slightly less access to vocational training than workers under open-ended contracts in the countries covered by the survey.
- ▶ However, the number of countries in which some initiatives are developed by social partners to enhance the access to vocational training is similar for open-ended contracts, fixed-term contracts and temporary agency work.
- ▶ In comparison to TAW, it appears that in general fewer initiatives or specific funds seem to exist in order to facilitate the access to training for employees with fixed-term contracts.
- ▶ Self-employees have less access to vocational training and fewer initiatives are developed for these workers by social partners.

These results are confirmed the EWCS (2010). According to the results of the EWCS (2010), a vast majority of temporary agency workers (77%), of workers with open-ended contracts (82%) and with fixed-term contracts (78%) had undergone training in the last 12 months (including training paid by them and on the job training). The proportion of self-employed having undergone training in the last 12 months is much smaller (55%).



Access to representative bodies (section 4.6)

In a majority of the countries considered in the survey, workers with open-ended contracts or fixed-term contracts and temporary agency workers have access to representatives at national, sectoral and firm level. Regarding self-employment, in a vast majority of countries considered workers have no access to representatives.

Perceptions of job security (section 4.7)

According to the results of the EWCS (2010), employees with fixed-term contracts and temporary agency workers are more likely to find insecure about their job than open-ended contracts. These results are in line with intuition, given the differences in the “nature” of the contracts: fixed-term contracts and temporary agency work under fixed-term contracts induced fixed and often smaller expected duration of work than open-ended contracts. More specifically, the OECD (2014) estimates that the particularly high figure regarding TAW most likely reflect the typical short duration of TWA assignments.

General indexes of job quality (section 4.8)

Finally, several general indexes have been analysed in order to provide a global overview of working and employment conditions of the different forms of work. The following key observations might be pointed out:

- ▶ Except for offering flexibility in working time scheduling and potential higher wages, self-employment provides fewer rights with respect to most of the topics studied.
- ▶ TAW and fixed term contracts offer roughly comparable access and comparable provisions as open-ended contracts with respect to the “access to social protection” and the “health and safety provisions and practices” and slightly less access / provisions than open ended contracts with respect to “vocational training” and “basic working and employment conditions”.
- ▶ In practice, TAW and fixed-term contracts of very short duration might imply a more difficult access to social benefits (difficulty of accumulating enough worked days, end of contracts, etc.). In order to further protect the workers, the social partners have developed provisions in the temporary agency sector of various countries (France, Netherlands, Belgium, Italy, etc.). These provisions aim at compensating for the discontinuous nature of the work and for the difficulty for agency workers to reach the necessary thresholds (in terms of worked days, etc.) that give access to social protection provisions. It appears that such provisions do not systematically exist for standard fixed-term contracts, which tend to indicate that the particular employment relationship induced by agency work (triangular relationship) might help to develop potential provisions aimed at enhancing working conditions of workers.



4.2 Access to social protection

This chapter aims at comparing the different forms of work with regard to the access to social protection it provides to the workers. Social protection may be defined as the policies and actions that:

- ▶ Enhance capacity of people to escape from poverty and better manage risks and shocks.
- ▶ Aim at providing a higher level of social security through income security and access to essential services throughout active and inactive periods.

As seen in chapter 3, the social protection systems of EU countries are “coordinated”: the EU provides common rules to protect the social security rights when moving within Europe. However, all countries remain free to “decide who is to be insured under their legislation, which benefits are granted and under what conditions” (European Commission). Social benefits are therefore determined at national level, depending on the traditions and culture of each country.

The European Commission⁵⁸ specifies the traditional branches included in the social security. These are the following: sickness, maternity, accidents at work, occupational diseases, invalidity benefits, unemployment benefits, family benefits, retirement and pre-retirement benefits, death grants. In this study, we focus on the analysis of the following topics:

- ▶ Unemployment benefits
- ▶ Sick benefits
- ▶ Healthcare
- ▶ Maternity leave
- ▶ Pension’s benefits

In order to compare the different forms of work with respect to the access and the provisions related to these topics, we rely on the survey we conducted among the Eurociett and UNI Europa members. For each of those topics, national respondents to the survey were asked to compare, with respect to open-ended contracts, the conditions of access and the provisions of each type of contracts (the questionnaire sent to the members is available in annex 3/).

Regarding the scope of the analysis, it is important to point out that we evaluate in this section the conditions of access and the provisions in theory. Indeed, as illustrated in the section, the access to various social benefits is conditional on accumulating a given number of worked days: there are “thresholds” to benefit from social security provisions. In this section we analyse whether the thresholds (e.g. in terms of worked days) to access social benefits and the provisions related to these social benefits are similar or not between the different forms of work. Due to a lack of harmonize and reliable information, we do not analyse whether is it “less likely” to reach, with a given contract, a given threshold needed to benefit from a protection. In particular, with regards to employment of shorter duration, it may turn out to be difficult to accumulate the required number of worked days to access social benefits. While we do not evaluate this point systematically, we provide some information related to the provisions that are in place to ease the access to social benefits for workers hired under short-term contracts.

For each of the evaluated topics, we provide in the following paragraphs the analysis of the results of the survey. For each of these topics, an index is calculated on the basis of the answers provided which allows to compare easily the forms of work.

⁵⁸ See Regulation No 883/2004 on the coordination of social security systems: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32004R0883&from=EN>.



4.2.1 Unemployment benefits

The table below describes, for each form of work, the access to unemployment benefits in the countries considered (comparisons with respect to open-ended contracts). The table classifies the different countries that have answered the questions according to the answer provided. For each country, a score is derived for each form of work. This score is calculated as follow:

- ▶ A score of 1 is given to a given form of work when the provisions/conditions for benefiting from unemployment benefits are similar than those for open-ended contracts.
- ▶ A score of 0.5 is given to a form of work when the provisions/conditions for benefiting from unemployment benefits are different and less advantageous than those for open-ended contracts.
- ▶ A score of 0 is given to a form of work that does not provide any provision regarding unemployment benefits.

The last row of the table provides an index of access to unemployment that is calculated as the average of the scores in all the surveyed countries. The method presented above is also applied to compare the forms of work with respect to the access to the other topics related to social protection (i.e. sick benefits, healthcare, maternity leave and pension's benefits).

Table 18: Access to unemployment benefits: comparison with open-ended contracts (average of the national scores, maximum score equals 1)

	Open-ended contracts	TAW	Fixed-term contracts	Self-employment
Similar to open-ended contracts	<i>Benchmark</i>	AU, BE, BG, EE, FI, FR, DE, EL, IT, LV, NL, PL, RO, SI, ES, SE, CH, NO, UK, LUX, PT	AU, BE, BG, FI, FR ⁵⁹ , DE, EL, IT, LV, NL, PL, PT, RO, SI, ES, SE, CH, NO, UK, LUX	PL ⁶⁰ , RO, SI
Different than open-ended contracts: easier access or additional provisions		/	/	/
Different: more difficult access or less provisions⁶¹		/	/	AU ⁶² , BE ⁶³ , DE, NL, EL, PT, ES, SE, UK
No access, no provision		/	/	BG, FI, FR ⁶⁴ , LV, CH, NO, IT ⁶⁵
Index of access to unemployment	1	1	1	0.4

Source: IDEA Consult based on a survey conducted among the Eurociett and UNI Europa members; the score is calculated on the basis of the national comparisons with open-ended contracts: 1 stands for "identical provisions/conditions", 0.5 stands for "different and less advantageous provisions/conditions" and 0 for "no provision".

As indicated in the table it appears **that temporary agency work and fixed-term contracts** offer similar access and similar provisions as open-ended contracts regarding unemployment benefits, in all the countries for which we received an answer to the survey (21 European countries). The index of access to unemployment therefore equals to 2 for both temporary agency work and fixed-term contracts.

⁵⁹ Except for "intermittents".

⁶⁰ There is however an additional requirement regarding the registration.

⁶¹ Most of the countries that fell apart in this category are countries in which unemployment benefits are available under a voluntary schemes. Further characteristics described in footnotes.

⁶² Voluntary schemes and must have been previously employed.

⁶³ If bankruptcy and/or previously employed.

⁶⁴ The answer would depend on the type of self-employment considered. For "portage salarial" and auto-entrepreneur" they have rights, under some conditions, that differ from those for open-ended contracts.

⁶⁵ The respondents have focused on a specific type of self-employed: coordinated freelance workers.



As indicated in the introduction, it is important to remind that we do not evaluate whether the proportion of former temporary agency workers or former workers under fixed-term contracts who benefit from unemployment protection is similar to the proportion of former workers under open-ended contracts who benefit from unemployment benefits. In several countries analysed (e.g. Belgium, France, Portugal, etc.), a certain number of worked days is necessary to benefit from unemployment protection and/or the number of worked day determines the duration of unemployment protection and the amount granted. Some examples:

- ▶ In Belgium, the threshold that gives access to unemployment benefits is of 312 days during the last 21 months;
- ▶ In France, the duration of the benefits depends on the duration of the working time during a reference period;
- ▶ In Portugal, the amount of worked days must amount to 360 days during a reference period of 24 months;
- ▶ Etc.

These requirements may imply a more difficult effective access to unemployment benefits for workers with employment contracts of short duration (which may typically be the case in fixed-term contracts or in temporary agency work). This issue can't be systematically assessed or measured in a reliable and harmonized way.

It is however important to point out that some initiatives have been developed in some countries to face this issue: e.g. in France, a system of portability of rights has been introduced, in order to ease the registering of the worked days of the workers.

Regarding **self-employment**, the conditions of access to unemployment benefits and the provisions offered are clearly less favourable than for open-ended contracts:

- ▶ In only three countries out of the 21 countries reviewed the conditions are similar than those for open-ended contracts. These countries are Poland, Romania and Slovenia.
- ▶ In several countries there exist some provisions regarding unemployment benefits but these provisions are granted to some types of self-employment only and/or offer less protection than the protection offered with open-ended contracts. These provisions are moreover insured on a voluntary schemes. Some examples:
 - ◆ In Belgium, you receive an allowance of 12 months maximum if you go bankrupt. If a self-employed was previously employed he/she may also benefit from unemployment benefits.
 - ◆ In Germany, in the Netherlands or in the UK, self-employed may insure on a voluntary basis.
 - ◆ In Portugal, the amount on which is based the unemployment benefits is 80% of the earnings made with a single client.
 - ◆ Finally in Sweden and in Spain, there are conditions of access that differ from the one's of other type of contracts.

Finally, in several countries (BG, FI, FR⁶⁶, LV, CH, NO, IT) no provisions are available for self-employed. As indicated in footnotes, the absence of provisions in Italy and France is related to some types of self-employment only. In these countries, some provisions might however exist for other specific types of self-employment (e.g. "portage salarial" in France). As explained in the introduction, self-employment represents a wide diversity of situations; it is therefore difficult to provide a single answer that represents all types of self-employment.

⁶⁶ The answer would depend on the type of self-employment considered. For "portage salarial" and auto-entrepreneur" they have rights, under some conditions, that differ from those of open-ended contracts.



4.2.2 Sick benefits

In the context of the study, sick benefits refer to 'the benefits that compensate for loss of income linked to incapacity to work'. The table below describes, for each form of work, the access to sick benefits in the countries considered (comparisons with open-ended contracts). The last row of the table summarizes the results by providing an index of access to sick benefits. The calculation of the index is based on the method presented on section 4.2.2.

Table 19: Access to sick benefits: comparison with open-ended contracts (average of the national scores, maximum score equals 1)

	Open-ended contracts	TAW	Fixed-term contracts	Self-employment
Similar to open-ended contracts	<i>Benchmark</i>	AU, BG, EE, FI, DE, EL, IT, LV, PL, PT, RO, SI, ES, SE, CH, NO, UK, LUX, NL ⁶⁷	AU, BE, BG, FI, FR ⁶⁸ , DE, EL, IT, LV, PL, PT, RO, SI, ES, SE, CH, NO, UK, LUX	FR ⁶⁹ , RO, SI, CH
Different than open-ended contracts: additional provisions		BE, FR	/	/
Different than open-ended contracts: more difficult access or less provisions		/	NL	AU, BE, BG, DE, PL, PT, SE, NO, UK
Different than open-ended contracts (no information whether less or more provisions)		/	/	IT, LV, ES
No access, no provision		/	/	FI, EL, NL
Index of access to sick benefits	1	1	0.98	0.53

Source: IDEA Consult based on a survey conducted among the Eurociett and UNI Europa members; The score is calculated on the basis of the national comparisons with open-ended contracts: 1 stands for "identical provisions/conditions", 0.5 stands for "different and less advantageous provisions/conditions" and 0 for "no provision".

According to the survey results, **temporary agency workers** benefit from identical conditions of access and identical provisions than workers under open-ended contracts. However, the access to sick benefits might however be more difficult for workers with contracts of short duration (some TAW with fixed-term contracts or some standard fixed-term contracts). Indeed, the access to the benefits might be based on the number of worked days or on the amount earned. E.g. in Greece, workers must have accumulated 100 days of work in a year while in the UK, workers must earn at least 111£ per week to access Statutory Sick Pay. Moreover, illness might prevent these workers to get a new contract. However, in some countries, additional provisions have then been developed in order to compensate for the potential temporary nature of TAW:

- ▶ In Belgium, sick benefits are paid for a period up to 30 days by the employer as long as workers are under a contract with their employer. In order to avoid that temporary agency workers could not receive any sick benefit once their contract is over, a collective labour agreement has been designed and implemented in order to further protect the agency workers: they now receive additional compensation⁷⁰ from the agency during the first 30 days of their incapacity.

⁶⁷ Workers in "phase A" would be less protected than open-ended contracts. However additional provisions exist to compensate for risks.

⁶⁸ Additional provisions may be provided in some sectors and/or some businesses.

⁶⁹ The provisions are similar however the scheme is different: self-employed must contribute to the "regime social des indépendants".

⁷⁰ Workers must fulfil the conditions stipulated in the CLA in order to benefit from this additional compensation.



- ▶ In France, temporary agency work and fixed-term contracts are considered as “discontinuous” forms of work: the access to sick benefits is therefore eased for these types of workers in comparison to worker under open-ended contracts. Moreover, regarding temporary agency workers, as further discussed in section 5.6, collective agreements have been concluded between social partners in order to provide additional compensation in case of illness or accident⁷¹. The organisation in charge of managing these compensations is called “Reunica”. In case of strong disability an annuity is also paid if the worker warrants 1,800 hours of service in the profession during the 24 months prior to the work stoppage.
- ▶ In the Netherlands, a CLA also provides additional provisions for workers in “phase A” (i.e. workers who have accumulated few working days, see section 5.4).

With regards to sick benefits, workers with **fixed-term contracts** also mainly enjoy similar rights than workers with open-ended contracts and temporary agency workers. However, in comparison to temporary agency work, there seem to have fewer initiatives developed for fixed-term contracts (of short duration) in order to ease the access in practice to sick benefits and/or to compensate for the potential temporary nature of the work: the additional compensations for temporary agency workers presented above for France and the Netherlands do not exist, at our knowledge, for fixed-term contracts. One of the reasons that may explain this observation is that TAW, contrarily to fixed-term contracts, may be seen as an organized sector in which it is possible to build up single bodies aimed at collecting information or developing additional provisions. This observation is further discussed in the section 5.6.

With regards to sick benefits for **self-employed**, it appears clearly that these workers face less favourable conditions of access and less favourable provisions than workers with open-ended contracts:

- ▶ In only four countries (France, Romania, Slovenia and Switzerland), the conditions of access and the provisions are similar to those for open-ended contracts. Regarding France, this assessment is only valid for one type of self-employed: the standard self-employed.
- ▶ In several countries considered in the survey, self-employed can be insured for sick benefits, on a voluntary basis and at their own cost (AU, BE, BG, DE, PL, SE). In some countries (UK, PT, NO), the provisions are less favourable than the provisions offered to other workers (e.g. in Norway, self-employed are covered from the 17th day of illness on while it is from the first day on for the other workers).
- ▶ In Italy, Lithuania and Spain, self-employed have “different” access to sick benefits but the information collected do not allow assessing whether they have less or more access to sick benefits.
- ▶ Finally, in Finland, Greece and the Netherlands, no schemes exist in order to protect workers against sickness.

⁷¹ In case of incapacity to work due to illness (from 8th day) or work accident (from day 1) an additional compensation is paid by the agency or by “Réunica”.



4.2.3 Access to healthcare

In the context of the study, healthcare refers to ‘the benefits which are intended to supply, make available, pay directly or reimburse the cost of medical care and products and services ancillary to that care’. The table below provides the comparisons in terms of access to healthcare in the countries having answered the survey. The calculation of the index is based on the method presented on section 4.2.2.

Table 20: Access to healthcare: comparison with open-ended contracts (average of the national scores, maximum score equals 1)

	Open-ended contracts	TAW	Fixed-term contracts	Self-employment
Similar to open-ended contracts	<i>Benchmark</i>	AU, BE, BG, EE, FI, DE, EL, LV, NL, PL, PT, RO, SI, ES, SE, CH, NO, UK, LUX	AU, BE, BG, EE, FI, DE, EL, IT, LV, NL, PL, PT, RO, SI, ES, SE, CH, NO, UK, LUX	NL, PL, PT, RO, SI, ES, SE, NO, UK, DE, FI, BG, IT
Different than open-ended contracts: additional provisions		FR, IT	FR	/
Different than open-ended contracts: more difficult access or less provisions		/	/	CH, EL, FR, BE, AU
Different than open-ended contracts (no information whether less or more provisions)		/	/	LV
No access, no provision		/	/	/
Index of access to healthcare	1	1	1	0.86

Source: IDEA Consult based on a survey conducted among the Eurociett and UNI Europa members; The score is calculated on the basis of the national comparisons with open-ended contracts: 1 stands for “identical provisions/conditions”, 0.5 stands for “different and less advantageous provisions/conditions” and 0 for “no provision”.

According to the survey results, it appears that **temporary agency workers** benefit from similar access to healthcare than workers with open-ended contracts. Below, some specific features related to healthcare for TAW are presented:

- ▶ In Italy and France there are additional provisions developed by social partners in order to protect temporary agency workers.
 - ◆ In France, in case of illness, temporary agency workers might benefit from payment for child custody. Moreover, the agencies agreed to allocate an amount equivalent to 0.15% of the total payroll in order to finance a fund (“FASTT”) which aims to answer to various social preoccupations of temporary agencies workers (access to consumer credit, housing credit,..). This fund also includes a health insurance that proposes advantageous conditions to the workers, given that a relatively high number of persons subscribes to it.
 - ◆ In Italy, additional provisions, regarding e.g. dental care or surgery, are offered to temporary agency workers.
- ▶ In some countries (e.g. Belgium), it appears that temporary agency workers do not receive the private insurance for hospitalization that is often offered to other employees in the user undertaking.

The **workers with fixed-term contracts** also enjoy similar access to healthcare than workers with open-ended contracts. In comparison to temporary agency work, the only difference lies in the fact that social partners have achieved fewer agreements in order to develop specific additional provisions covering workers with fixed-term contracts. Some examples:



- ▶ In France, some agreements are reached but in some sectors or firms only; no harmonized convention exists.
- ▶ In Italy, contrarily to what has been developed for temporary agency workers, no additional provisions exist in order to compensate for the “temporary” nature of the work.

Finally, with regards to **self-employed**, the access and provisions related to healthcare are less favourable than those for open-ended contracts. However, when compared to the topics previously analysed, the rights to healthcare appear to be relatively close to the rights provided for workers with open-ended contracts:

- ▶ Indeed, in most of the countries considered (NL, PL, PT, RO, SI, ES, SE, NO, UK, DE, FI, BG, IT) the rights to healthcare are similar than those for open-ended contracts.
- ▶ In the other countries (CH, EL, FR, BE, AU) the access and the provisions are less favourable. In France for example, the standard self-employed can subscribe to a mutual but at a cost that will be higher than for other employees.

4.2.4 Maternity leave

In the context of the study, maternity leave is defined as a period of paid absence from work to which a woman is legally entitled during the months immediately before and after childbirth. The table below indicates the differences that may be pointed out between the different forms of work. The calculation of the index is based on the method presented on section 4.2.2.

Table 21: Access to maternity leave: comparison with open-ended contracts (average of the national scores, maximum score equals 1)

	Open-ended contracts	TAW	Fixed-term	Self-employment
Similar to open-ended contracts	<i>Benchmark</i>	AU, BE, BG, EE, FI, DE, EL, LV, NL, PT, RO, SI, ES, SE, CH, NO, UK, LUX	AU, BE, BG, FI, DE, EL, IT, LV, NL, PT, RO, SI, ES, SE, CH, NO, UK, LUX	NL, RO, SI, ES, SE, CH
Different than open-ended contracts: additional provisions		FR+IT	FR	/
Different than open-ended contracts: more difficult access or less provisions		PL	PL	AU, BE, BG, FR, PL, PT, NO, UK, IT
Different than open-ended contracts (no information whether less or more provisions)		/	/	/
No access, no provision		/	/	DE, EL, LV
Index of access to maternity leave	1	0.98	0.98	0.6

Source: IDEA Consult based on a survey conducted among the Eurociett and UNI Europa members; The score is calculated on the basis of the national comparisons with open-ended contracts: 1 stands for “identical provisions/conditions”, 0.5 stands for “different and less advantageous provisions/conditions” and 0 for “no provision”.

According to the survey results, it appears that fixed-term contracts, open-ended contracts and temporary agency work are roughly comparable in terms of rights related to maternity leave.

Regarding **temporary agency work**, in most of the countries analysed, the access to maternity leave is similar to open-ended contracts. However, in Poland temporary agency workers enjoy less favourable conditions: a temporary agency worker does not have access to maternity leave if employment contract ends before third month of pregnancy.

While the access is nearly similar in theory, it turns out that the effective access to maternity leave might be different for workers with contracts of very short duration (both under temporary agency work or fixed-term



contracts): in case of pregnancy, it is possible that workers with contracts of very short duration will not receive a new contract. Initiatives are developed in some countries in order to compensate for these risks:

- ▶ In France, there exist specific provisions protecting temporary agency workers and workers with fixed-term contracts that are seen as “discontinuous” forms of work: an additional compensation is provided and was developed through a collective labour agreement in temporary work.
- ▶ In Italy, a CLA also permitted to develop additional provisions for temporary agency workers in 2014.

With regards to **fixed-term contracts** the access is also similar in most of the countries considered. In line with the results for temporary agency workers, in Poland, the access is however less favourable for workers with fixed-term contracts than for workers with open-ended contracts. Furthermore and in line with the remark made above, in some cases the effective access to maternity leave might be however more difficult in practice for workers under contracts of very short duration. In France, as said above, an additional provision has been developed. In Italy however, comparable additional provisions to those developed for TAW do not exist, at our knowledge, for fixed-term contracts.

Finally, **regarding self-employment**, the access and the provisions are, in line with intuition, less favourable for those workers when compared to the other workers:

- ▶ In 6 countries (NL, RO, SI, ES, SE, CH) out of the 18 countries, the rights related to maternity leave are similar to those provided for open-ended contracts;
- ▶ In most of the countries considered (AU, BE, BG, FR, PL, PT, NO, UK, IT), self-employed might benefit from maternity leave but the access and the provisions are less advantageous than for open-ended contracts.
 - ◆ In Austria, the amount received is 51€ per day, which is below the compensation received by the other types of workers (daily average wage).
 - ◆ In France, a specific type of self-employed (“professionals”) registered in specific registers have right to compensation for stoppage of the activities. However, these compensations are less favourable than those offered to the other workers.
 - ◆ Workers in the UK might have access to maternity leave under certain conditions: they must have worked more than 26 weeks in the last 66 weeks and they must have paid Class 2 National Insurance contribution during 13 weeks or held a certificate of small earnings exemption.



4.2.5 Pension benefits

For the purpose of this survey, pension's benefits refer to the first two pillars of pension's benefits only. The first pillar is the "State pension". The second pillar is the "supplementary occupational pension" (pension schemes linked to an occupational activity: e.g. pension fund). We do not consider personal pension savings in the context of the study.

The table below present the results of the survey regarding the access to pension's benefits. The calculation of the index is based on the method presented on section 4.2.2.

Table 22: Access to pension's benefits: comparison with open-ended contracts (average of the national scores, maximum score equals 1)

	Open-ended contracts	TAW	Fixed-term contracts	Self-employment
Similar to open-ended contracts	<i>Benchmark</i>	AU, BE, BG, EE, FI, FR, DE, EL, IT, LV, PO, PT, RO, SI, ES, CH, SE, NO, UK, NL	AU, BE, BG, FI, FR, DE, EL, IT, LV, NL, PO, PT, RO, SI, ES, CH, SE, UK	AU, BG, PL, PT, RO, SI, UK
Different than open-ended contracts: additional provisions		/	/	/
Different than open-ended contracts: more difficult access or less provisions		/	NO	BE, FR, DE, EL, IT, NL, ES, CH, SE, NO
Different than open-ended contracts (no information whether less or more provisions)		/	/	/
No access, no provision		/	/	LV
Index of access to pension's benefits	1	1	0.97	0.7

Source: IDEA Consult based on a survey conducted among the Eurociett and UNI Europa members; The score is calculated on the basis of the national comparisons with open-ended contracts: 1 stands for "identical provisions/conditions", 0.5 stands for "different and less advantageous provisions/conditions" and 0 for "no provision".

According to the respondents, **temporary agency workers** benefit from identical access and provisions than workers under open-ended contracts with regards to pension's benefits.

However, given that pension remuneration depends on the duration of the employment and the salary earned during the career, it may occur that workers under contracts of short duration (in temporary agency work or fixed-term contracts) accumulated less working days accounting for pension's benefits and/or that the reconstitution of all the career path of these workers is more difficult. Regarding temporary agency work, there have been initiatives developed in order to compensate for this risk and to ensure an effective compilation of worked days:

- ▶ In France, a single pension fund for temporary agency workers have been set up. This eases the compilation of all the career paths of the workers and informs workers about their current situation, in terms of pension's rights.
- ▶ In Italy, an additional private pension fund (FONTEMP) has also been set up and allow temporary agency workers to benefit from additional provisions.

Regarding pension's benefits and as indicated in Table 22, workers with **fixed-term contracts** enjoy rather similar rights as open-ended contracts and temporary agency workers. However, the index of access to pension's benefits is slightly lower for fixed-term contracts in comparison to temporary agency work: in Norway, temporary agency workers enjoy similar access to state pension and occupational pension as open-ended contracts while workers under standard fixed-term contracts do not enjoy similar provisions with regard to the occupational pension.



Moreover, as said above, fixed-term contracts, particularly those of short duration, might imply a disadvantage in terms of pension's benefits in comparison to open-ended contracts: it turns out to be difficult for workers to accumulate high number of worked days taken into account for pension's benefits and it is moreover difficult to compile the career path of workers who have worked under various fixed-term contracts. As indicated in a case study, there is currently an increase in fixed-term contracts of very short duration in France or Spain for example. Contrarily to temporary agency work, no single pension's fund exists for those workers; therefore, the portability of rights from a contract to another is not eased. Moreover, the portability between the different types of employment (from fixed term to open-ended) might also be more difficult.

Regarding **self-employed**, it appears that those workers have less favourable access to pension's benefits than the other workers:

- ▶ However, in some countries (AU, BG, PL, PT, RO, SI, UK) the rights related to pension's benefits are similar than those for other types of employment.
- ▶ In a vast majority of countries (BE, FR, DE, EL, IT, NL, ES, CH, SE, NO) that have answered the survey, self-employed have access to pension schemes but are offered less favourable provisions than the other types of workers. In Greece for example, self-employed have access to pension's benefits at the age of 67 (versus 65 year for the other workers).

In the following section, we present an index of access to social protection that summarizes the results presented above.



4.2.6 General index of social protection

The table below provides an average index of access to social protection. This index is the average of the indexes related to the specific topics presented above.

Table 23: Index of social protection (average of the national scores, maximum score equals 1)

	Open-ended contracts	TAW	Fixed-term contracts	Self-employment
Unemployment benefits	1	1	1	0.4
Sick benefits	1	1	0.98	0.53
Healthcare	1	1	1	0.86
Maternity leave	1	0.98	0.98	0.6
Pension's benefits	1	1	0.97	0.7
Index⁷² of social protection	1	0.99	0.98	0.62

Source: IDEA Consult based on a survey conducted among the Eurociett and UNI Europa members; The score is calculated on the basis of the national comparisons with open-ended contracts: 1 stands for "identical provisions/conditions", 0.5 stands for "different and less advantageous provisions/conditions" and 0 for "no provision".

In line with the previous results, the following key observations might be noticed:

- ▶ In the countries covered by the survey, it appears that, when looking at the various social protection aspects, temporary agency work and fixed-term contracts provide rather similar access and provisions as open-ended contracts.
- ▶ It turns out to be difficult to distinguish significant differences between temporary agency worked and standard fixed-term contracts⁷³. However, regarding temporary agency work, some provisions, developed by social partners, exist in order to compensate for the discontinuous nature of the work and for the difficulty for agency workers to reach the necessary thresholds (in terms of worked days, etc.) that give access to social protection provisions. Such provisions do not systematically exist for standard fixed-term contracts, which tend to indicate that the particular employment relationship induced by agency work (triangular relationship) might help to develop potential provisions aimed at enhancing working conditions of workers.
- ▶ In line with intuition, self-employment offers much less protection than open-ended contracts, FTCs or TAW. This observation is also in line with some other previous studies. For example, the European observatory review provides information regarding rights to social protection for self-employed in the different countries. It appears that in various countries, self-employed seem to be more at risk, i.e. 'they do not have the same social protection as employees if they are short of work, ill or disabled. The self-employed also fare worse in terms of pensions and entitlements to paid holiday. Such differences between the circumstances of the self-employed and dependent employees are identified in a number of national articles, including the Czech Republic, Germany, Estonia, Greece, Hungary, the Netherlands, Malta Austria, Slovenia, Slovakia, the UK and Turkey' (European Commission, 2010, p.8).

⁷² The index is the average of the score of each category.

⁷³ It is also important to point out that we might expect the respondents to the survey to have more knowledge about specific legislations for TAW than regarding fixed-term contracts. This observation must therefore be interpreted with cautions.



4.3 Basic working and employment conditions

In this chapter, we provide an assessment of the different forms of work with regards to the “basic working and employment conditions”.

In the context of the study, “basic working and employment conditions” include information that go beyond the definition of the European directives. More specifically, this category includes information about the working time limits and pay (see definition of the directive on TAW) but also, the satisfaction of workers with the hours worked and the duration, the scheduling and the short-term flexibility over working time.

We analyse first the working and employment conditions related to working time and then we look at the differences that exist in terms of pay.

4.3.1 Working time

The fifth survey on European Working Condition conducted by Eurofound (EWCS, 2010) provides different interesting information regarding working time:

- ▶ On the average number of hours per week per contract;
- ▶ On the differences between the hours worked and hours desired by the workers;
- ▶ On the percentage of employees that work during the night;
- ▶ On the percentage of employees that worked on Sunday;
- ▶ On an indicator of work time quality.

The results are distinguished for all the different forms of work. These results are presented and analysed in the sections below.

First, Table 24 provides information regarding the **average number of hours worked per week** in the main job, for each form of work. According to this data, self-employed tend to announce on average a higher number of hours worked per week (45 hours). Open-ended contracts follows with 37.6 hours worked on average per week per worker. Finally, workers under fixed-term contracts work slightly more hours (35.3 hours) than temporary agency workers (34.4 hours).

Table 24: Average number of hours per week per contract

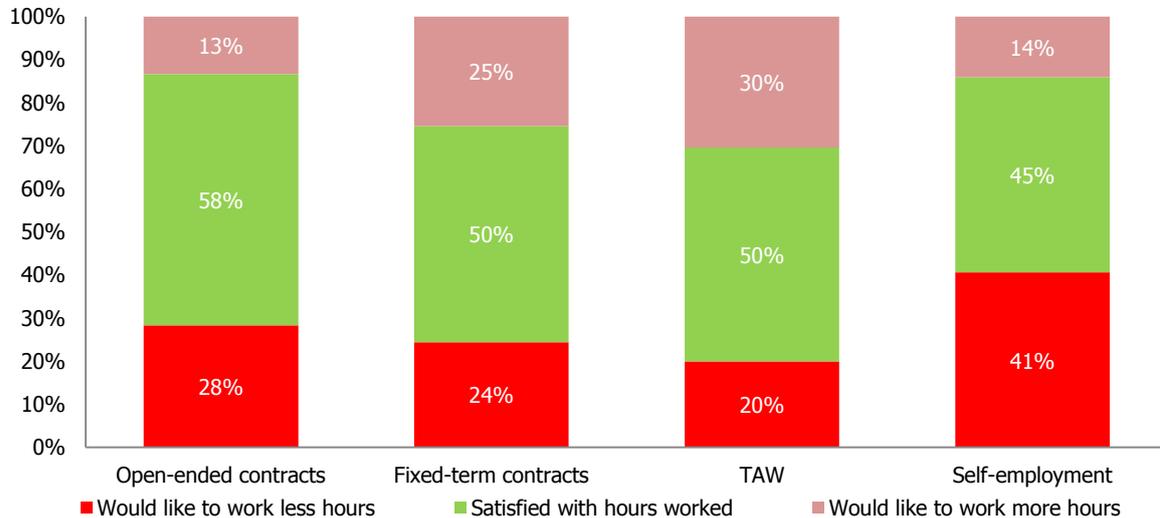
Form of work	Mean
Self-employed	45.0 hours
Open-ended contracts	37.6 hours
Fixed-term contracts	35.3 hours
TAW	34.4 hours

Source : IDEA Consult based on microdata from Eurofound EWCS 2010 (microdata received from UK Data)



Other interesting data provided by Eurofound is the extent to which workers are satisfied with the number of hours they worked per week. The figure below indicates, for each form of work, the **proportion of workers satisfied with the current hours worked** and the proportion of workers that are unsatisfied (too much or not enough hours worked).

Figure 10: Differences between hours worked and hours desired



Source: IDEA Consult based on microdata from Eurofound EWCS 2010 (microdata received from UK Data)

The following main observations may be pointed out:

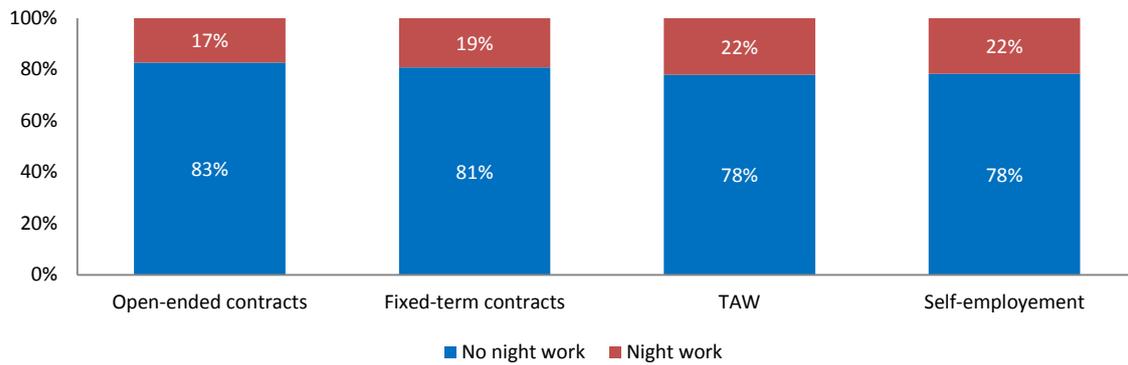
- ▶ As indicated on the figure, around 58% of employees with open-ended contracts are satisfied with the hours currently worked. The remaining part is mostly composed by employees who would like to work less hours (28%). Finally only 13% of employees with open-ended contracts would like to work more hours.
- ▶ Regarding fixed-term employment, 50% of the employees are satisfied with the hours worked. The rest is nearly equally divided between employees who would like to work less hours and more hours.
- ▶ With regard to TAW, the share of employees satisfied is also equal to 50%. However, it is particularly interesting to note that a particularly large share (30%) of temporary agency workers is willing to work more hours in their job.
- ▶ Finally, self-employed are less satisfied than other employees. In particular, a high share of self-employed would like to work less hours (41% of the self-employed).

If we combine the results indicated in the two last figures, it is interesting to notice that, while the difference between the effective average hours worked between fixed-term employees and temporary agency workers is rather weak (less than an hour), the difference in terms of share of employees willing to work more hours is relatively important (5%).

Eurofound also provides data regarding **the percentage of employees that worked during the night and the percentage of employees that worked on Sunday** (respectively Figure 11 and Figure 12). These figures show that temporary agency workers and self-employed tend to work relatively more often during the night (the sectors in which are mostly active these employees may explain the differences). Regarding the work on Sunday, as shown on the figure below, the proportion of temporary agency workers who worked on Sunday is rather similar to the proportion of employees under fixed-term contracts that worked on Sunday (28% for TAW and 27% for fixed-term employees). When considering self-employed, this proportions turns out to be much higher (43%).

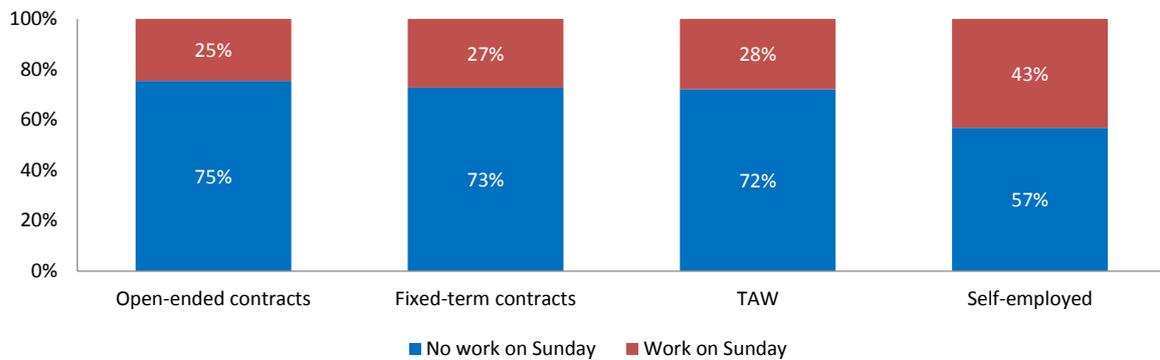


Figure 11: Night work (%)



Source: IDEA Consult based on microdata from Eurofound EWCS 2010 (microdata received from UK Data)

Figure 12: Work on Sunday (%)



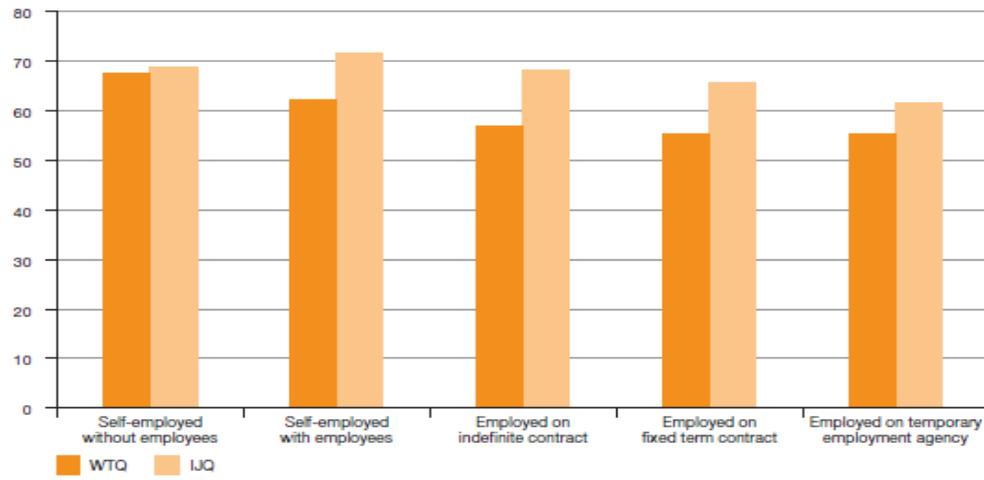
Source: IDEA Consult based on microdata from Eurofound EWCS 2010 (microdata received from UK Data)

Finally, Eurofound built an indicator measuring the “**working time quality**” (WTQ) of the different forms of work. This indicator is based on the answers to the survey that were linked to the duration, the scheduling, the discretion and short-term flexibility over working time.

As indicated in the Figure 13 and confirmed in Eurofound (2012b), it appears that temporary agency work performs better than fixed-term contract with regard to this indicator. However, the index of working time quality is lower than those for open-ended contracts or self-employment. It is important to interpret with cautions these aggregate indicators. For example, as we have seen above, self-employed are relatively less satisfied than other workers regarding working time. The reason why they however have a rather high level of WTQ may be explained by the fact that this form of work allows for a high short-term flexibility. The Figure 13 also presents the Index of Job Quality (IJQ). This index is further discussed in section 4.8.



Figure 13: Indicator of Working Time Quality (WTQ)



Source: Eurofound (2012b)



4.3.2 Pay

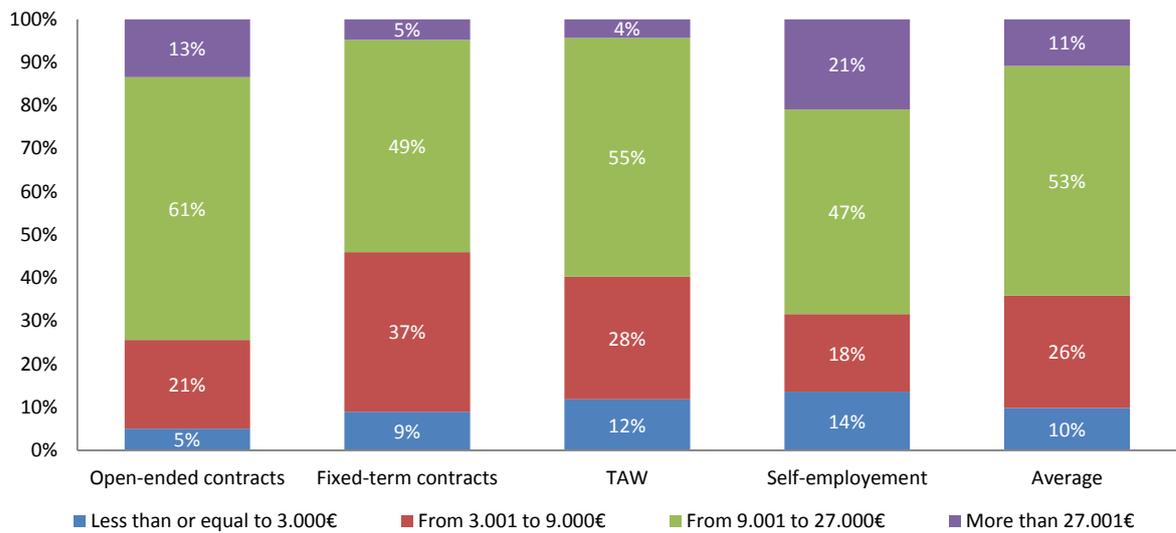
In this section, we consider “pay” in a narrow sense: we only analyse the direct earnings from the main job. In the following section, we will compare the forms of work in terms of access to unemployment and pension benefits.

However, as indicated in the introduction, it is important to notice that methodological issues arise when trying to evaluate the pay gap between different forms of work. As pointed out by Eurociett and UNI Europa (2013), ‘in most studies wage comparisons are based on average wage and salary differences measured on the basis of mean values. Therefore, they do not take account of all productivity and pay relevant factors that also explain differences between temporary agency workers and others. Also differences in seniority, occupational experience or in working hours per week are not taken into account. However, these aspects have to be taken into account. Therefore, wage differences should not entirely be regarded as resulting from pay inequality between totally equal types of work as carried out by temporary agency workers in comparison to workers in the overall economy’ (Eurociett and UNI Europa, 2013, p.72).

Despite these difficulties we present below information on earnings that are collected through the micro data of the EWCS 2010.

The figure below represents, for each form of work considered, the distribution of workers according to the earning groups.

Figure 14: Distribution of workers according to the yearly net earnings from the main job, by rank of earnings (% total employees in a given form of work)



Source: IDEA Consult based on microdata from Eurofound EWCS 2010 (microdata received from UK Data)

The following main observations may be pointed out:

- ▶ In comparison to open-ended contracts, a relative high share of temporary agency workers earns less than 9.000€ a year: this share amounts to 40% of temporary agency workers for 26% of employees with open-ended contracts. This may be explained, among other things, by the fact that some temporary agency workers work few hours during the week and combine multiple jobs (which is not taken into account in the figure that considers only earnings in the main job). Moreover, the sectoral distributions of the workers and their seniority may vary widely from one form of work to another which may explain some of the differences in terms of pay (in particular, temporary agency workers tend to be, in some countries, relatively younger than workers under open-ended contracts)



- ▶ When comparing temporary agency workers with fixed-term employees, we notice that the share of fixed-term employees who earn less than 9.000€ a year is higher than when considering agency workers (46% versus 40%). Moreover, a particularly high share of agency workers earns between 9.001 and 27.000€ a year (55% for agency workers versus 49% for fixed-term employees).
- ▶ In comparison to self-employed, a larger proportion of temporary agency workers tend to earn less. However, the proportion of workers that have earned between 9.001€ and 27.000€ is larger when considering agency workers than when considered self-employed. However, relatively more self-employed earn more than 27.001€ a year.

4.4 Occupational health and safety provisions and practices

The survey conducted by IDEA Consult among the Eurociett and UNI Europa members provide information regarding the occupational health and safety provisions and practices for the different forms of work. Following Eurofound⁷⁴, 'health and safety at work is aimed at the promotion and maintenance of the highest degree of physical, mental and social well-being of workers in all occupations; the prevention among workers of leaving work due to health problems caused by their working conditions; the protection of workers in their employment from risks resulting from factors adverse to health; the placing and maintenance of the worker in an occupational environment adapted to his or her physiological and psychological capabilities; and, to summarise, the adaptation of work to the person and of each person to their job'.

We first analyse the differences in terms of initiatives developed by social partners then we compare the differences in terms of health and safety at work between the forms of work.

4.4.1 Initiatives developed by social partners concerning health and safety provisions

The survey conducted among the Eurociett and UNI-Europa members included a question about the existence of initiatives developed by social partners with regards to occupational health and safety provisions and practices. The results are described in the table below and an index is constructed on the basis of the results.

Table 25: Health and safety provisions and practices - Existence of initiatives developed by social partners

	Open-ended contracts	TAW	Fixed-term	Self-employment
Initiatives developed by SP	AU, BE, BG, IT, NL, PL, CH, NO, SE	AU, BE, IT, NL, PL, CH, NO, FR, DE, SE	AU, BE, BG, IT, NL, PL, CH, NO, SE	NL, PL, CH, NO
No initiative developed by SP	FI, EL, LV, LU, RO, SK, SI, ES,	FI, EL, LV, LU, RO, SK, SI, ES	FI, EL, LV, LU, RO, SK, SI, ES	FI, EL, LV, LU, RO, SK, SI, ES, SE, FR, BG, BE, IT
Initiatives for some sectors / occupations only	FR	/	FR	/
Index of health and safety	0.5	0.5	0.5	0.25

Source: IDEA Consult based on a survey conducted among the Eurociett and UNI Europa members; The index is calculated as the average of the score in each country. The scores are calculated as follow: 1 stands for "initiatives developed by social partners", 0.5 stands for "initiatives developed in some sectors only" and 0 for "no initiative developed".

Regarding open-ended contracts, TAW and fixed-term contracts, it appears that some initiatives are developed by social partners in about 50% of the countries covered by the survey. With regards to self-employment, fewer initiatives are developed in the surveyed countries.

⁷⁴ See <http://www.eurofound.europa.eu/areas/industrialrelations/dictionary/definitions/healthandsafety.htm>



Within the countries where social partners develop specific provisions and practices for **employees with open-ended contracts**, we can point out the following specific initiatives:

- ▶ In Belgium, there is a high council for prevention and protection at the workplace. This is complemented by various sectoral funds that exist to tackle sectoral health and safety risks.
- ▶ In Sweden, there is a continuous work in various sectors and branches and provisions are developed both by law and through collective agreements.
- ▶ In Norway, "The working environment act" regulates health and safety provisions and practices. Social partners keep however playing an important role in e.g. the election of safety representatives.
- ▶ In France, the existence of initiatives on health and safety provisions depends on the different sectors.

When focusing on **temporary agency work**, specific initiatives are developed and complement the above presented general system:

- ▶ In Belgium, the sectoral fund ("Prevention in Interim") has been developed in order to reduce the number of work related accidents by giving advice, evaluation, etc.
- ▶ In Germany, the VBG-initiative is a German insurance association for administrative jobs. It delivers statutory accident insurance and prevention advice for its member companies and insured people.
- ▶ In the Netherlands, STAF is an organisation developed by social partners whose aim is to protect health and safety at work for temporary agency workers. More information on STAF can be found on section 5.4.

Regarding **fixed-term contracts**, the proportion of countries where initiatives are developed is roughly identical to the proportion for open-ended contracts or TAW. However, contrarily to temporary agency work, no further specific developments for fixed-term workers seem to be in place.

Finally, with regards to **self-employed**, fewer initiatives are developed:

- ▶ In only four countries (NL, PL, CH, NO) social partners develop initiatives related to health and safety provisions. For example, in the Netherlands, social partners initiated a change in law in 2012 in order to enhance protection of self-employed by applying also to self-employed, rules that were in place for the employees with fixed-term or open-ended contracts.
- ▶ As indicated in the Table 25, in most of the countries for which we received an answer, no specific initiatives are developed.

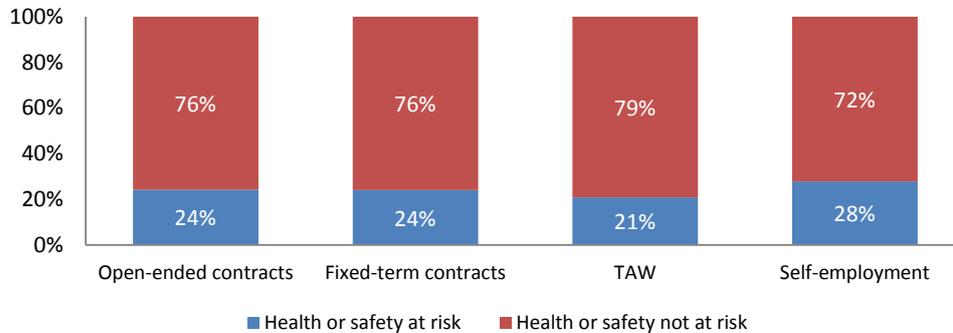
We now analyse the potential differences between the forms of work on the basis of the results of the EWCS (2010) concerning the perception of the workers with regards to health and safety at work.



4.4.2 Health and safety at work

The Figure 15 indicates that, in comparison to other forms of work, temporary agency workers seem to be slightly less at risk for their health and safety than other forms of work: 79% of temporary agency workers indeed declare that their health or safety is not at risk at work, while this percentage equals to 76% for employees with open-ended contracts and employees with fixed-term contracts and 72% for the self-employed.

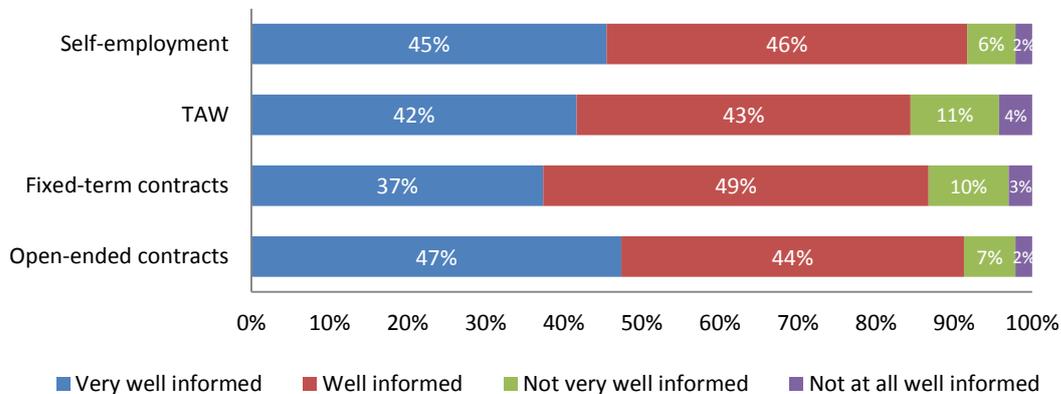
Figure 15: Perception regarding risk at work (% of employees)



Source: IDEA Consult based on microdata from Eurofound EWCS 2010 (microdata received from UK Data)

The figure below presents the results related to the information provided at work with regard to the health and safety risks related to the performance of the job. Temporary agency workers tend to indicate that they are less well informed by employers than other workers: 15% of them consider that they are not well informed. When considering other workers, this share amounts to 13% for fixed-term employees, 9% for employees with open-ended contracts and 8% for self-employed.

Figure 16: Information provided regarding the health and safety risks at work (% employees)



Source: IDEA Consult based on microdata from Eurofound EWCS 2010 (microdata received from UK Data)



4.5 Access to vocational training

In this chapter, we provide information on the access to vocational training, for the different forms of work. According to Idea Consult (2007) and Cedefop (2013), vocational training is defined as ‘training whose main objective is preparing people for work with a basis in manual or practical activities, traditionally non-academic and entirely related to a specific trade, occupation or vocation’.

The survey conducted in the context of this study included two questions related to the access to vocational training:

- ▶ In a first question, respondents were asked to evaluate the access to vocational training for all types of contracts under the scope of the study.
- ▶ In a second question, it was asked whether specific initiatives, related to vocational training, were developed by social partners.

The table below provides the results to the first question.

Table 26: Access to vocational training in theory (average of the national scores, maximum score equals 1)

	Open-ended contracts	TAW	Fixed-term contracts	Self-employment
Similar to open-ended contracts	<i>Benchmark</i>	AU, BE, BG, FI, FR, DE, EL, IT, NL, RO, SI, ES, SE, CH, NO, UK, LUX, PT	AU, BE, BG, FI, FR, DE, EL, IT, RO, SI, ES, SE, CH, NO, UK, PL, LUX, PT	AU, FI, DE, EL, PL, PT, SI, SE
Fewer access		LV, PL	LV, NL	BE, BG, FR, LV, SE, CH
No access		/	/	IT, NL, RO
Index of access to vocational training	1	0.95	0.95	0.65

Source: IDEA Consult based on a survey conducted among the Eurociett and UNI Europa members; The score is calculated on the basis of the national comparisons with open-ended contracts: 1 stands for “identical provisions/conditions”, 0.5 stands for “different and less advantageous provisions/conditions” and 0 for “no provision”.

As indicated below, in a vast majority of countries, **temporary agency workers** have similar access to vocational training as open-ended contracts. Moreover, specific initiatives are developed in order to provide to temporary agency workers specific opportunities to undergo vocational trainings:

- ▶ In Belgium, temporary agency workers have access to the “paid education leave”. However it might be difficult for agency workers to access this paid education leave, given the short duration of some temporary agency work contracts. Some initiatives, specifically focused on temporary agency workers are however developed in order to enhance access to vocational training. A specific fund provides possibilities for individual professional training for agency workers (“IBO Interim”).
- ▶ In France, the contribution’s rate of agencies for financing vocational training of temporary agency workers is higher than the statutory rate.
- ▶ In Italy, a training fund has been established by law and is managed by both agencies representatives and trade unions. The fund is fed by an amount equivalent to 4% of the gross salary of each temporary agency worker and finances various trainings for agency workers.
- ▶ In the Netherlands, a fund (“STOOF”) has also been created in order to enhance access to vocational training⁷⁵.

As indicated in the table, the average index of access to vocational training is however slightly smaller for TAW than for open-ended contracts (1.8 vs. 2). Indeed, in Latvia and Poland, temporary agency workers have weaker access to vocational training than workers under open-ended contracts:

- ▶ In Latvia, in order to participate to some specific programs of vocational training, workers have to work under open-ended contracts.

⁷⁵ Further information are provided in a case study. See section 5.4



- ▶ In Poland, when temporary agency workers are sent to user undertaking for a period shorter than 6 months, the user undertaking is not obliged to propose training to the worker.

Regarding workers with **fixed-term contracts**, the results of the survey tend to indicate that, on average, these workers have a slightly weaker access to vocational training than workers with open-ended contracts but a similar access than temporary agency workers:

- ▶ In the Netherlands, workers with fixed-term contracts have weaker access than workers with open-ended contracts or temporary agency workers. However, in Poland, employees with fixed-term contracts have similar access to vocational training than employees with open-ended contracts
- ▶ In Latvia, in line with the results for temporary agency workers, employees with fixed-term contracts are unable to participate at some specific programs developed only for open-ended contracts.

In comparison to TAW, it appears however that in general fewer initiatives or specific funds seem to exist in order to facilitate the access to training for employees with fixed-term contracts. In practice, it may indeed be difficult for workers with fixed-term contracts of short duration to access training opened for both open-ended and fixed-term contracts in the firms. As a consequence, it appears that, e.g. in France, few workers with fixed-term contracts of short duration effectively undergone training in the company.

Finally, with regards to **self-employment**, in 8 countries (AU, FI, DE, EL, PL, PT, SI, SE) out of 17 countries, respondents estimate that self-employed have an equivalent access to vocational training as open-ended contracts. In 6 countries out of 17 (BE, BG, FR, LV, SE, CH), this access is evaluated as weaker than the access offered to open-ended contracts and finally, in 3 countries out of the 17 (IT, NL, RO), self-employed have no access to vocational training.

As said above, a second question related to vocational training was asked in the survey: the respondents were asked whether initiatives related to vocational training were developed by social partners in their country. The table below presents the results of this question.

Table 27: Existence of initiatives developed by Social partners for vocational training of workers (average of the national scores, maximum score equals 1)

	Open-ended contracts	TAW	Fixed-term contracts	Self-employment
Initiatives developed by SP	AU, BG, FI, PT, SE, UK, IT, NL, NO, BE, CH, DE, FR	AU, BG, FI, PT, SE, UK, FR, IT, NL, NO, BE, CH, DE	AU, BG, FI, PT, SE, UK, IT, NL, NO, BE, CH	AU, BG, FI, PT, SE, UK
No initiative developed by SP	EL, LV, RO, ES, LUX	EL, LV, RO, ES, LUX	EL, LV, RO, ES, LUX	FR, EL, IT, LV, NL, RO, ES, NO, LUX
Depends on sectors / occupations			FR, DE	
Initiatives developed by SP	0.7	0.7	0.67	0.4

Source: IDEA Consult based on a survey conducted among the Eurociett and UNI Europa members; This score is calculated as follows: 1 stands for "initiatives developed by social partners", 0.5 stands for "initiatives developed in some sectors only" and 0 for "no initiative developed".

According to the results of the survey, in 13 countries of the 18 countries that have answered this question, social partners develop initiatives regarding vocational training for employees under open-ended contracts, temporary agency workers and employees with fixed-term contracts. Fewer initiatives are developed for self-employed (only 6 countries out of 15 countries for which we received an answer to this question).

We present below some initiatives organised by social partners for employees under open-ended contracts (these initiatives are available also to fixed-term contracts and TAW):

- ▶ In Belgium, social partners are highly involved in the "paid educational leave". Moreover, various initiatives exist at sectoral level, e.g. training funds.
- ▶ In Bulgaria, the social partners are involved in the National Agency for Vocational Education and Training, in the National council for employment promotion and in the Monitoring committee of Human resources development.
- ▶ In Norway, various CLA's contain specific initiatives on vocational training.



- ▶ In the United Kingdom, organisations such as “union learn” organise various initiatives related to vocational training.

With respect to **temporary agency work**, the following specific initiatives are organised:

- ▶ In Belgium, a training fund exists specifically for temporary agency workers.
- ▶ In France a specific fund for temporary agency workers has also been developed. In particular, in 2013, a new agreement has been reached and allocate additional resources for training with the creation of a new fund (“FSPI”) which is funded by the equivalent of 10% of the payroll of the agency workers hired under open-ended contracts and by the equivalent of 0.5% of the total payroll of all temporary agency workers
- ▶ In Italy, a training fund has been established by law and is managed by both agencies representatives and trade unions. The fund is fed by an amount equivalent to 4% of the gross salary of each temporary agency worker and finances various trainings for agency workers.
- ▶ In the Netherlands, a fund (“STOOF”) has also been created in order to enhance access to vocational training.

Regarding **fixed-term contracts**, the results tend to indicate that initiatives are also developed in various countries. When comparing the index for TAW and fixed-term contracts it appears that the index is slightly larger for TAW. This may be explained by the fact that in Germany, initiatives regarding vocational training are developed for all temporary agency workers while regarding workers with fixed-term contracts, there are initiatives developed in some sectors only.

The table below combines⁷⁶ the responses to those two questions and shows that:

- ▶ On average, fixed-term contracts and temporary agency workers have slightly less access to vocational training than workers under open-ended contracts in the countries covered by the survey.
- ▶ However, the number of countries in which some initiatives are developed by social partners to enhance the access to vocational training is similar for open-ended contracts, fixed-term contracts and temporary agency work.
- ▶ In comparison to TAW, it appears that in general fewer initiatives or specific funds seem to exist in order to facilitate the access to training for employees with fixed-term contracts.
- ▶ Self-employed have less access to vocational training and fewer initiatives are developed for these workers by social partners.

Table 28: Index of access to vocational training (average of the national scores, maximum score equals 1)

	Open-ended contracts	TAW	Fixed-term contracts	Self-employment
Access to vocational training⁷⁷	1 (benchmark)	0.95	0.95	0.65
Initiatives developed by social partners⁷⁸	0.7	0.7	0.67	0.4
Index⁷⁹ of vocational training	0.85	0.82	0.81	0.52

Source: IDEA Consult based on a survey conducted among the Eurociett and UNI Europa members.

Finally, based on results from the European Working Conditions survey (2010) the figure 21 indicates the proportion of workers having followed a given type of training in order to improve their skills. Except when considering self-employed, a vast majority of workers have undergone trainings. With regards to the type of

⁷⁶ The description of the responses might be found in the annex

⁷⁷ The score is calculated on the basis of the national comparisons with open-ended contracts: 1 stands for “identical provisions/conditions”, 0.5 stands for “different and less advantageous provisions/conditions” and 0 for “no provision”.

⁷⁸ This score is calculated as follows: 1 stands for “initiatives developed by social partners”, 0.5 stands for “initiatives developed in some sectors only” and 0 for “no initiative developed”.

⁷⁹ The index is the average of the score of each category.



training followed, it appears that temporary agency workers tend to follow relatively more “On the job training” (40% of temporary agency workers) and “Training paid by yourself” (11%) than employees with open-ended or fixed-term contracts. However temporary agency workers tend to follow relatively less “Training provided by employer” than employees with open-ended contracts or fixed-term contracts.

Figure 17: Training undergone during the last 12 months in order to improve skills (% employees)



Source: IDEA Consult based on microdata from Eurofound EWCS 2010 (microdata received from UK Data)



4.6 Access to representative bodies

The survey among the Eurociett and UNI Europa members included a question related to the representation of the workers. More specifically, the objective of the question was to identify the level at which the workers were represented. The table below provides the answer for the different forms of work.

Table 29: Representation of the workers

	Open-ended contracts	TAW	Fixed-term contracts	Self-employment
National, sectoral and firm (agency, undertaking or both) levels	BE, BG, FI, FR, EL, IT, LV, NL, PT, RO, SI, NO, LUX	AU (agency), BE (agency), BG (both), FI, FR (undertaking), LV (undertaking), NL (both), PT (agency), IT (agency)	BE, BG, FI, FR, EL, IT, LV, NL, PT, RO, SI, NO, LUX	FI, FR
National and sectoral levels	UK	UK	UK	UK, AU, PT, IT
National and firm	AU	AU (agency)	AU	
Sectorial and firm	PL	PL(both), LUX (undertaking)	EE	NL
Sectoral only	SE	SE	SE	
Firm only (agency, undertaking or both)	DE	DE (agency), RO (undertaking), NO (agency)	DE	
No representation	/	SI, EL	/	EL, BE, DE, LV, PL, RO, SE, NO, LUX, BG

Source: IDEA Consult based on a survey conducted among the Eurociett and UNI Europa members

In a majority of the countries considered in the survey, workers with open-ended contracts or fixed-term contracts and temporary agency workers have access to representatives at national, sectoral and firm level. Regarding self-employment, in a vast majority of countries considered workers have no access to representatives.



4.7 Perceptions of job security

The aim of this section is to compare the different forms of work with regards to the perception of job security. In order to do so, we rely on information provided in OECD (2014). The OECD (2014) provides information regarding the perceptions of job security across workers by contract type. More specifically, three measures of subjective job security are analysed on the basis of the answers from the 5th European Working Conditions Survey (EWCS) from Eurofound:

- ▶ *Perceived risk of job loss*: workers with a high perceived risk of job loss are workers who agree or strongly agree that they may lose their job in the six months following the interview.
- ▶ *Perceived re-employment probability subject to job loss*: workers with a low perceived re-employment probability are those who do not agree or strongly disagree that if they lose their job they can easily find another job with a similar salary.
- ▶ *Perceived risk of costly job loss*: workers with a high perceived risk of costly job loss are those with high perceived risk of job loss and a low perceived re-employment probability.

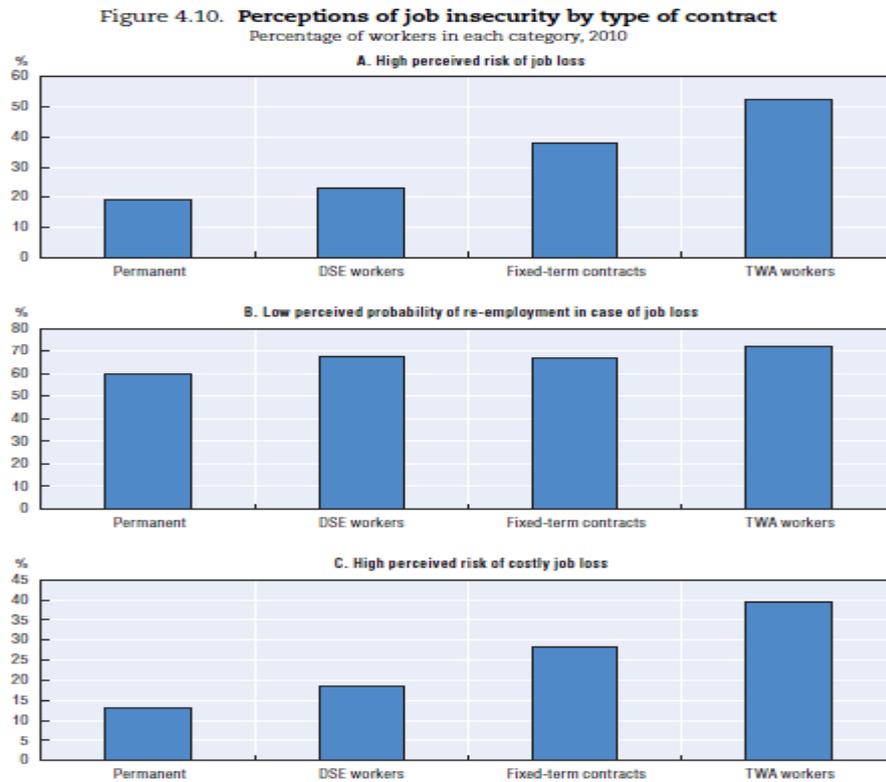
Regarding these three categories and as indicated on the Figure 18, it appears that employees with fixed-term contracts and temporary agency workers are more likely to feel insecure as regard to their job than open-ended contracts⁸⁰.

These results are in line with intuition, given the differences in the “nature” of the contracts: fixed-term contracts and temporary agency work under fixed-term contracts induced fixed and often smaller expected duration of work than open-ended contracts. The OECD indeed estimates that the particularly high figure regarding TAW most likely reflect the typical short duration of TWA assignments. As mentioned in OECD (2014), caution is required when interpreting the results, given that, among other reasons, the “*perceptions are subjective assessments likely to be affected by cultural and personal traits and not necessarily reflect commensurate differences in effective situations. Moreover, workers might sort into contracts according to their preferences, which might bias cross-contract comparisons*” (OECD, 2014, p.173). Caution is particularly required when looking at the low perceived probability of re-employment in case of job loss: the results presented in the case study 5.6 tend to indicate that, at least in France, the probability for being re-employed is higher for former temporary agency workers than for former workers with fixed-term contracts.

⁸⁰ The comparisons between the different types of contract take into account controls for country dummies and a wide range of observable characteristics.



Figure 18: Perceptions of job insecurity by type of contract



Note: Panel A reports the estimated percentage of workers of each type of contract who agree or strongly agree that they may lose their job in the six months following their interview. Panel B reports the estimated percentage of those who do not agree or strongly agree that if they lose their job they can easily find another job with a similar salary. Panel C reports the estimated percentage of those who agree or strongly agree that they may lose their job in the next six months but do not agree or strongly agree that they can easily find another job with a similar salary. Reported rates for permanent workers are averages of the raw responses. For each other type of contracts, the difference with permanent contracts is estimated on the basis of a linear probability model with dummies for gender, country, nine age classes, three education levels, nine occupations, 21 industries, nine tenure classes, nine firm-size classes and an unemployment spell before the current job spell. The estimated difference is then added to the average for permanent workers. The sample excludes workers with more than eight years of job tenure.
DSE: Dependent self-employed, TWA: Temporary work agency.
Source: OECD estimates based on Eurofound (2010), "5th European Working Conditions Survey (EWCS)", www.eurofound.europa.eu/working/surveys/.

StatLink <http://dx.doi.org/10.1787/888933132735>

Source: OECD (2014) based on Eurofound (2010)



4.8 General indexes of job quality

The objective of this last section is to propose overall comparisons of the different forms of work, considering how they perform with respect to generic indicators related to the working and employment conditions. We present the following general indicators:

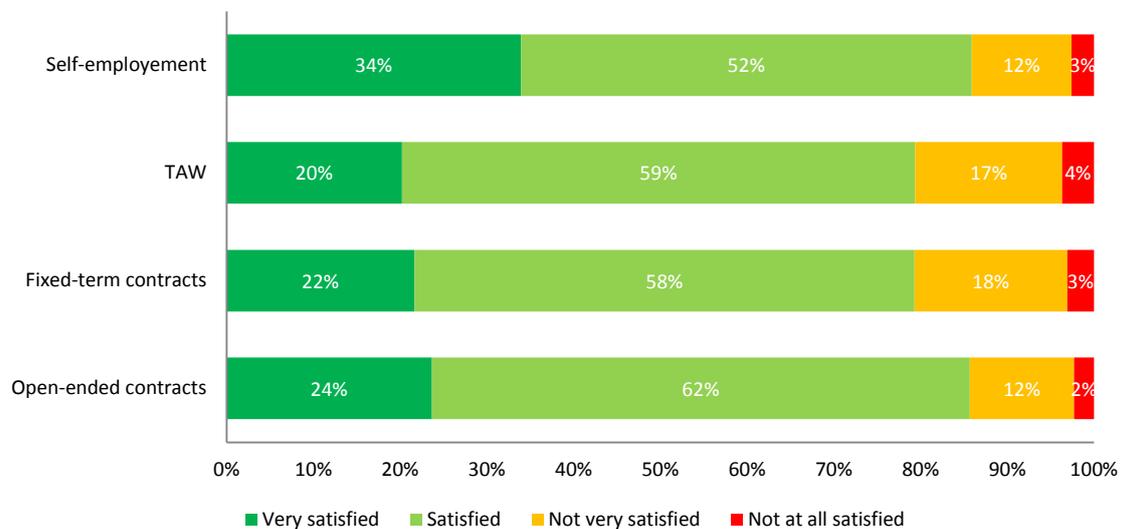
- ▶ An indicator of general satisfaction with working conditions (*EWCS, 2010*)
- ▶ An index of intrinsic job quality (*Eurofound, 2012b based on EWCS, 2010*)
- ▶ An average rating of the different forms of work with regard to the rights they provide to workers (*London Metropolitan University*)
- ▶ Combined indexes of job quality (*Survey conducted in the context of the study and EWCS, 2010*)

4.8.1 Indicator of general satisfaction with working conditions (EWCS, 2010)

First we provide some results regarding the general satisfaction of workers regarding their working and employment conditions. These results are indicated in the Figure 19. The following observations may be pointed out:

- ▶ A vast majority of workers are satisfied with the working conditions, whatever the type of contract.
- ▶ Regarding temporary agency workers, only 21% of them appear to be “not very satisfied” or “not at all satisfied”. This proportion is identical when considering fixed-term employment but is higher than self-employed (15%) or employees with open-ended contracts (14%).
- ▶ Employees with open-ended contracts are in general more satisfied than other form of work: 86% of them are very satisfied or satisfied, versus 79% temporary agency workers and 80% fixed-term employees. However, the proportion of “very satisfied” is relatively higher for self-employed.

Figure 19: General satisfaction with working conditions



Source: IDEA Consult based on microdata from Eurofound EWCS 2010 (microdata received from UK Data)



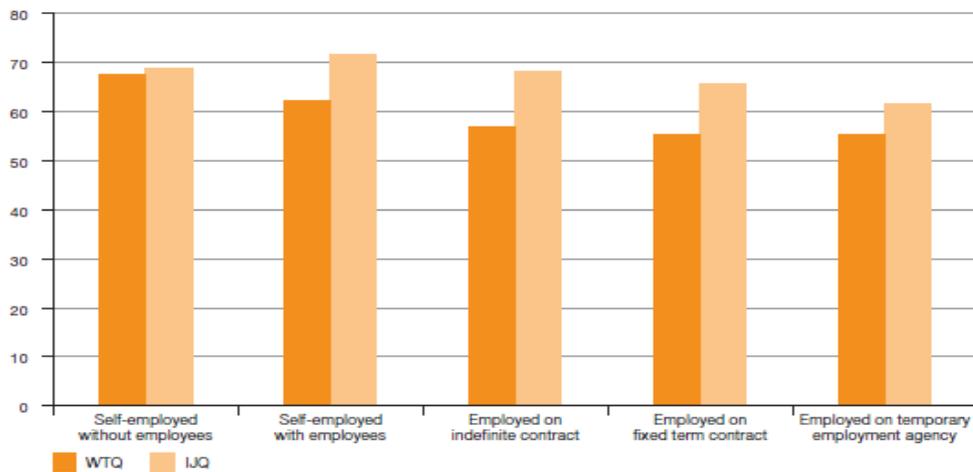
4.8.2 Index of intrinsic job quality (Eurofound, 2012 based on EWCS, 2010)

Eurofound (2012b) provides an index of “intrinsic job quality”, based on an aggregation of several answers collected through the 5th EWCS. This index is based on the following information:

- ▶ Skills and autonomy;
- ▶ Social support and absence of abuse;
- ▶ Low level of physical and posture-related hazards;
- ▶ Work intensity.

As seen in the figure below, self-employed with employees show the highest index of intrinsic job quality. Temporary agency work has the lowest index of intrinsic job-quality, close to fixed-term employment. It however important to point out that this index does not include indicators related to job security or other sort of longer term outlook for the worker. This might therefore overestimate job quality of self-employment.

Figure 20: Index of intrinsic job quality



Source: Eurofound (2012b).



4.8.3 An average rating of the different forms of work with regard to the rights they provide to workers (London Metropolitan University)

Thirdly, the study of the London Metropolitan University (2013) provides an average rating of the different forms of work with regards to the rights they provide to workers in several topics. The results are based on the answers of national experts in 12 Member States (survey conducted in 2011). The following observations may be pointed out:

- ▶ We can observe that temporary agency work doesn't differ widely from open-ended contracts in terms of rights provided: the average rating is 3.7 for temporary agency work, 3.8 for part-time open-ended contracts and 3.9 for full time employment.
- ▶ Temporary agency work doesn't differ much in comparison to fixed-term employment (average rating of respectively 3.7 and 3.8).
- ▶ The rights provided by temporary agency work are much larger than when considering bogus⁸¹ self-employed (average range of 1.7). Temporary agency work also provides more rights than other forms of work that are not under the scope of the study, such as seasonal employment.

Table 30: Employment relationships and rights in 12 Member States, 2011, average ratings between 1 (no rights) and 5 (full rights)

	Job security	Job conversion	Working time limits	Discrimination protection	Pensions	Welfare	Training	Decent Pay	Representation	Average ratings
Part-time indefinite	3.2	2.3	4.5	4.8	4.4	4.6	2.6	3.8	4.3	3.8
Full-time indefinite	3.8	2.3	4.7	4.8	4.4	4.8	2.3	4.4	4.0	3.9
Agency Work	3.0	2.0	4.3	4.7	4.0	4.5	2.7	4.0	3.8	3.7
Fixed term	3.1	2.2	4.6	4.7	4.4	4.5	2.6	4.0	4.2	3.8
Bogus self-employed	1.2	1.4	1.3	2.5	2.9	2.4	1.3	1.4	1.2	1.7

Source: IDEA Consult based on London Metropolitan University (2012)

⁸¹ A bogus self-employed is considered in the study as a "false" self-employed (employees who legally considered as self-employed in order primarily to avoid paying employers National Insurance and to reduce the costs associated with workers' employment rights).



4.8.4 Combined index of job quality (Survey conducted in the context of the study and EWCS, 2010)

We conclude this chapter by presenting a table summarizing the indexes that have been developed in the context of the study. These indexes are based on the results of the survey conducted among the Eurociett and UNI Europa members and the results of the EWCS (2010) conducted by Eurofound. The table below presents those indexes. We present below the main observations that can be pointed out from the table.

Table 31: Indexes of job quality (Survey and EWCS 2010)

	Sources	Open-ended contracts	TAW	Fixed-term contracts	Self-employment
Basic working and employment conditions (broadly defined⁸²)	EWCS 2010 ⁸³	3	2	2	2
Access to social protection	Survey ⁸⁴	1	0.99	0.98	0.62
Vocational training	Survey ⁸⁵	0.85	0.82	0.81	0.52
	EWCS 2010 ⁸⁶	3	2	2	1
Health and safety	Survey ⁸⁷	0.5	0.5	0.5	0.25
	EWCS 2010 ⁸⁸	3	3	3	2

Source: IDEA Consult based on microdata from Eurofound EWCS 2010 (microdata received from UK Data) and on a Survey conducted among the Eurociett and UNI Europa members

In comparison to the other forms of work, **self-employment provides fewer rights** with respect to most of the topics studied.

TAW and fixed-term contracts offer rather similar access and provisions as open-ended contracts with respect to the “access to social protection” and the “health and safety provisions and practices”. It is however important to point out that the effective access to social protection might however be more difficult for workers with contracts of short duration who might have difficulties to accumulate the necessary worked days to get social benefits.

With regards to the two other topics evaluated, open-ended contracts seem to offer better conditions:

- ▶ Regarding “vocational training”, the survey tends to indicate that TAW and fixed-term contracts offer rather similar access as open-ended contracts. However, the data from Eurofound tend to demonstrate that workers under open-ended contracts have a greater access to vocational training.
- ▶ With regards to “basic working and employment conditions” (broadly defined), it appears that open-ended contracts provide better conditions than the other types of contracts. Self-employed, given the flexibility it offers in the scheduling of the working time, have a rather good index in basic working and employment conditions (broadly defined).

⁸² This category includes information that go beyond the definition of the European directives. More specifically, this category includes evaluation of the working time limits and pay but also, evaluation of the satisfaction of workers with the hours worked and the evaluation of the duration, the scheduling and the short-term flexibility over working time.

⁸³ Each form of work gets a score from 3 to 1 based on an analysis of some results of the EWCS (2010) used in the study.

⁸⁴ The index is calculated on the basis of the national comparisons with open-ended contracts: 1 stands for “identical provisions/conditions”, 0.5 stands for “different and less advantageous provisions/conditions” and 0 for “no provision”.

⁸⁵ See table 4 for information regarding the construction of the index.

⁸⁶ Each form of work gets a score from 3 to 1 based on an analysis of some results of the EWCS (2010) used in the study.

⁸⁷ This index is calculated as follows: 1 stands for “initiatives developed by social partner”, 0.5 stands for “initiatives developed in some sectors only” and 0 for “no initiative developed”.

⁸⁸ Each form of work gets a score from 3 to 1 based on an analysis of some results of the EWCS (2010) used in the study.



Finally, when **comparing TAW and standard fixed-term contracts, it appears that the rights provided in various topics are roughly similar⁸⁹. However, in the TAW sector, specific initiatives (bipartite funds or bodies, etc.) are developed by social partners** in order to compensate for the potential difficulty for agency workers to reach the necessary thresholds that give access to social protection provisions. Such provisions do not systematically exist for standard fixed-term contracts, which tend to indicate that the particular employment relationship induced by agency work (triangular relationship) might help to develop potential provisions aimed at enhancing working conditions of workers. The case study on section 5.6 will further analyse the comparison between temporary agency work and standard direct fixed term contract, by highlighting the key differences that might exist in terms of protection potentially offered by the types of contracts.

⁸⁹ It is also important to point out that we might expect the respondents to the survey to have more knowledge about specific legislations for TAW than regarding fixed-term contracts. This observation must therefore be interpreted with cautions.



5/ Case studies

5.1 Key findings of this chapter

In the context of this study, 6 case studies have been conducted. The objective of the case studies is to deepen the analysis of specific relevant topics by focusing on the situation in one or two European countries⁹⁰. We present below the objectives and key findings of each case study (the detailed analysis of each case study can be found in sections 5.2 to 5.7).

The profile and satisfaction of temporary agency workers: the case of Belgium (section 5.2)

The aim of this case study is to focus on temporary agency workers by providing more information regarding their profile (education, backgrounds, motivations for entering TAW, etc.), the characteristics of the assignments and the satisfaction with agency work. In this view, we rely on a large online survey conducted in 2013 on request of Federgon. This survey, that covers a wide and representative proportion of agency workers, allows deriving interesting results that are summarized briefly below:

- ▶ Temporary agency workers do not form a homogenous group of workers, in terms of gender, age, education or professional background. For example, with regards to education, around ¼ of agency workers hold a lower education degree while another ¼ of workers hold a bachelor degree. With regards to the background of temporary agency workers (excluding students), it appears that a wide diversity exists: before the assignment, 51% were employed, 35.9% were unemployed and 8.1% were students.
- ▶ The motivations of workers for entering TAW vary: some agency workers mainly see TAW as stepping stone to obtain a direct contract, other are mainly willing to redirect their career through temporary agency work and, finally, the main motivation of some agency workers is to enjoy the flexibility and diversity TAW offers in term of content of the job, working time, etc.
- ▶ The characteristics of the assignments also vary widely from an assignment to another: temporary agency workers are active in various sectors (mainly services sector, manufacturing or the construction), they have different functions (administrative collaborators, salesman, storekeepers, etc.). A small but significant share of agency workers occupies leading function. Finally, a wide diversity exist also regarding the length of assignment: around ¼ of the assignments last less than 1 month but another ¼ last more than 6 months.
- ▶ Temporary agency workers are highly satisfied with temporary agency work and with their agency (68% of temporary agency workers are satisfied or very satisfied with temporary agency work).

These results illustrate that TAW groups different types of workers and offers a wide diversity of assignments in different sectors of the economy.

⁹⁰ The case study on the stepping stone function of TAW does not focus specifically on one or two countries.



An analysis of the “stepping stone” function of TAW (section 5.3)

This case study aims at further analysing the role of TAW in the labour market and, more specifically, the role of TAW as a stepping stone function from unemployment to work (at short and longer term) and from temporary employment to open-ended contracts. In order to do so, we rely on the results of several (academics) research that focus on different European countries. The review of these studies allows deriving interesting results that are summarized very briefly below:

- ▶ TAW acts clearly as a bridge from unemployment to work: a vast majority of workers entering TAW were unemployed. Moreover, TAW ensures a rather durable transition from unemployment to work, in comparison to fixed-term contracts: e.g. in France a relatively high proportion of temporary agency workers remain employed (whether in TAW, with fixed-term or open ended contract) a year after entering TAW.
- ▶ In comparison to unemployment or fixed-term contracts, temporary agency work may be more efficient in facilitating transitions to open-ended contracts under certain conditions (depending on the period considered, on the profile of temporary agency workers considered, on the methodology used, etc.).

After having analysed in chapter 2/ the role of TAW in allowing firms to adapt to economic changes and in fighting undeclared economies, this case study shows that temporary agency work also enhances career path of the workers by offering them an opportunity to get into employment and/or to ease the access to open-ended contracts.

The role of social partners in regulating TAW: the case of the Netherlands (section 5.4)

As illustrated throughout the study, social dialogue plays a key role in regulating TAW and allows the development of unique funds and bodies that enhance working conditions of the workers. This case study aims at further illustrating the role of social dialogue in regulating and enhancing the system of temporary agency work by focusing on the situation in a particular country: i.e. the Netherlands. The analysis of social dialogue in the Netherlands allows highlighting the following information:

- ▶ Social dialogue, and Collective Labour Agreements (CLA’s) in particular, eases the development of stable labour relationships and allows the creation of common quality standards and regulation among a whole sector or a whole form of work;
- ▶ In practice, the TWA sector in the Netherlands is mainly regulated through the most important CLA: the “ABU CLA”. This CLA complements the laws on TAW and provides derogations from these laws.
- ▶ The key feature of this CLA is the phase’s system (phase A to phase C): the number of accumulated worked days assigns the worker to a given phase. The employment relationship between the agency and the worker differs from one phase to another and, more specifically, goes from a high degree of flexibility in phase A to an open-ended contract in phase C. The phase’s system allows combining a great level of flexibility in the earlier stage and more employment and income protection in the latter ones. This is therefore a good example of “flexicurity”, build up by social partners.
- ▶ The CLA is moreover the starting point for the creation and the development of institutions that promote working conditions of the workers (“STAF”), the training and development of the workers (“STOOF”) and the management of pension for the workers (SNCU).

This case study therefore highlights the importance of social dialogue in the TAW sector: social dialogue allows to build systems that can combine flexibility and employment protection. It further illustrates a key difference between TAW and the other forms of flexible work: the triangular relationship in TAW sector eases the development of systems and initiatives that combine flexibility and employment or income protection.



The use of open-ended contracts in temporary agency work: the case of Germany (section 5.5)

This case study aims at analysing the practice of temporary agency work in Germany and, more particularly, the use of open-ended contracts as the general contractual arrangement in the temporary agency work sector. This case study allows highlighting the following key findings:

- ▶ In Germany, most temporary agency workers are paid between assignments and share strictly similar rights than the other workers under open-ended contracts (except regarding pay, see below).
- ▶ Numerous CLA's allow for derogating from equal pay between temporary agency workers and their counterparts hired directly by the firm.
- ▶ This system provides several advantages to the user undertaking (flexibility, rapid response to needs, qualifications/skills of the workers), the agency (cost, capacity to attract talents, return on investment, availability of a "pool of workers") and the workers (job security, social protection, paid between assignments, skills and career path). One of the key features of the system is the common interest, for the workers, the agency and the user undertaking, in investing in training in order to enhance skills of the workers and to decrease the cost, for the agency, of the non-assignment of the workers.

This case study confirms that the blurring line between the forms of work is rather large: categories are not exclusive. Temporary agency work both includes contractual arrangements based on fixed-term contracts and based on open-ended contracts.

This case study also illustrates the key role played by social partners in regulating TAW: social partners manage to create regulatory framework aimed at offering high degree of flexibility to the firms while providing opportunities to the workers to enjoy stable employment.

A focus on fixed-term contracts (FTC's): the case of France and Spain (section 5.6)

This case study aims at further deepening the analysis of the evolution and the working conditions of fixed-term contracts. As discussed in chapter 2/, no harmonized data at EU level allow for analysing the evolution of standard fixed-term contracts. We therefore focus on the situation in two countries (France and Spain) in order to be able to further analyse the evolution of the size of FTCs and the working and employment conditions of these workers. The following key results might be, among others, pointed out:

- ▶ In France and in Spain, a strong increase of fixed-term contracts of short duration (less than one month) occurred during the last years.
- ▶ FTC's, TAW and open-ended contracts offer roughly comparable rights regarding social protection. However, the effective access to social benefits might be difficult for workers with contracts of short duration (difficulties in accumulating the required amount of worked days). In this view, the case study confirms that, in comparison to TAW, much fewer initiatives are developed in order to enhance the effective access to social protection for workers under fixed-term contracts. Therefore, the sharp increase in fixed-term contracts of short duration rises concerns in term of access to social protection for these workers.

This case study highlights the need to develop mechanisms aimed at enhancing social protection of workers with contract of very short duration. In comparison to the TAW sector, very few of such mechanisms are specifically developed for FTCs.



A focus on self-employment: the case of Italy and Spain (*section 5.7*)

Self-employment is a form of flexible work that groups a wide variety of situations. In order to get a clearer understanding on this form of employment, this case study further deepens the evolution of self-employment and the working and employment conditions of self-employed. In order to do so, a specific analysis of the situation in Italy and Spain is provided. The following key findings might be pointed out:

- ▶ Self-employment regroups a wide diversity of situations in terms of occupations (lawyers, salesmen, farmers etc.) but also in terms of “degree of dependency” to the client (e.g. there are economically dependent self-employed who present some characteristics of dependent work, such as only one client and few flexibly in scheduling working time, etc.).
- ▶ The share of self-employment is high in Spain and Italy, particularly in sectors such as the construction sector, the insurance/finance sector (Italy) and agriculture (Spain).
- ▶ Self-employed have a much weaker access to social protection than the other workers. However, some types of self-employed benefit from specific funds that ensure a relatively good level of social security.
- ▶ With regards to working conditions, in Europe, self-employed appear to earn more than FTCs or temporary agency workers and tend to have a high index of working time quality. However, they have less access to vocational training than other workers and the health and safety of self-employed is more at risk. When looking at Italy, self-employed appear to earn less than their employees counterparts and to face high risk of transitions from employment to unemployment. Regarding Spain, a high inequality of earnings might be noticed among the self-employees. Those workers tend to work more than employees’ counterparts but have a roughly similar level of general job satisfaction.

This case study illustrates that flexible forms of work must ideally be accompanied by initiatives, developed by social partners, whose aim is to ensure access to social protection for these workers. It appears that several initiatives are developed in the TAW sector while it is clearly less the case for workers with fixed-term contracts or self-employed.

This case study also illustrates that, in some countries, the emergence of less regulated forms of flexible work (e.g. economically dependent self-employment) might hamper the development of TAW: this dynamic might occur at the expense of the working conditions of the workers.



5.2 The profile and satisfaction of temporary agency workers: the case of Belgium

In this chapter, we analyse the profile and satisfaction of temporary agency workers. This case study focuses on one specific country, Belgium.

This selection can be explained by the fact that in Belgium, the Federation of temporary agency work, Federgon, organises each two years a large scale survey amongst Temporary Agency workers. Next to these surveys, last years, the profile and satisfaction of temporary agency workers have also been analysed by different trade unions (the ABVV and ACV). These studies present rather similar results.

In this case study, we present the main results of the two-year survey for Belgium. The structure of the case study is as follows:

- ▶ First, we briefly describe the methodology of the surveys on TAW for Belgium;
- ▶ Then, we present the profile of Temporary Agency Workers;
- ▶ Then, we focus on the motivations of workers to perform Temporary Agency Work;
- ▶ We present the characteristics of the assignments;
- ▶ We then discuss the satisfaction of Temporary Agency Workers;
- ▶ Finally, we provide information about the career path of the workers after TAW assignment (the “stepping stone” function will be further analysed in case section 5.3).

5.2.1 Methodology

As indicated above, Federgon organises every two years (since 2009) a large scale online survey whose aim is to analyse the profile, the motivations and the satisfaction of temporary agency workers.

The last survey⁹¹ was conducted in 2013 and focused mostly on temporary agency workers that were hired between the 11th of September and the 11th of October 2013. 13.161 temporary agency workers have answered the questionnaire.

As indicated above, the questionnaire included questions about the profile, the motivations and the satisfaction of the temporary agency workers. More specifically, the following topics were analysed:

- ▶ Profile’s characteristics;
- ▶ Job’s characteristics;
- ▶ Characteristics of the current or the last assignment;
- ▶ Past and expected career path of the workers;
- ▶ Motivation in working as a temporary agency workers;
- ▶ Satisfaction with temporary agency work;
- ▶ Specific questions for students.

In order to enhance the statistical representativeness of the results, the latters have been weighted according to the profile of temporary agency workers in the administrative data (gender, age, etc.).

In this case study, we present only some of the results of the survey. Below, we briefly summarize some of the results related to the profile’s characteristics of the workers; their motivations; the characteristics of the assignments and the satisfaction of the workers.

⁹¹ See <http://www.federgon.be/en/temporary-agency-work/profiel-van-de-uitzendkrachten/profile-of-temporary-agency-workers/>.



5.2.2 The profile of temporary agency workers

The results from the survey conducted in 2013 show that temporary agency workers do not form a homogenous group of workers: the age, level of education and the professional background differ from a worker to another:

- ▶ Regarding **gender**, it appears that 56.1% of the temporary agency workers in Belgium in 2013 are men and 43.9% are women.
- ▶ A **large share of temporary agency workers are less than 25 years old (59.2%)**, 31.9% are aged between 25 and 45 years old and 9% of all temporary agency workers are more than 45 years old. It is important to recall that, previously to the surveys conducted in 2009 and 2011, the survey of 2013 included students.
- ▶ Most of the agency workers in Belgium have **Belgian nationality (87.5%)**, however a significant share of temporary agency workers have a non-Belgian nationality: 6% of them have a nationality from the EU-27 and 6.5% have a nationality from outside EU-27.
- ▶ Regarding **the level of education** of the temporary agency workers, a wide diversity can be noticed: 25.3% of the temporary agency workers have lower secondary school degree, 48% have a higher secondary school degree and 26.7% have a higher education degree.
- ▶ The **professional background** of the workers tends also to indicate a wide diversity in the workers. Before the assignment, 51.7% of the workers were employed, 35.9% were unemployed, 4.4% were inactive and 8.1% were students.

5.2.3 Motivations for working in temporary agency sector

In line with the existence of various profiles of temporary agency workers, the motivations to work as an agency worker also differ strongly from worker to worker. On the basis of the results of the survey conducted in 2013 we can distinguish 5 specific types of agency workers, according to their main motivations:

- ▶ **"The step-stoners"**: For these workers, the main motivation for entering TAW is to get later a direct contract (open-ended or fixed-term contract). These workers accounted in 2013 for 47.3% of all temporary agency workers.
- ▶ **"The extra earners"**: these workers are willing to earn extra money through temporary agency work. These workers accounted in 2013 for 28.7 of all temporary agency workers. A large part of this workers are students.
- ▶ **"The young professionals"**: these workers are willing to acquire a first relevant professional experience that may help them enhancing positioning in the labour market. These workers accounted for 15% of all temporary agency workers in 2013.
- ▶ **"The career re-launchers"**: these workers are willing to redirect their career through temporary agency and accounted for 4.8% of all temporary agency workers in 2013.
- ▶ **"The flex professionals"**: these workers enjoy the possibility offered by TAW to have distinct working experiences, enjoying professionals' changes. They account for 4.2% of all temporary agency workers in 2013.

It appears therefore clearly that the motivations to perform temporary agency work differ between the workers. Furthermore, these results show that all temporary agency workers do not enter TAW only to get later an open-ended contract.



5.2.4 Characteristics of the assignments

In this section, we provide information regarding the sectors of the assignments, the function occupied by the workers, the length of the assignment and the trainings undergone in this context.

As indicated below, temporary agency workers are active in various sectors and have different functions. Regarding the **sectors** of occupation, the following key observations might be pointed out:

- ▶ 58.8% of the temporary agency workers undergone the assignment in the services sector and more particularly in retails, hotels and catering sector, logistics and distribution, etc.
- ▶ 33.4% of the temporary agency workers were active in manufactory sector and more particularly, in food sector, metallurgy, etc.
- ▶ 5.4% of the temporary agency workers were assigned in the construction sector, 1.8% in agriculture and 0.6% in extractive industries.

Regarding to the **function** occupied, the following main observations might be pointed out:

- ▶ 17.7% of the manual workers (“ouvriers”) worked as storekeepers, 11.3% as packagers and 7.2% as kitchen staff.
- ▶ 19.3% of the clerical workers (“employés”) worked as administrative collaborators, 19.3% as salesman and 13.2% as cashier.

Regarding the share of temporary agency workers with a leading function, it appears that 6.2% of the temporary agency workers had a leading function in 2013. Around 40% of these workers had to lead more than 5 workers.

As indicated on the figure below, the **length of the assignments** varies widely from an assignment to another. The figure below presents the length of assignment for temporary agency workers in 2013. More specifically, it presents the results for all agency workers, for those who consider TAW as their main job and for those who consider TWA as a complementary activity.

Figure 21: Length of assignments in 2013



Source: IDEA Consult based on Federgon (2013)

The following key observations might be pointed out:

- ▶ When considering all temporary agency workers, 23.3% of all assignments lasted less than 5 days in 2013. However, when looking at workers whom TAW is their main job, this share decreases to 14.6%.
- ▶ When considering all temporary agency workers, 35% of all assignments lasted more than 3 months in 2013. When considering only workers who consider TAW as their main job, this proportion amounts to nearly 50% of the assignments.
- ▶ Finally, when considering all temporary agency workers, 11% of all assignments lasted more than a year.

These assignments provided to a significant number of temporary agency workers the opportunity to undergone **trainings**. In 2013, 15.2% of the temporary agency workers had undergone training. The average length of these trainings was 3.5 days. Regarding the moment where these trainings had taken place, it appears that 63.4% of the training took place during the assignment, 31.4% of the trainings took place before the assignment



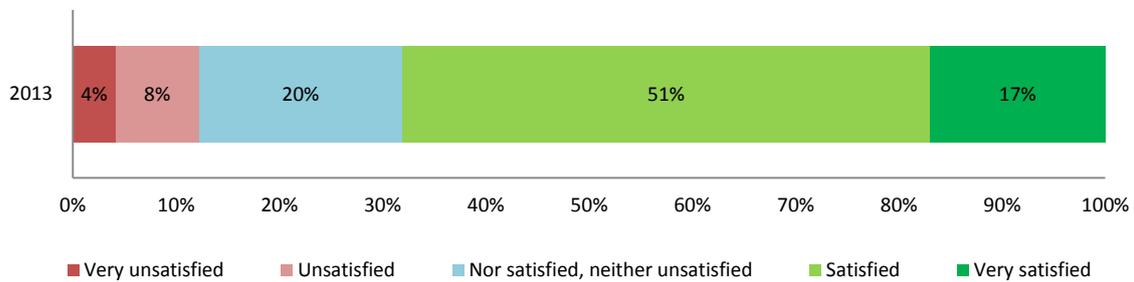
and 5% occurred between two assignments. The trainings were mostly devoted to the following topics (descendent orders):

- ▶ Technical abilities;
- ▶ Safety, prevention and Health;
- ▶ Logistics;
- ▶ Administration;
- ▶ Social skills;
- ▶ IT.

5.2.5 The satisfaction of temporary agency workers

The figure below indicates the degree of satisfaction of the workers with respect to their work as temporary agency worker. As indicated in the figure, a vast majority of workers (68%) are satisfied or very satisfied with the temporary agency work. Only 4% of temporary agency workers are very unsatisfied with temporary agency work.

Figure 22: General satisfaction of temporary agency workers with respect to temporary agency work (2013)



Source: IDEA Consult based on Federgon (2013)

This general satisfaction is confirmed by the fact that a very large majority of workers (77.8%) would advise their relatives to work as a temporary agency worker and 85.5% of the temporary agency workers would agree to work as temporary agency worker again in a near future.

The survey provides further information on the aspects of temporary agency work that provide most satisfaction to the workers.

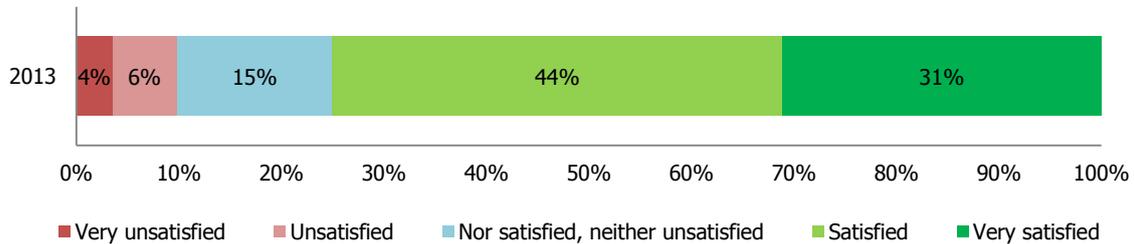
- ▶ 75% of the workers are satisfied or very satisfied with the **scheduling of the working time**.
- ▶ 74.3% of the workers are satisfied or very satisfied with the **number of working hours**.
- ▶ The respondents were also particularly satisfied with the **accessibility of the work place** (73.1%) and the **working atmosphere**.
- ▶ The workers were also particularly satisfied with the **content of the work** (68.2%).
- ▶ Other particular reasons of satisfaction for the workers are the **welcoming and the support** in the user undertaking (67.2% of the workers).

The results indicated above demonstrate that workers are particularly satisfied with the flexibility offered by temporary agency work but also with topics directly related to the work itself: the content, the atmosphere at work, etc.



The figure below indicates the satisfaction of the workers with respect to their temporary work agency. Again, a vast majority of agency workers (75%) are satisfied with their agency.

Figure 23: General satisfaction of the workers with respect to their temporary agency (2013)



Source: IDEA Consult based on Federgon (2013)

The reasons explaining this satisfaction are, among other reasons:

- ▶ On-time and correct paid wages;
- ▶ Workers in the agency are comprehensive and respectful;
- ▶ Contracts proposed are deemed as correct and relevant;
- ▶ Etc.

5.2.6 Stepping stone function of temporary agency workers

We present below some key results of the survey related to the stepping stone function of temporary agency work:

- ▶ Around 80% of all temporary agency workers (students excluded) were looking for a direct employment contract (fixed-term or open-ended contracts) in 2013. This proportion includes also workers for whom finding a direct employment contract is not per se their exclusive and main motivation.
- ▶ From the total group of temporary agency workers employed in the agency work sector between 11/09/2013 and 11/10/2013, after only 1 month, 33% were already hired under a direct contract. Among these 33% workers, 61% received a contract within the user undertaking and 39% outside the user undertaking.

The following case study will analyse more in depth the stepping stone function of TAW.



5.3 An analysis of the “stepping stone” function of TAW

The aim of this case study is to analyse the role of TAW as a stepping stone from unemployment to work and from temporary employment to “stable” employment (open-ended contracts). Some studies (mostly at national level) analysed the role of TAW in the transitions in the labour market. We provide in this case study the results of some of the empirical analysis that have been conducted. In this case study, we do not restrict ourselves to the analysis in one country in particular in order to present a sufficient number of studies conducted in various countries. The structure of this chapter is as follow:

- ▶ In a first section we introduce the theory of the transitions in the labour market and present the (theoretical) reasons that may explain why temporary employment might act as stepping stone into stable employment. We also present the methodological issues arising when trying to measure the role played by a form of work in the transitions.
- ▶ Then, based on the empirical results of various studies, we briefly assess the role of temporary agency work in the transition “from unemployment to work”. We both study whether temporary agency work helps leaving unemployment at short term and at longer term.
- ▶ Finally, we analyse the role of temporary agency work in specifically helping transitions to “stable” employment (i.e. open-ended contracts).

5.3.1 The transitions in the labour market

In this section, the following theoretical points will be briefly presented:

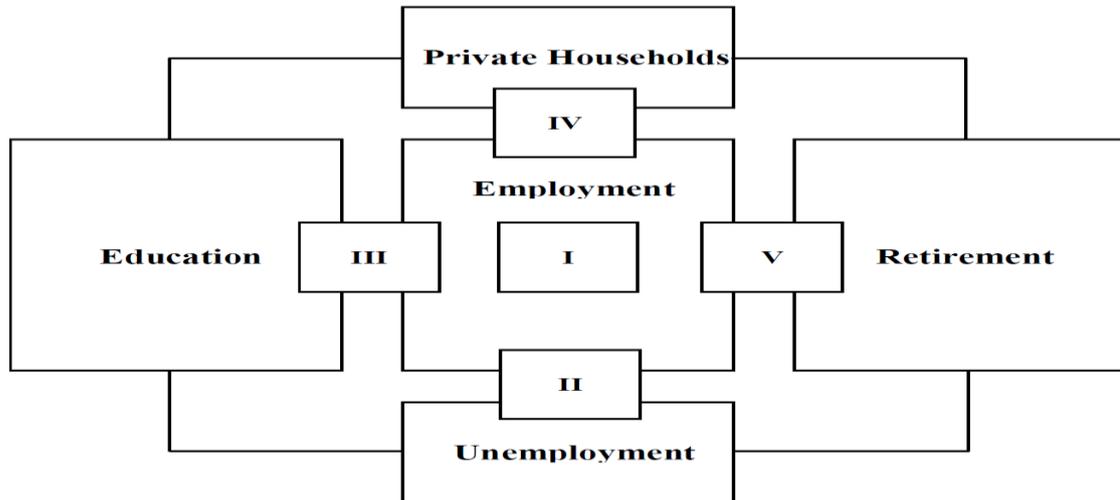
- ▶ The theory of the “Labour market transitions”.
- ▶ A brief description of the driving forces explaining why TAW might be a stepping stone into stable employment.
- ▶ The methodological issues that arise when trying to evaluate the stepping stone function of the forms of work.



5.3.1.1 Theory of labour market transitions

Based on the theory of the life cycle oriented concept of labour market transitions developed by Schmid (1998), the figure below indicates the different transitions that occur in the labour market.

Figure 24: Labour market transitions



Source: Eurociett and UNI Europa (2013) based on Schmid (1998)

The following transitions might be identified:

- ▶ Transition 1 refers to the transitions within the labour market: transitions between part-time employment to full-time employment, transition between fixed-term employment to open-ended contracts or between dependent to full-time employment;
- ▶ Transition 2 refers to the transition between unemployment and employment;
- ▶ Transition 3 refers to the transition between education and employment;
- ▶ Transition 4 refers to the transition between private domestic activities and employment;
- ▶ Transition 5 refers to the transition between employment and retirement.

Given the availability of the results, the nature of TAW and the expected role it is intended to play in the labour market (as exposed in the Memorandum of understanding or in EU directive) we focus in this case study on the role played by TAW in two of these transitions:

- ▶ The transition from unemployment to employment, both at short and longer term;
- ▶ The transitions between fixed-term employment and open-ended contracts.

The role of TAW in easing transition from education to employment will not be studied in this case study. However, as indicated in the case study 5.2, there are evidence that a large group of students consider TAW as a transition from education to work.

5.3.1.2 Theoretical driving forces

The reasons that explain how TAW might help people to get out of unemployment are straightforward: TAW provides opportunities to a large group of unemployed people (all level of qualifications, experience, etc.) to gain work experience and acquire human capital, to deepen the attachment to the labour market, and to search more effectively for other employment opportunities (Eurociett and UNI Europa, 2013, p. 84).

According to the OECD (2014), the following driving forces might explain why temporary employment might act as bridge from temporary employment (no distinction made between TAW and fixed-term contracts) to stable employment:



- ▶ Acquisition of labour market experience;
- ▶ Temporary employment gives access to informal networks;
- ▶ Improvement in human capital;
- ▶ Temporary employment acts as a positive signal for potential employers (motivation, etc.);
- ▶ Provides multiples experiences, therefore increasing the probability of matches in the future;

Next to these driving forces explaining why temporary work may act in general as a stepping-stone, the role of temporary work agencies (e.g. in counselling workers, in the provision of trainings and new assignments, etc.) is a specific additional driving force in the case of temporary agency work.

According to the OECD (2014) the following driving forces might however explain why temporary employment could act as a “trap” into fixed-term work:

- ▶ Crowd out efforts to search for more stable positions;
- ▶ Signal low ambition or less productive skills;
- ▶ More binding financial constraints (unemployment benefits) which imply chaining together multiple spells of “non-regular” jobs.

It is important to point out that the underlying hypothesis of various analysis of the stepping stone function is that all workers are looking ideally for stable positions: it may not be the case, as seen in the case study on the profile and motivations of temporary agency workers. Below, we indicate the methodological issues that arise when trying to measure empirically the stepping- stone function of temporary agency work.

5.3.1.3 Methodological issues

A rather broad research literature exists on the role of TAW as a stepping stone into employment and into open-ended contracts in particular. This literature is based on different analytical and methodological angles. However several methodological issues arise when trying to measure empirically the stepping stone function of TAW. The box below, based on Eurociett and UNI Europa (2013), presents these main issues.

Box 1: Methodological issues in measuring stepping stone function of TAW

- ▶ As said above, the ‘analysis of the stepping-stone function of temporary agency work should take into account that some agency workers are not looking for direct/open-ended contracts, consequently these workers should not be included in these statistics as to avoid methodological distortions
- ▶ Furthermore, there are “composition” effects or factors that are hard to control, i.e. persons who choose to work with temporary employment agencies are not the same that the ones who do not.
- ▶ From a statistical point of view, moreover, it is not only the passage into a specific employment contract such as a temporary agency job contract that matters, but also its duration and its frequency.
- ▶ Finally, if some individual characteristics can be observed and controlled (such as sex, age, qualification level etc.), others are much harder to control (e.g. occupational experience) or cannot be measured (such as individual efforts) but are key factors for people’s trajectories in the labour market. These factors illustrate that even results from studies that include control groups should be interpreted with caution.’ (Eurociett and UNI Europa, 2013, p.85).

Source: UNI Europa and Eurociett and UNI Europa (2013)

In the two following sections, and keeping in mind these methodological issues, we present the results of various studies regarding:

- ▶ The role of TAW in easing transitions from unemployment to employment in general;
- ▶ The role of TAW in specifically easing the transitions from temporary employment to more “stable” employment (open-ended contracts).



5.3.2 Transition from unemployment to work

We analyse in this section whether TAW acts as a bridge between unemployment and employment (all types of employment). We first analyse whether TAW offers to unemployed an opportunity to get out of unemployment in a first stage. Then we analyse the career path at longer term by analysing whether TAW helps to get out durably of unemployment.

5.3.2.1 From unemployment to work, in a first stage

As indicated in Eurociett and UNI Europa (2013), the bridging function of temporary agency work from unemployment to work appeared clearly when looking at the comparative review of the profile and background of temporary agency workers:

- ▶ In France, according to data from CEREQ (2014)⁹², 56% of the persons entering the TAW in 2012 were previously unemployed. Dares (2014) indicates that in March 2014, 14.9% of all transitions from unemployment to work were due to temporary agency work. This proportion has increased by 2.6 percentage points with respect to December 2013 while the share of transitions from unemployment to work due to fixed term-contracts of short duration has decreased by 1 percentage point. In comparison to “assisted fixed-term jobs”, the share of people leaving unemployment through temporary agency work is twice larger. TAW acts therefore clearly as bridge from unemployment to work, at least at short term.
- ▶ In Italy, it is reported that more than 40% of temporary agency workers were unemployed before starting temporary agency work.
- ▶ In Germany, more than 60% of people starting temporary agency work in 2011 were either unemployed or had never worked before.
- ▶ In the Netherlands, large sample data from the Centre for Work and Income (CWI) show that throughout 2011 years quite a stable proportion of around 33% of unemployed persons return to work through temporary agency work.
- ▶ In Belgium, as indicated in the previous case study, 35% of all temporary agency workers (including students and covering all temporary agency workers, i.e. not only those entering TAW) were unemployed before the assignment in 2013.

These figures and quite a lot of other larger statistical surveys⁹³ have confirmed a significant bridging effect of temporary agency work between unemployment and work.

⁹² See Institut de l'entreprise (2014).

⁹³ This has been done in most cases on the basis of descriptive research and surveys through the ‘timing of events’ approach, i.e. the comparison of the employment status before starting temporary agency work and after a certain period of time.



5.3.2.2 From unemployment to work on a durable way

Several studies clearly illustrate the longer term effect of temporary agency work on employment: after one year, a high share of formerly unemployed people that have entered TAW would remain employed, within temporary agency work or in direct employment, either with fixed-term or open-ended contracts.

In France, the CEREQ provides information regarding the career path and the profile of TAW by analysing the situation of agency workers after their first assignment in 2012. 56% of these considered workers were unemployed before this first assignment. One year after experiencing first TAW assignment in 2012, 11% of the newly arrived agency workers were hired under open-ended contracts, 8% under fixed-term contracts, 42% were still in temporary agency work and the share of unemployed persons was down to 32%.

Again in France, Pole Emploi (2014) indicates that in 2013, 5.5% of the subscriptions to unemployment benefits were related to workers having ended TAW while this proportion amounted to 25% for fixed-term contracts. According to Prisme (2014), the average length of duration of assignments in agency work is shorter and the number of fixed-term contracts and number of assignments is similar: this tends to indicate that in comparison to fixed-term contracts, TAW offers relatively more possibilities to remain employed.

Pole Emploi (2014) provides also information regarding the career path of the people who have subscribed to unemployment benefits in 2012. It appears that in March 2013, 54% of the former temporary agency workers who had subscribed to unemployment benefits were employed again while this share amounted to 43% for fixed-term contracts. These results tend again to indicate that TAW provides more opportunity than fixed-term contracts to remain employed.

To conclude, the following key observations might be pointed out from this analysis:

- ▶ TAW acts clearly as a bridge from unemployment to work: a vast majority of workers entering TAW were unemployed.
- ▶ TAW ensures a rather durable transition from unemployment to work, in comparison to fixed-term contracts (in France): a relative high proportion of TAW remains employed (whether in TAW, with fixed-term or open ended contract) a year after entering TAW.

5.3.3 From temporary employment to open-ended contracts

The role and functioning of temporary agency work as a stepping-stone into “open-ended employment” is subject of debate. The different studies reviewed indicate indeed contradictory results. We present below some studies that identify a stepping stone effect and other studies that estimate that TAW does not provide a stepping stone effect into “open-ended employment”. It is important to remind that there are wide methodological issues in measuring this stepping stone effect (see section 5.3.1.3). One of these issues is that several temporary agency workers are not looking for open-ended contracts.

According to Eurociett and UNI Europa (2013), a number of surveys confirm an “adhesive” effect of temporary agency work, i.e. after one year a significant number of employees are likely to be offered a direct “open-ended employment” by the user company after an assignment. Temporary agency workers may also find open-ended contracts elsewhere than at the user company. We present below the results of some survey that tend to indicate that TAW plays a significant role in easing transition from temporary to “open-ended” contracts.

- ▶ In the Netherlands, in 2009, 56% of agency workers reported that they sought permanent employment using agency work, and 29% of all temporary agency workers found a permanent job within a year, either at the user undertaking (12%) or elsewhere (17%). In addition, the social partners in the temporary agency work sector have established a phase system in their CLA, whereby over time temporary agency workers make a transition to open-ended contract with the employment agency.
- ▶ In Belgium, Federgon (the Belgian federation of temporary agency work) conducted a survey 2013 on temporary agency workers hired in September – October 2013 (see case study 5.2 for more information). It appears that after one month, 33% of the workers⁹⁴ who were willing to find a direct contract (fixed-term or open-ended contracts) were effectively hired under a direct contract. Among these workers, 54% of the workers received a contract within the user undertaking and 46% outside the user undertaking.

⁹⁴ Excluding students.



- ▶ In France, the latest survey of the bipartite Observatory of Occupations and Jobs shows that 16% of workers, who had at least one assignment as a temporary agency worker, had obtained an open-ended contract within a year. Based on the survey of the CEREQ, l'Institut de l'entreprise (2013) provides information regarding the transitions of young workers. More specifically, it analyses the trajectories of a set of workers having their first employment and who have remained employed three years later. In 2010, 49% of these workers had their first job with fixed-term contracts, 16% with temporary agency work and 31% with an open-ended contract. When looking at these workers three years later, 27% were hired under fixed-term contracts, 6% in temporary agency work and 61% with open-ended contracts. The increasing share of open-ended contracts among these young workers indicates therefore that a transition to "stable" employment occurred. In particular, the share of TAW decreased, indicating that it creates bridges to other types of employment.
- ▶ INSEE (2010) provides information on the contracts of short duration in the region "Nord-pas-de-Calais". More specifically, they study the transitions of the employees that left their job between March and October 2007. For these employees, it appears that:
 - ◆ 20.1% of temporary agency workers who left between March and October get an open-ended contracts six months later;
 - ◆ Only 15.5% of workers with full time fixed-term contracts who left their job between March and October 2007 get an open-ended contract while only 6.1% of the workers with part-time fixed-term contracts get an open-ended contract.
- ▶ In Belgium, a study has monitored the trajectories of a large sample of people, who worked as temporary agency workers in 2005 over a period of three years until 2008 and compared them with a control group of people not in temporary agency work. The results show that:
 - ◆ Compared to the control group of those who were unemployed in 2005, temporary agency workers have a higher chance to move into open-ended contracts: the insertion rates after one year are nearly 30% (compared to 22% at the control group), 41% after two years (control group: 31.6%) and 55% after three years (control group: 43%);
 - ◆ The risk of becoming/staying unemployed for people that start temporary agency work is significantly lower than amongst the control group. After one year, 32.6% of agency workers are not in employment (compared to 56% of the control group), 30.2% after two years (control group: 49.9%), and 31.3% after three years (control group: 48.2%).
- ▶ In Italy, according to the "Italian Work Histories Panel (1998-2003)" study, 66.5% of workers aged 16-35 years old that finished temporary agency work in the 1998-1999 period moved to open-ended employment.

The following academic studies have also identified a stepping stone function of TAW from temporary employment to open-ended contracts.

- ▶ Jahn and Rosholm (2012) perform an analysis of the stepping-stone effect of temporary agency employment on unemployed workers in Denmark. Using the timing-of-events approach, they find 'evidence of large positive effects of TAW on the likelihood of getting open-ended contracts, particularly for immigrants. Their results show that agency employment is even more effective in tight labour markets, where firms use agency employment primarily to screen potential candidates for permanent posts' (Jahn and Rosholm, 2012, p.1).
- ▶ García-Pérez and Muñoz-Bullón (2005)⁹⁵ focus upon the effect of TWA on occupational mobility through a comparison of the job-to-job upgrading chances of TWA and non-TWA workers. The results suggest that 'agency workers can expect greater upgrading chances between two different occupations. Results obtained from a sample of Spanish workers show that working through temporary agencies allows workers in intermediate occupational levels to avoid occupational demotions more easily than non-TWA ones. Moreover, TWA improves the probability for high-skilled workers of achieving an open-ended contract. The empirical analysis demonstrates that the existence of self-selection is an important explanation for increased occupational mobility among TWA workers in Spain' (García-Pérez and Muñoz-Bullón, 2005, p.1).

⁹⁵ See <http://docubib.uc3m.es/WORKINGPAPERS/WB/wb034110.pdf>.



These researches identify a stepping stone function of TAW into open-ended contracts. We present below some researches that do not identify such a function for TAW. It is important to point out that results depend on the economic conditions of the period analysed (smaller stepping stone effect in time of high unemployment, etc.) and of the level of qualifications of the TAW workers considered: workers in "target groups" are likely to remain in agency work in time of high unemployment.

Givord and Wilner (2014)⁹⁶ analyse the differences among short term contracts in terms of career prospects. They use French data over the period 2002-2010. It appears that the stepping stone function of TAW into open-ended contracts is not identified and TAW performs hardly better than unemployment in this regard. 'In the French case, we find that FTCs provide access to open-ended contracts significantly more often than unemployment does; however, this is not the case for TAW' (Giverod and Wilner, 2014, p.1).

Kvasnicka (2005)⁹⁷ estimates the stepping-stone function of temporary agency work for the unemployed both at short and long term. These results are based on administrative data from the federal employment office in Germany. The results show that unemployed workers who take up a job in the temporary work agency (TWA) industry are:

- ▶ On average more likely than unemployed workers not joining TAW to be in agency employment in the four year period these workers are tracked after entering TAW.
- ▶ However, they find no discernible effects on the probabilities of being either in regular employment or registered unemployment. Their findings therefore do not lend support to the stepping-stone function of temporary agency work.

De Graaf-zijl et al. (2004) using Dutch data from 1998 to 2000 show that temporary agency jobs shorten the unemployment duration, although they do not increase the fraction of unemployed workers having open-ended contracts within a few years after entry into unemployment.

Combining all the results presented above, the following key brief observations may be pointed out:

- ▶ TAW acts clearly as a bridge from unemployment to work: a vast majority of workers entering TAW were unemployed.
- ▶ TAW ensures a rather durable transition from unemployment to work, in comparison to fixed-term contracts (in France): a relative high proportion of TAW remains employed (whether in TAW or with direct fixed-term or open ended contracts) a year after entering TAW.
- ▶ In comparison to other forms of temporary work or in comparison to unemployment, temporary agency work may be more efficient in facilitating transitions to open-ended contracts but under certain conditions (depends on the period considered, on the profile of temporary agency workers considered, on the methodology used, etc.).

⁹⁶ See http://www.crest.fr/ckfinder/userfiles/files/Pageperso/lwilner/FTC_TAW.pdf.

⁹⁷ See <https://www.econstor.eu/dspace/bitstream/10419/25057/1/501739661.PD>.



5.4 The role of social partners in regulating TAW: the case of the Netherlands

Social dialogue plays a key role in regulating TAW in Europe. The directive on TAW gives for example the possibility to deviate from some provisions in the case a CLA is signed by the social partners. The latter play also a key role in developing provisions aimed at enhancing career path of the worker (vocational training, etc.).

This case study aims at illustrating the role of Social Dialogue in regulating and enhancing the system of temporary agency work by providing a brief analyse of the regulation of TAW in the Netherlands. The structure of the case study is as follow:

- ▶ In the first section, we describe briefly main legislations and CLA's that regulate TAW in the Netherlands;
- ▶ Then, we describe the key provisions of the CLA's regulating TAW;
- ▶ Finally, we discuss other examples of key achievements of social dialogue in the Netherlands: the development of vocational training and health and safety provisions and practices

5.4.1 Social dialogue in the Netherlands and the key CLA's that regulate TAW

In the Netherlands, it is common that social partners work together on specific issues. As indicated in ILO (2013)⁹⁸, employers and workers organizations representatives meet frequently at national and sectoral level. A typical feature of the Dutch model of social dialogue and consensus-seeking is the "Collectieve arbeids overeenkomst" ("collective labour agreements"). The CLA's are binding and may include mandatory extensions beyond the original parties to the negotiation in order to ensure stable labour relations and industrial peace.

Regarding the TAW sector, CLA's also play a key role in regulating and organising the temporary agency work sector. Indeed, while in the Netherlands TAW is initially regulated by two main laws (mainly the "Flexwet" and the "WAADI"⁹⁹), the CLA's complement the latter. Moreover, as indicated in ILO (2013), employers and workers are allowed to deviate from the legal rules through Collective Labour Agreement (CLA). The provisions included in those CLA's are extended also to non-signatories which ensures that all the actors of the sector do comply with a common ground regarding key regulations and quality standards.

In addition to regulating employment and legal status of temporary workers, the CLA's are also the starting point for the creation and the development of institutions that promote working conditions (Stichting Arbo Flex Industry; STAF), training and development (Foundation Training & Development Flex Industry; STOFF), compliance with the collective agreement (Foundation Compliance CAO temporary workers; SNCU) and pension (pension Fund for Personnel; StiPP). Hence, the role of collective bargaining is very important in the Netherlands.

The most important CLA in the Netherlands is the "**ABU CLA**".¹⁰⁰ It was concluded by workers representatives¹⁰¹ and the largest employer's organisation, the Algemene Bond Uitzendondernemingen ("ABU"). The ABU organisation represents about 500 members who account for over 60% of the market share. The ABU CLA is seen as generally binding, except where the CLA concluded by NBBU applies (see below). A new ABU CLA has been recently concluded and will replace in 2015 the former ABU agreement.

Beside the "ABU CLA", two smaller CLA's have been concluded in the Netherlands by other employers and employees organisations:

- ▶ The "NBBU CLA" has been concluded by the second main employer organisation (NBBU) and the LBV (workers representatives). According to Eurofound (2014ndls), the NBBU has about 800 members (mainly SME's) and, according to ILO (2013), accounts for 25% of the market share.
- ▶ The "ContinuFlex" is an agreement concluded between NVUB (employers' representative) and de AVV (workers representative) who represent a relatively small share of the market (less than 15%). This agreement is barely used: the signatories have to apply the provisions of the ABU, except if the provisions included in the ContinuFlex CLA provision turn out to be more favourable for the workers.

⁹⁸ See ILO (2013), http://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---sector/documents/publication/wcms_231420.pdf

⁹⁹ The "WAADI" has later complemented the "flexwet" (abolishing licensing system, abolishing the ban on agency work in the construction industry initially in place and abolishing some other restrictions related to the duration of the assignments, etc.).

¹⁰⁰ See De belangrijkste cao is de ABU cao: <http://www.abu.nl/publicaties/cao> .

¹⁰¹ "FNV Bondgenoten en CNV Dienstenbond".



In the next paragraph, we describe the key provisions of the ABU CLA and the NBBU CLA.

5.4.2 Description of the key provisions included in the CLA's

In this section, we describe the key provisions included in the CLA of ABU and NBBU and their impact on the employment and working conditions of the temporary agency workers. Specifically, we present two main elements of the CLA's:

- ◆ The phase's system, which is the core of the CLA'S;
- ◆ The impact of the provisions on access to social protection.

▶ The phase's system

The key feature of the ABU and NBBU CLA's is the organisation of temporary agency work with a system of phases. As indicated in the summary of the Collective Labour Agreement of the ABU¹⁰², the further the workers advance in the phases, the more rights they obtain, thus the more "permanent" the relationship with the private employment agency becomes. In the box below, we detail this phase system, for both the current ABU CLA and NBBU CLA. This box is based on the information provided in ILO (2013)¹⁰³.

Box 2: Description of the "phase's system" in the ABU and NBBU CLA's

ABU CLA

Both ABU and NBBU have a phase system, with employment security rising as the worker reaches a higher phase. There are three phases (A to C) in the current collective Labour Agreement (2012-2017) concluded between ABU and four trade unions (FNV Bondgenoten, De Unie, CNV Dienstenbond; and Landelijke Belangen Vereniging LBV).

- ▶ As a rule, employees start in Phase A and, provided they stay the course, end up in Phase C. Phase A lasts at most 78 weeks. In this phase the user company and the worker may terminate the contract at any time ("end of assignment is end of contract" – the so-called "agency clause"). The contract also ends when the worker falls ill. Every assignment adds up to the 78 weeks. Interruptions between assignments play no role in this unless the interruption lasts more than 26 weeks in which case the 78-week counter goes back to zero. When not on assignment the worker receives no pay.
- ▶ After having completed 78 weeks of work for the same agency, the worker enters phase B. Up to eight contracts may be concluded in phase B within a period of at most two years. The agency continues to pay the worker in case of illness or a break between assignments. This is the equivalent of 91% of the last received wage during the first year of illness but in any case no less than the minimum wage.
- ▶ After completion of phase B (i.e. after three and a half years) the worker enters phase C and gets an open-ended contracts which he or she also continues to be paid by the agency in case of illness or breaks between assignments.

In terms of pay, during the first 26 weeks the worker receives either the wage stipulated in the ABU scales or that stipulated by the user company. From week 27 at the same company, the user company pay scales apply automatically. In 2009, 7% of all agency workers were in either phase B or phase C (Keizer, 2011).

As indicated in the box 2 The latest CLA with duration of 5 years stipulates that, as of April 2015 equal pay will be introduced from the very start of each contract. However, the ABU-scales will still apply to certain "target groups".

NBBU CLA

The NBBU CLA (2014 to end 2019) also stipulates a phase system (1 to 4) with growing employment security. As in the ABU CLA, workers in the last phase (phase 4 – after 3 1/2 years) must be offered a

¹⁰² See http://www.abu.nl/yourpassage/Collective_labour_agreement_temporary_agency_workers_2012-2017-summary/index.html.

¹⁰³ The information provided are based on the agreements currently in place. As said before, a new ABU CLA will be in place in 2015. The box 2 will provide some information regarding the main points included in the agreement.



contract without time limit. Phase 1 lasts 26 weeks; phase 2 lasts 104 weeks, and phase 3 lasts 52 weeks.

Main difference between ABU and NBBU collective labour agreements

The main difference between the ABU and the NBBU phase system is that workers for NBBU-affiliated agencies work under the agency clause during both phase 1 and phase 2. This is longer than in the ABU CLA. On the other hand, workers covered by the NBBU CLA are paid according the user company scales from day one.

As of 2016 the ABU and NBBU collective labour agreements will be more alike, due to all the changes in the law.

Source: ILO (2013).

As indicated in FNV (2014), from 2015 on, the new ABU agreement will be in place. The box below presents briefly the main points of the agreement, based on the information provided in FNV (2014).

Box 3: Description of the main points included in the following ABU CLA (2015)

- ▶ Equal pay from the first day of work on.
- ▶ The phase B lasts longer and the maximal duration of temporary contract in phase B is higher.
- ▶ Measures to prevent abuse of day/week contracts, 0 hour contracts, etc. will be introduced in order to better protect workers in phase A.
- ▶ Several changes in the salary structure are planned. These changes will, among other effects, imply that wages will be at the level of the average wage in the market for identical work.
- ▶ Etc.

▶ **Effect of the phase’s system on social protection for agency workers**

As indicated in the box 1, the employment relationship between the worker and the agency depends on the phase in which the worker is: in phase A, the worker’s social protection relies mainly on standard protection defined by the state. In phase C, workers are under open-ended contracts with the agency. The rate of contribution of the agency increases but the amount of social benefits received (irrespective of the number of worked days) by the worker are defined by law and are therefore equivalent from a phase to another.

For workers in phase A, who generally work on the basis of a specific flexible agency work contract¹⁰⁴, illness will result in immediate termination of the assignment at the user company and in immediate termination of the specific flexible agency work contract. These workers have however the right to **sickness benefits** from the national authority (UWV), with the agency supplementing this by up to 91% in the first year and 80% in the following year. In phases B and C, the sickness benefits are paid by the agency. The amount, irrespective of the worked days, received by the worker are defined by law and are therefore equivalent from a phase to another

Regarding **pensions benefits**, workers in phase A who are over 21 years old have a pension contribution of 2.6% paid by their agency; in phases B and C, the contribution is 12.3 %, including a third paid by the undertaking. The net contribution, irrespective of the worked days, are defined by law and are therefore equivalent from a phase to another. The difference between phases lies in the evolution of the share paid by the agency.

The employment relationship between the agency and the worker differs from one phase to another and, more particularly, goes from a high degree of flexibility in phase A to an open-ended contract in phase C. The phase’s system allows combining a **great level of flexibility in the earlier stage and more employment and income protection in the latter ones**. This is therefore a good example of “flexicurity”, build up by the social partners.

¹⁰⁴ Some workers may however have signed a secondment contract, a contract with no specific flexible agency work contract (see ABU, 2013).



5.4.3 The role of social partners in the development of vocational training and health and safety provisions and practices

In addition to regulating employment and legal status of temporary workers, the ABU CLA is also the starting point for the creation and the development of institutions that promote working conditions (Stichting Arbo Flex Industry; STAF), training and development (Foundation Training & Development Flex Industry; STOOF), compliance with the collective agreement (Foundation Compliance CAO temporary workers; SNCU) and pension (pension Fund for Personnel; StiPP). Hence, the role of collective bargaining is very important in the Netherlands.

We below briefly present two of these bodies: the Foundation Training & Development Flex Industry (STOOF) and the Stichting Arbo Flex Industry (STAF).

▶ Social partners and vocational training

Besides the key role in regulating TAW through CLA's, social partners work also together on enhancing the system of vocational training.

A bipartite foundation, named "STOOF", has been set up by social partners. This foundation is conducted by the industry itself and is not co-financed by the government. As indicated in STOOF (2014), the Foundation supports flexible organizations in the Netherlands in the development and training of their temporary employees. The organizations can rely on STOOF for advice, financial support, expertise and assistance with implementation.

As a consequence of the efforts made in vocational training (including, among others, the work of "STOOF"), a relatively high number of temporary agency workers benefit from training opportunities: a survey of STOOF in 2014 indicates that around 27% of the agency workers had undergone training in 2013.

A survey published in 2011 moreover illustrates that, in the Netherlands, temporary agency workers receive more training paid (at least partly) by the employer compared to workers employed on fixed-term contracts. This might be explained by the fact that the temporary agency work is a real sector, which facilitates the construction, by social partners, of unique foundations/provisions (such as STOOF) that can benefit all temporary agency workers.

▶ Social partners and health and safety provisions and practices

Social partners have developed in 2007 the "Stichting Arbo Flexbranche" ("STAF"), an organisation whose aim is to protect health and safety at work for workers in the agency sector. STAF advocates occupational health and safety in the temporary agency work sector. As indicated by STAF, 'the foundation's goal is to improve working conditions, decrease sickness absence and increase reintegration options within the temporary agency work sector' (STAF, 2014, p.1). These objectives are implemented by:

- ◆ Collecting and disseminating knowledge about working conditions, prevention, absence and reintegration;
- ◆ Education and communication;
- ◆ Providing advice and information to temporary work agencies, employees, social partners and public bodies.



5.5 The use of open-ended contracts in temporary agency work: the case of Germany

5.5.1 Introduction

As illustrated in the report, temporary agency workers are not necessarily hired under fixed-term contracts by their agency. In several countries, open-ended contracts can be offered by an agency to a (temporary) agency worker.

This case study aims at further deepening the particularity of open-ended contracts in temporary agency work. In order to do so, we focus on the situation in Germany, where the proportion of open-ended contracts is one of the highest among the European countries. The structure of the case study is as follows:

- ▶ We briefly describe how the temporary agency sector is organised in Germany, presenting the key principles and main legislations.
- ▶ We then present the size and evolution of open-ended contracts in the temporary agency work.
- ▶ We describe the characteristics of open-ended contracts for temporary agency workers in Germany.
- ▶ Finally, we present the advantages and disadvantages of such contracts for the temporary agency workers and the firms.

5.5.2 The organisation of agency work in Germany

We provide below a brief description of the organisation of agency work in Germany. We first describe how the system of temporary agency work differs from the system in place in other European countries. Then, the evolution of the legislation is briefly described. This evolution explains, among other things, the past and current size of open-ended contracts in the temporary agency work sector.

5.5.2.1 The "employment principle"

As indicated in BAP (2014)¹⁰⁵, we can broadly distinguish two main principles that describe the organisation of temporary agency work in a country: the agency principle and the employer principle:

- ▶ Regarding the "agency principle", the agency takes on the role of intermediary and hires temporary agency workers under fixed-term contracts for specific assignments. The temporary agency workers are not paid between the assignments.
- ▶ Regarding the "employer principle", the agency does not synchronize the contracts of the workers with the placement in the undertaking (contracts are as a rule, open-ended). Temporary workers receive continued payment during periods of leave and illness, as well as when they cannot be placed in a customer organisation.

In Germany, the "employer principle" is fully developed. Therefore, a vast majority of agency workers are hired under open-ended contracts and are all paid between assignments. The agency has the same obligations as any other employer, for example with respect to payment in case of annual leave, illness or lack of placement, protection against unfair termination of labour contracts, right to pension and health benefits, compulsory insurance, etc.

We provide briefly below the key legislations and social agreements that surround agency work in Germany and that explain, among other explanations, the weight of open-ended contracts in this sector.

5.5.2.2 Key legislations¹⁰⁶

Unlike most of the European countries, the use of fixed-term contracts was initially forbidden in agency work: agency workers had to be hired under open-ended contracts by the agency. This obligation was part of "The Labour Placement Act", that came into effect in 1972 and that has been amended several times since then. In order to prevent agencies from circumventing the principle of an open-ended contract, the re-employment ban and the synchronization ban were included in the legislation. As indicated in IAB (2006), "the ban on re-employment prohibits the agency from terminating the contract and then repeatedly re-employing the worker

¹⁰⁵ See BAP (2014), Employer's vs. agency model (EN).

¹⁰⁶ This section is based on Katsalop (2013), Temporary Help Agencies and Their Effect on Firm Performance in Germany, see http://www.uh.edu/~vkatsala/draft_katsalop_ch2.pdf.



within a three-month period. This regulation permits only one-time termination and re-employment¹⁰⁷. The ban on synchronization requires that the employment contract exceeds the length of the initial placement¹⁰⁸ (IAB, 2006, p.9).

Practically, the ban on the use of fixed-term contracts in agency work remained in place until 1997. Indeed, the ease of fixed-term contracts that occurred in 1985 (through the relaxation of some requirements) was not applicable to the agency sector: the conditions for the conclusions of fixed-term temporary employment contracts were even stricter than those for the conclusions of ordinary fixed-term contracts. The use of fixed-term contracts was therefore still limited to very strict conditions in law and not widespread. Before 1997, the maximum period of assignment was 9 months and it was still prohibited to hire a worker for the length of the first assignment at a user firm.

Since 1997, agencies have been allowed to hire workers on the basis of a fixed-term contract, without having to provide specific reasons. The fixed-term contracts could be renewed¹⁰⁹ up to 3 times and the duration could not exceed 24 months. The agency has been allowed to conclude fixed-term contracts with the worker for the duration of the first assignment at the undertaking and the period of assignment was extended from 9 months to 12 months.

The reform of 2002 extended the maximum period of assignment up to two years. By the law passed on 23rd December 2002 (so-called Hartz I), the maximum length of assignment of agency workers was completely abolished in Germany. Since then, the agency work market has grown rapidly. According to BAP, this Hartz I reform implemented higher work flexibility in favour of creating new jobs.

Moreover, as indicated in Katslalap (2013), the 2002 reform introduced the principle of equal treatment: it was stated that agency workers have the right to the same remuneration as workers employed directly by the user firm after working there for more than 12 months. Then, in 2004, a new law aimed at introducing equal pay from the first day of the assignment on, however this new law allowed for derogation from the principle of equal treatment if collective labour agreement was signed in the sector. As a consequence, numerous collective agreements were concluded in anticipation of this reform. By the end of 2003, nearly 97% of all agencies paid their agency workers according to a sectoral collective agreement, circumventing the principle of equal treatment.

Based upon the coalition agreement of governing parties of CDU/CSU and SPD from November 2013, the new German government (grand coalition of CDU/CSU and SPD) intends to implement two key restrictions for agencies: firstly, agency workers should be assigned up to 18 months at maximum. Secondly, the federal government wants to implement a legal claim for equal payment after 9 months. It is unclear yet, how and how far the scope of these planned legal restrictions for employers will be in detail since there has been no draft law disclosed yet. According to BAP, a legal opening clause for all existing and new supplement collective wage agreements made by social partners should be implemented in order not to lose the advantages that can be gained from these collective agreements. These advantages are, still according to BAP, more transparent and higher wages. Regarding the maximum length of assignment, BAP demands the implementation of legal opening clauses for CLAs¹¹⁰ to allow derogations in order to increase length of assignment in some cases. This would allow, for example, to fill the gap of parental leaves or to finalise long term projects for R&D. According to BAP, 'without such opening clauses, investments into educative measures and long term professional trainings would be hindered and projects with specific skills needs and integration of foreign people in the German labour market would be hampered'.

As illustrated above, social dialogue therefore plays currently a key role in regulating TAW in Germany. Employers are strongly bound to CLAs; payment and other working conditions are core part of CLAs. According to employers representatives (see BAP, 2014), this offered Germany the opportunity to implement the flexicurity model of the directive on TAW: "social fairness and wide social protection for the employee and flexibility for the employer".

It is important to point out the fact that future expected regulations mentioned ahead will threaten the actual organisation of temporary agency work in Germany and, in particular, the proportion of open-ended contracts in the sector. According to BAP (2014), 'these kinds of regulations could infringe upon collective wage autonomy and would massively hinder temporary agency work in its function as a professional propeller and opportunity for

¹⁰⁷ However, this rule does not apply if the worker quits.

¹⁰⁸ This rule does not apply if the first assignment is followed by a second (short) assignment.

¹⁰⁹ The renewal of the contracts requires however justifying reasons.

¹¹⁰ Agreed by TAW sector and the unions, as well as agreed by the local worker council of a company and its management.



those who are less qualified' (BAP, 2014, p.2). Moreover, if such measures were implemented, it could be assumed that some open-ended contracts would be converted into fixed-term ones. Indeed, the introduction of the maximum assignment period could imply a higher risk for the client companies and workers of being enforced to break off the assignment against their will and needs. Certain areas of application of TAW, like the replacement of workers in maternal leave (in Germany, employees have a right of 36 months of maternal leave) or engineering projects, would become impractical because they often last longer than 18 months.

Moreover, the sustainability of the system of open-ended contracts in temporary agency work might decrease given that equal pay would have to be respected (the combination of payment between assignments and equal pay might turn out to be too costly in certain fields of employment like low skilled work).



5.5.3 Size and evolution of open-ended contracts in temporary agency work in Germany

As indicated above, fixed-term contracts for agency workers are allowed in Germany. However, the data indicated below show that open-ended contracts still account for the majority of contracts in the temporary agency sector in this country. According to BAP (2014)¹¹¹, 83.2% of all TAW contracts are open-ended (4th quarter of 2013). According to the OECD (2014), 60% of temporary agency workers are hired under an open-ended contract in Germany, (average 2011-2012).

Open-ended contracts therefore remain the "general employment relationship" in temporary agency work. Several reasons might explain the higher proportion of open-ended contracts in temporary agency work in comparison to fixed-term contracts in temporary agency work:

- ▶ The Labour Law related to fixed-term contracts implies several binding rules that do not favour the use of such contracts (renewals, duration, etc.).
- ▶ Given the current "war for talents", employers must be as attractive as possible. Open-ended contracts are therefore favoured, given the advantages it provides to the workers (see next chapter).
- ▶ The regulation that has been built through the social agreements allows combining need for flexibility for the firms and advantages, in terms of social protection, for the workers. Open-ended contracts therefore benefit both sides of the temporary agency work sector (see chapter 4).

However, as discussed in the previous chapter, according to BAP (2014), the proportion of open-ended contracts and the actual system of temporary agency work could be threatened by the potential measures expected to be implemented by the actual government.

5.5.4 Characteristics of open-ended contracts for agency workers in Germany

We present below the key characteristics of the open-ended contracts in the temporary agency work sector in Germany. We specifically present the following characteristics of the contracts:

- ◆ Remuneration during assignments;
 - ◆ Remuneration between assignments;
 - ◆ Trial periods;
 - ◆ End of contract, notice and procedures;
 - ◆ Employment duration.
- ▶ **Remuneration during assignments:**

According to Prisme (2009), temporary agency workers under open-ended contracts in Germany get paid according to the level of "classification" (manager, etc.) in the collective agreement of employment agencies and in correspondence with the classification in the user undertaking. The pay may therefore vary from an assignment to another, according to the type of tasks that must be implemented. Generally, the remuneration is calculated on the basis of the hours of work specified in the contract. If the effective duration of the work appears to last for more than 15% of the scheduled duration, the employees gets an additional remuneration (25% of the scheduled hourly wage) for the supplementary hours worked. This supplemental payment is part of the remuneration of the periods between the assignments (see below).

German temporary agency work offers further "supplemental payments" for work at nights, holidays and Sundays as well as the Holiday- and Christmas-supplemental payments

With regards to the comparison of the wage with other forms of work, as a general rule and as in the other European countries, in Germany the "equal treatment principle" according to the Temporary Agency Employment Act is recognized by the law. However, as indicated before, social partners have developed a collective labour agreement system that is adhered by most of the temporary employment agencies (more than 90%) and that defined another system of remuneration than equal pay: in practice, the principle of equal pay is therefore not applied. Through these CLA's, it might be the case that a temporary agency worker's salary (set by a CLA on TAW) is lower than the salary of comparable staff hired under non-TAW open-ended contracts.

¹¹¹ See "BAP": 141015_BAP_employer's vs. agency model_EN.doc; data source: Soziale Innovation GmbH: iGZ-Mittelstandsbarometer, last quarter 2014.



The first national general minimum has been introduced from 1 January 2015 on in Germany. This general statutory minimum wage of 8.50 euros will apply to all sectors and employees throughout Germany from 1 January 2015. But there is the possibility of derogation for all sectors with a binding CLA up to the end of 2016. Since the German temporary agency work industry agreed CLAs with the unions, these CLAs continue to apply until the end of 2016. These CLAs take precedence over the federal legal minimum wage.

Before that, no general national minimum wage existed, however there were minimum wages in some sectors: construction, cleaners, etc. In the temporary agency work sector, a minimum wage level for the sector has already been introduced. The minimum wage level decided on by the social partners for temporary agency work has been 8.50 euros /hour in western Germany since 1 January 2014; this level will gradually be reached in the east of Germany too by mid of 2016.

According to BAP (2014), the gap between the pay of the staff in the undertaking and the temporary agency workers has been reduced since 2012 by the so-called industry "supplement collective wage agreements". The aim of these agreements was 'to close the gap in salaries between temporary agency workers and employees of the undertaking in the most important placement areas. With those supplement collective wage agreements equal-pay-alike levels of payment are achieved. To date, in Germany there are eleven sector-specific collective labour agreements on supplemental payments in operation for temporary agency work' (BAP, 2014, p.2).

▶ Remuneration between assignments

Between assignments, the temporary agency workers under open-ended contracts remain paid. The remuneration is calculated on the basis of the monthly duration planned on the contract (35 hours according to the CLA) and the hourly wage rate (defined by classification, see above).

In practice, the remunerations, during and between the assignments, are determined through the system of "working-time accounts" implemented through the § 4.2 of the Framework CLA of German temporary agency work. These "working-time accounts" are necessary to record all working hours of agency workers and allow flexibility in case those workers are not assigned. Through these working time accounts, the workers can save their overtime if they work more than 35 hours per week which is the agreed regular working time according to § 2 of the Framework CLA BAP. For example a worker who works 40 hours a week during an assignment is paid for 35 hours per week and "saves" therefore 5 hours a week in the relevant working-time account. During non-assignment periods these time savings are used to bridge the time period to the next assignment. Working-time savings are therefore reduced during these non-assignment periods. On the other hand, temporary agency workers are being paid constantly and without any interruption during these non-assignment periods. The use of working-time accounts is therefore crucial for the temporary agency work to finance the payments between non-assignment periods.

▶ Trial periods

According to Prisme (2009), the trial period for agency workers under open-ended contracts lasts up to 6 months, depending on the individual contracts - as for standard non-TAW open-ended contracts (the trial period of up to 6 months is not specific to TAW).

▶ End of contracts, notices and procedures:

The notice before the end of the contract for temporary agency workers under open-ended contract is of one week during the first three months, two weeks for contracts broken between the 4th and 6th months and one month after 6 months.

During the 6 months of the trial period it is possible to break the contract without justifications. Beyond this period, the procedures for firing an employee are relatively cumbersome: apart from justifying the firing through "serious misconduct" or "objective reasons", the agency must bring a proof that it is impossible to reclassify the workers within the company. Therefore for workers with rather common/general qualification, it is hard to justify firing. According to Prisme (2009), there are therefore around 50% of the open-ended contracts of the temporary agency workers that are broken before the end of the trial period. However, as indicated below, employment duration tend to be high.



▶ Employment duration:

According to BAP (2014)¹¹², the average employment of Temporary Agency Workers under open-ended contracts lasted 16.4 months on average in 2011. Unfortunately, there is no more recent study on that since then. In 2010, still according to BAP (2014)¹¹³, 27.6% of all employments lasted longer than 9 months and 13.8% of all employments lasted even longer than 18 months.

¹¹² Source: Institut für Arbeitsmarkt- und Berufsforschung (IAB) der Bundesagentur für Arbeit: IAB-Kurzbericht 13/2014; Mittelwert nach Bestandsgrößenkonzept.

¹¹³ Source: Institut für Arbeitsmarkt- und Berufsforschung (IAB) der Bundesagentur für Arbeit: IAB-Kurzbericht 13/2014.



5.5.5 Advantages and disadvantages related to the use of open-ended contracts in TAW

Based on the existing literature, in this paragraph, we briefly review the advantages/disadvantages that are due to the utilisation of open-ended contracts in agency work instead of using, as in many countries, mostly fixed-term contracts. We briefly review the advantages/disadvantages for the workers, the agencies and the undertakings.

5.5.5.1 Advantages and disadvantages for the workers

- ▶ **Job security:** Obviously, for temporary agency workers, open-ended contracts offer a higher level of job security than fixed-term contracts. As indicated before, a rather large proportion of agency workers are effectively hired with open-ended contracts and are equally covered by protection against dismissals etc., as any other open-ended contract.
- ▶ **Pay:** As said above, workers are paid between assignments; this offers a great advantage in comparison to workers under fixed-term contracts (synchronized with the duration of the assignments). The counterpart of this advantage, agreed in the social agreement, was to receive a wage that could have been smaller in some cases to equivalent workers under open-ended contract directly hired by the undertaking (while still being above the minimum wage agreed by social partners).
- ▶ **Social protection:** As explained above, workers are still paid between assignments. In comparison to fixed-term contracts, this offers of course a potential greater protection for workers who wouldn't have accumulated sufficient working days for benefiting of unemployment benefits.
- ▶ **Training / qualifications skills / Career path:** As explained below, agencies may have more incentive to invest in better qualifications of their employees if the latter are under open-ended contracts. There is less risk for them that the worker leaves the agency once the assignment finished. Indeed, a period without assignment for temporary agency workers under open-ended contracts is costly for an agency. Agencies therefore generally use this period to invest in improving skills of the workers. Investment in training may be seen therefore as a win-win situation for workers and agencies.

5.5.5.2 Advantages and disadvantages for the agencies

- ▶ **Cost:** The open-ended contracts of the agency workers imply a high cost risk for agencies, in case of non-assignments of some workers. As explained above, this has been somewhat compensated by the fact that a social agreement was reached in order to define a specific wage structure for agency workers (the system of "working-time accounts").
- ▶ **Capacity to attract talents:** The opportunity to be able to offer open-ended contract allows the agencies to attract some talents that are eventually willing to be hired under open-ended contracts. This is all the more important when there are shortages of given qualifications (war of talent).
- ▶ **Return on investment:** The returns on the investment made in training, etc. for the workers might be greater for the agencies that work with temporary agency workers with open-ended contracts: indeed, the risk that these workers leave the agency is smaller than under fixed-term contract.
- ▶ **Pool of workers:** The agencies have constantly a "pool" of (qualified) workers available. The agencies might therefore respond quicker to the needs of their clients without having to find constantly "new" available workers.

5.5.5.3 Advantages and disadvantages for the user undertakings

- ▶ **Cost:** As explained above, the system allows firms to have access to temporary workforce at relatively low cost. The wage paid to temporary agency workers must be above the minimum wage agreed in the agency sector but often below pay of the workers working directly with the firms. However, the firms must pay a fee to the agency. In comparison with workers employed directly by the firm, the total cost of TAW might therefore be larger of smaller, depending on the firm considered. However, in any case, TAW offers flexible workforce to the firms.
- ▶ **Qualifications:** As explained above, for the agencies, the incentive to provide training and systems aiming at facilitating the acquisition of qualifications and skills is higher under open-ended temporary agency work than under fixed-term contractual arrangements. In the case of open-ended contracts, agencies have indeed higher incentive to minimize the periods without assignment. In return, this benefits the undertaking that can count on more qualified workers.



- ▶ **Rapid response to needs:** As indicated above, given that agencies have a pool of available workers (workers under open-ended contracts that are unoccupied, between assignments) the needs of user undertaking might be quickly fulfilled.



5.6 A focus on fixed-term contracts: the case of France and Spain

As explained in the following section, workers under fixed-term contracts (“FTCs”) do not form a homogenous group of workers. Fixed-term contracts represent a wide diversity of situations, in each country and across the different countries. This case study aims at further deepening the different existing fixed-term contracts, their evolution, the access to social protection for workers with fixed-term contracts and the working and employment conditions for these workers.

This case study focuses on the situation in France and in Spain, where fixed-term contracts are largely used. The focus on two European countries allows analysing the specificities of the different types of contracts. It is however important to note that it remains difficult to get information regarding working and employment conditions for all types of fixed-term contracts, even at national level.

The structure of the case study is as follows:

- ▶ In a first section we describe the different types of fixed-term contracts;
- ▶ In a second section, we describe the size and the evolution of the fixed-term contracts;
- ▶ We then analyse the access to social protection for workers under fixed-term contracts;
- ▶ Finally, we analyse the working and employment conditions for such workers.

For each of these topics, we first present information at European level and present then the situation in France and Spain.

5.6.1 The different types of fixed-term contracts

5.6.1.1 European perspective

A “fixed-term worker”, as defined by the directive on fixed-term work, is a ‘person having an employment contract or relationship entered into directly between an employer and a worker where the end of the employment contract or relationship is determined by objective conditions such as reaching a specific date, completing a specific task, or the occurrence of a specific event’ (EC, 1999, p.1)¹¹⁴. This does not include temporary agency workers but includes seasonal workers, etc.

Fixed-term work represents therefore a great variety of situations: standard-fixed term contracts, seasonal workers, etc. Even in the category of standard fixed-term contracts, a large variety remains: the reasons for the use of the contracts as well as the duration, the allowed renewals of the contracts, etc. may vary within a given country and across the countries.

This wide diversity of situation prevails the existence of comparable study around fixed-term contracts that do not represent a defined category of workers. As already indicated in the report, no harmonized data allow to study the evolution of the distinct types of fixed-term contracts in Europe, the latter are all included in the category “temporary employment” (that also include temporary agency work).

This case study brings the opportunity to describe more in depth some characteristics of fixed-term contracts by presenting the different types of fixed-term contracts that exist in France and Spain.

5.6.1.2 France

In France, the law provides specific reasons for the use of fixed-term contracts (« CDD »). According to CCI (2014)¹¹⁵, the main reasons that can justify the use of FTCs are the following:

- ▶ Replacement of an employee (except for replacing employees on strike) ;
- ▶ Temporary increase in economic activity ;
- ▶ Temporary work by nature (seasonal workers, etc.).

For each of these main reasons, several specific conditions for the use of FTCs are listed and must be fulfilled. These specific conditions define the provisions of the contract (duration, possibility for renewals, etc.) that vary between each contract.

¹¹⁴ See Council Directive 1999/70/EC of 28 June 1999 concerning the framework agreement on fixed-term work concluded by ETUC, UNICE and CEEP, available at: <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:31999L0070>.

¹¹⁵ The chamber of commerce and industry.



Beside these three main reasons, the legislations provide two other specific situations for which a FTC can be concluded:

- ▶ Employment policies and “subsidised contracts” (measures aimed at tackling unemployment, as “contrat unique d’insertion”, “contrat de professionalisation”, etc.).
- ▶ FTCs allowed for some specific groups of workers (older, retired, types of occupations such as engineers, etc.).

5.6.1.3 Spain

In Spain, the law also specifies objective and material reasons for the use of FTCs. As indicated by the ILO¹¹⁶, fixed-term contracts can be concluded in limited situations:

- ▶ A temporary increase of workload. ‘When business demands are high and resources are stretched or there is backlog, even though the work may be within the normal activity of the enterprise. In such cases, contracts can be concluded for a maximum of 6 months within a twelve-month period. In some cases, the maximum length can be up to 18 months if stipulated in worker’s union agreement’ (ILO, 2014, p.1);
- ▶ Specific project or service: the worker is hired to undertake an autonomous and specifically delimited project or to provide services for the execution of which, although limited, is of uncertain duration.
- ▶ Replacement of a worker: When the contractor substitutes a worker entitled to return to work after leave.

In addition to these above-mentioned objective reasons, FTCs can be concluded for the following reasons: training purposes, employment of workers with disabilities and replacement of workers on the verge of retirement.

¹¹⁶ See http://www.ilo.org/dyn/eplex/termdisplay.empContracts?p_lang=en&p_expandcomments=Y&p_country=18

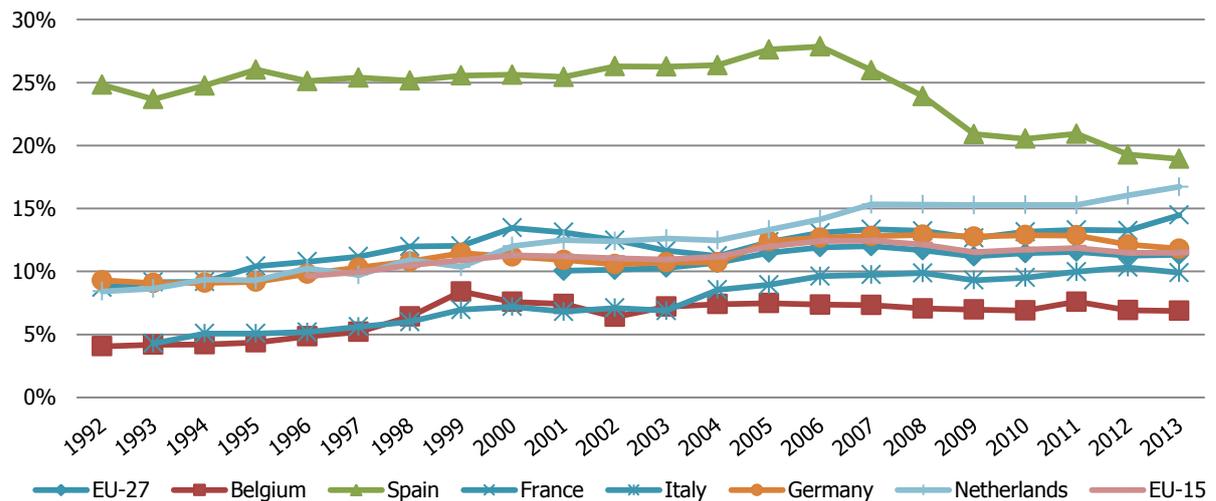


5.6.2 Size and evolution of FTCs

5.6.2.1 European perspective

As specified above and in the report, no harmonized data allow for describing the size and the evolution of standard fixed-term contracts in Europe. The figure below presents the evolution of the size of the temporary employment in the EU-27 (2001-2013), in the EU-15 (1996-2013) and in the different selected countries (1992-2013), based on LFS data¹¹⁷.

Figure 25: Evolution of temporary employment (% total employment)



Source: IDEA Consult based on Eurostat data

In the EU-27, the share of temporary employment in total employment slightly increased between 2001 and 2013 (+1.2 percentage points). When looking at a longer time span, it appears that temporary employment increased by 1.9 percentage points in the EU-15 between 1996 and 2013. Below, we study more in depth the size and the evolution of fixed-term contracts in France and in Spain.

5.6.2.2 France

The « Conseil d’Orientation pour l’Emploi » (“COE”) provides an analysis of the evolution of the forms of work in France. It appears that during the 80’s and the 90’s, the share of FTCs in total employment has increased sharply: it went from 4.9% in 1982 to 10.3% in 2000.

Then, during the 2000’s, the growth in overall FTCs has been smaller: without taking into account the “subsidized contracts”, FTCs has increased from 7.6% of total employment in 2000 to 8.6% in 2012.

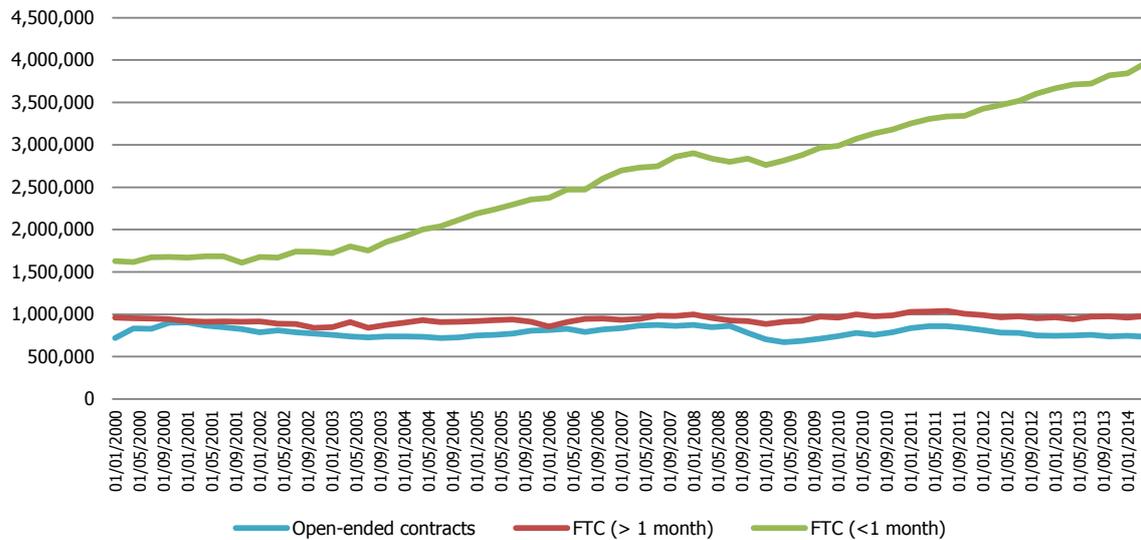
However this slower overall growth hides strong disparities in terms of evolution of the different “types” of fixed-term contracts: in particular, the number of FTCs of very short duration has exploded during the 2000’s while the use of TAW is remained rather steady. This appears of the figure below that indicates the evolution of the number of single declaration of employment¹¹⁸ under open-ended contracts, fixed-term contracts of more than one month and fixed-term contracts of less than one month.

¹¹⁷ The available harmonized data (LFS-data) include jobs for which ‘employer and employee agree that its end is determined by objective conditions such as a specific date, the completion of a task or the return of another employee who has been temporarily replaced (usually stated in a work contract of limited duration). Typical cases are: (a) persons with seasonal employment; (b) persons engaged by an agency or employment exchange and hired to a third party to perform a specific task (unless there is a written work contract of unlimited duration); (c) persons with specific training contracts’ (Eurostat, 2014a, p.1).

¹¹⁸ Is it important to note that the data overestimate the number of contracts, in all categories: around 10% of the declaration of employment do not end up with an effective contract.



Figure 26: Evolution of declarations of employment under open-ended contracts, fixed term contracts of less and more than one month in France



Source : IDEA Consult based on Acoess Stat

The dynamics indicated in the figure are clear: it appears that the number of employment declarations under fixed-term contracts of less than one month is increasing enormously in comparison to the other contracts considered in the figure. Between the second quarter of 2000 and the second quarter of 2014, the number of fixed-term contracts of less than one month increased by 145% while the number of open-ended contracts decreased by 12% and the number of fixed-term contracts of more than one month increased by 3%. COE (2014) provides more details regarding the increase of fixed-term contracts of less than one month:

- ▶ This increase appears to be particularly strong in the tertiary sectors where « CDD d'usage » are used. These types of FTCs are specifically designed for the services sector and are aimed at easing the hiring of worker under fixed-term contracts (no date of termination of the contract needed, possibility of repeated renewals of the contract, etc.). The use of such contracts is authorized only in some specific sectors (catering, cultural sectors, etc.). In 2010, these sectors accounted for 57% of all the FTC of less than one month (while these sectors overall weight in the total employment is 12%).
- ▶ Among the FTCs of less than one month, the FTCs of less than one week has particularly increased and mainly explain the rise in FTCs of less than one month: between 2000 and 2012, FTCs of less than one week increased by 120% while FTCs of less than one month but more than one week has increased by 36,8%.

Contrarily to the sharp increase in FTCs of short duration, the share of TAW in all declaration of employment decreased from 50% in the first quarter of 2003 to slightly above 40% in the first quarter of 2013 (see CEO, 2013). In the meantime, the share of FTCs (all duration) increased from 38% to 50%.



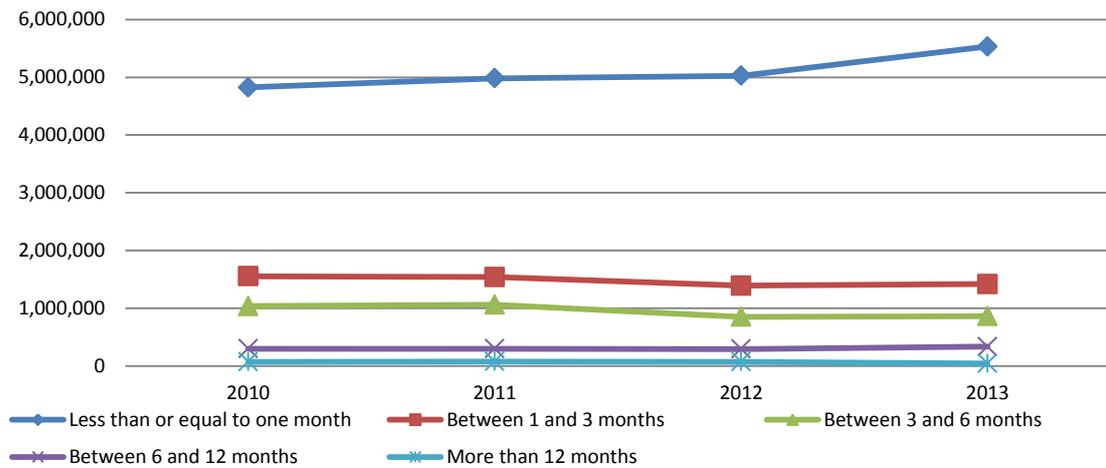
5.6.2.3 Spain

In Spain, as indicated in Figure 27³, the share of temporary employment is decreasing since 2006 (from 27.9% in 2006 to 19.6% in 2013)¹¹⁹.

National's statistics allow for analysing more in depth the dynamics inside the category of fixed-term contracts. In absolute terms, fixed-term contracts increased by 4% between 2010 and 2013.

However, this growth hides various differences according the duration of the contracts. In particular, and in line with the evolution noticed in France, it appears that fixed-term contracts of short duration have increased. As indicated in the figure below, between 2010 and 2013, the number of fixed-term contracts of less than one month has increased by 15% while fixed-term contacts of more than 12 months decreased by 39%.

Figure 27: Evolution of fixed-term contracts in Spain (2010-2013)



Source: INES

¹¹⁹ As a reminder, temporary employment includes here both standard fixed-term contracts, seasonal work, training and temporary agency work.



Therefore, in Spain (as in France), the importance of FTCs of short duration tends to increase. The table below presents the share of the different contracts in all FTCs. It appears that the contracts of less than one month accounted in 2013 for 40.5% of all FTCs contracts (for 36.6% in 2010).

Table 32: Share of the different types of FTCs in all FTC in Spain (2010-2013)

	2010	2011	2012	2013
Less than or equal to one month	36,6%	37,4%	39,2%	40,5%
Between 1 and 3 months	11,8%	11,6%	10,8%	10,4%
Between 3 and 6 months	7,9%	8,0%	6,6%	6,3%
Between 6 and 12 months	2,3%	2,2%	2,3%	2,4%
More than 12 months	0,5%	0,6%	0,6%	0,3%
Undefined	41,0%	40,3%	40,4%	40,0%
Total	100%	100%	100%	100%

Source: INES



5.6.3 Social protection

5.6.3.1 European Perspective

As indicated in the report, the results of the survey tend to demonstrate that fixed-term contracts offer, globally, similar access as open-ended contracts and TAW regarding various aspects related to social protection: the general index of access to social protection calculated on the basis of the survey results amounts to 0.98 for fixed-term contracts while it is equal to 0.99 for TAW and 1 for open-ended contracts. It is important to recall that these results do not analyse whether the access to social protection for workers under fixed-term contracts is effectively similar than for open-ended contracts: the thresholds (in terms of working days) in order to access social protection might be more difficult to reach for workers under fixed-term contracts than for workers under open-ended contracts. This point will be further discussed later.

With regards to the level of the index, the slight difference between fixed-term contracts and TAW may be explained by the triangular relationship that characterised TAW. The triangular relation in the sector of TAW offers the possibility for social partners to develop some provisions aimed at compensating for the difficulty for agency workers to reach the necessary thresholds that give access to social protection. Such provisions do not systematically exist for standard fixed-term contracts, which tend to indicate that the particular employment relationship induced by agency work (triangular relationship) might help to develop potential provisions aimed at enhancing working conditions of workers.

Moreover, given the potential short duration of fixed-term contracts and TAW, the registration of the career path of the workers is very important in order for them to benefit from social protection. This registration may easily be centralised for agency work while, regarding FTCs, it may be more difficult, given the absence of an intermediary able to register the career path of the workers.

We below analyse more in depth the access to social protection of workers under FTCs in France and in Spain and pay a particular attention to the comparisons with TAW.

5.6.3.2 France

With regard to unemployment benefits our survey tend to indicate that fixed-term contracts offer similar rights and access to unemployment benefits as open-ended contracts or TAW. According to Prisme (2013), the access to unemployment benefits has been eased: the periods during which workers have to work for a cumulated period of 4 months is now 28 months instead of 22. Moreover, some existing schemes allow, under certain conditions, to combine unemployment benefits and earnings from paid job ("reduced activities") in case of finding of new job ("dispositif d'activité réduite").

With regard to sick benefits, temporary agency work and fixed-term contracts are considered as "discontinuous" forms of work: the access to sick benefits is therefore eased for these types of workers in comparison to worker under open-ended contracts. Moreover, regarding temporary agency workers, as further discussed in the report, collective agreements have been concluded between social partners in order to provide additional compensations in case of illness or accident. Such additional compensations do not exist for workers with fixed-term contracts. Therefore, the workers with fixed-term contracts of short duration might encounter more difficulty to effectively access social benefits.

Regarding maternity leave, fixed-term contracts and temporary agency work are seen as a "discontinuous occupation" and the workers hired under these types of contract benefit from easier conditions of access than workers under open-ended contracts. Regarding, temporary agency workers there exists moreover a complementary indemnity.

Regarding healthcare, there is a difference between temporary agency work and fixed-term contracts: temporary agency workers can benefit from a « mutuelle de branche » ("Fastt") that is able to negotiate advantageous conditions. Such as scheme does not exist at such a scale for FTCs.

Regarding pensions benefits, all types of workers considered in the report have right to the state pension and the complementary pension. However temporary agency workers can benefit from a unique « caisse de retraite supplémentaire » (whose name is « réunica ») which eases the « portability » of the rights and the traceability of the careers, through the compilation of all information in a unique place dedicated for this purpose. No such scheme exists for FTCs: the compilation of the working periods might therefore be difficult, particularly for workers who accumulate various types of fixed-term contracts of very short duration. Such compilation is moreover costly, at the level of the state (not privatized as in the TAW sector).



Given that TAW may be considered as as “system” or “sector” by itself, it eases the creation of “unique” institutions (such as “Fastt” or “Réunica” in France) that allow registering and following effectively the career paths of the workers. This eases the portability of the rights between contracts and therefore eases the access to social benefits, by registering effectively all worked days of a given worker.

5.6.3.3 Spain

In Spain, according to our survey, it appears that workers under fixed-term contracts have the same rights than workers under open-ended contracts and temporary agency workers with regards to unemployment benefits, sick benefits, access to healthcare, maternity leave and pension’s benefits.

Of course, due to the short duration of some fixed-term contracts, the effective access to these benefits might be much more difficult. We however do not have additional reliable sources that allow us to study more in depth the differences in access to social protection in practice.



5.6.4 Working conditions

Few information can be provided for France and Spain regarding working conditions of fixed-term contracts, this may be due, among other explanations to the diversity of such contracts. After having presented the working conditions at European level (based on data from Eurofound), we provide the information collected for the situation in France (no information regarding Spain have been collected).

5.6.4.1 European perspective

The results of the EWCS (2010) provide key findings related to the working and employment conditions of the workers under the different types of contract. We briefly summarize below these findings, with a focus on the comparison between TAW and fixed-term contracts.

- ▶ **Working time:** With regards to working time, 50% of the employees under fixed-term contracts or with a temporary agency work contract are satisfied with their hours worked. The rest is nearly equally divided between employees who would like to work less hours and more hours. Employees with open-ended contracts are relatively more satisfied with hours worked (60% are satisfied). Temporary agency workers and self-employed tend to work relatively more often during the night (the sectors in which are mostly active these employees may explain the differences). Finally, Eurofound built an indicator measuring the “working time quality” (WTQ) of the different forms of work. This indicator is based on information on the duration, the scheduling, the discretion¹²⁰ and short-term flexibility over working time. From this indicator, it appears that temporary agency work performs better than fixed-term contracts. However, the index of working time quality is lower for TAW than for open-ended contracts
- ▶ **Wage and earnings:** When comparing temporary agency workers with fixed-term employees, we notice that the share of fixed-term employees who earn less than 9.000€ a year in their main job is higher than when considering agency workers (46% versus 40%). Moreover, a particularly high share of agency workers earns between 9.001 and 27.000€ a year (55% for agency workers versus 49% for fixed-term employees).
- ▶ **Vocational training:** On average, fixed-term contracts and temporary agency workers have slightly less access to vocational training than workers under open-ended contracts. However, the number of countries in which some initiatives are developed by social partners to enhance the access to vocational training is similar for open-ended contracts, fixed-term contracts and temporary agency work.
- ▶ **Health and safety:** Temporary agency workers seems to be slightly less at risk for their health and safety than other forms of work: 79% of temporary agency worker indeed declare that their health or safety is not at risk at work, while this percentage equals to 76% for permanent and fixed-term employment and 72% for the self-employed.
- ▶ **General satisfaction with employment and working conditions:** Regarding the general satisfaction with working conditions only 21% of workers under fixed-term contracts appear to be “not very satisfied” or “not at all satisfied”. This proportion is identical when considering temporary agency workers but is higher than self-employed (15%) or permanent employees (14%).

¹²⁰ The discretion refers to the ability or power to decide responsibly over working time.



5.6.4.2 France

As said above, relatively few information is available in order to assess the working and employment conditions of workers under fixed-term contracts in France. We present some results regarding pay and vocational training.

- ▶ **Pay:** According to Prisme (2013), there are key differences between TAW and fixed-term contracts with regards to pay (considered here in a broad sense):
 - ◆ An indemnity is provided to temporary agency workers in order to compensate for the potential temporary nature of the TAW. This indemnity does not exist for various types of FTCs such as "CDD d'usage", "seasonal work", etc.
 - ◆ Moreover, a fund is build up by the TAW sector¹²¹ through the FASTT ("Fonds d'Action Sociale du Travail Temporaire) in order to answer some needs of temporary agency workers, such as access to consumer credit, access to housing (rent and mortgage), etc. Again, such a fund does not exist for FTCs.

A study of DARES (2012)¹²² provides information on wage of workers in France and more particularly about workers having a "low salary" (defined as a monthly wage smaller than or equal to 2/3 of the median wage), according to the type of contracts. The following results may be pointed out from this study:

- ◆ 39% of the FTCs in the private sector and 37% of the FTCs in the public sector earn a "low wage". This share amounts to 75% for workers that undergone an internship.
 - ◆ Regarding TAW, the share of workers that earn a "low wage" amounts to 24%, which is clearly lower than FTCs.
 - ◆ The risk to earn a low wage is two time higher for workers under FTCs than for temporary agency workers.
- ▶ **Vocational training:** Regarding vocational training, our survey indicated that fixed-term workers in France have similar access to vocational training than workers under open-ended contracts. However, in practice, it appears that according to Prisme (2013), very few workers under fixed-term contracts benefit from training in the firm they work. Regarding TAW, more effort is put on vocational training: in the sector the rate of contribution to vocational training is higher than what is legally binding. Moreover, as indicated in Prisme (2013)¹²³, a report from the "Institut Montaigne" illustrates that workers under FTCs do not benefit from specific supervision and from a conventional status. They have access to few training and get a weaker "visibility in the future". Therefore, one of the recommendations of the Institute was to favour temporary agency work in case of increase in the workloads of the firms (instead of hiring workers under fixed-term contracts). Such evolution should imply a better integration of the workers in the labour market, according to the Institute.

¹²¹ Contribution of 0.15 of allthe payroll.

¹²² Dares (2012), Etudes bas salaires2012

¹²³ See <http://www.prismemploi.eu/magazine/rapport-annuel-2013/pdf/ra-2013.pdf>



5.7 A focus on self-employment: the case of Italy and Spain

As explained in this case study, self-employment represents a wide diversity of situations, in each country and across the different countries. This case study aims at further deepening the description of the different types of self-employment, their evolution, the access to social protection for self-employed and the working and employment conditions for these workers.

This case study focuses on the situation in Italy and in Spain. The focus on a few European countries allows analysing the specificities of the different types of contracts but it is however important to note that it remains difficult to get information regarding working and employment conditions of all types of self-employed, even at national level. The structure of the case study is as follows:

- ▶ We first describe the different types of self-employment;
- ▶ Thereafter, we describe the size and the evolution of self-employment;
- ▶ We then analyse the access to social protection for self-employed;
- ▶ Finally, we analyse the working and employment conditions for these workers.

For each of these topics, we first present information at European level then we focus on the situation in Italy and in Spain.

5.7.1 The different types of self-employed

5.7.1.1 European perspective

According to the definition of the LFS¹²⁴, self-employed are persons who 'work in their own business, farm or professional practice'. This definition may include various forms of work. Moreover, the specific definition of "self-employment" varies widely between the European countries.

The notion of self-employment therefore comprises very different forms of work, from farming to trading, from occupations with professional registers to personal services, etc. It is therefore difficult to reconcile under the same definition typologies of workers who entail different income levels, career prospects and access to social security provisions¹²⁵.

The only feature in common may be the absence of a relationship of subordination towards the principal. As explained below, this absence might be in some cases, only theoretical. Indeed, self-employment includes, in Italy or Spain for example, a form of self-employment often named "economically dependent self-employment" which has characteristics midway between dependent employment and self-employment (they often perform work task in single company).

For some cases, the existence of "economically dependent self-employed" is due to the willingness of the workers to work under a self-employed status (initial willingness to work for their own account, etc.). However, the existence of "economically dependent self-employed" has raised concerns in various European countries. As indicated in EC (2010)¹²⁶, in many countries, there are concerns associated with the use of self-employment by employers to avoid making social security or tax contributions on wage costs. This is the case in Belgium, Cyprus, the Czech Republic, Germany, Greece, Spain, France, Italy, Latvia, Malta, Netherlands, Austria, Poland, Portugal, Slovakia, the United Kingdom and Norway (EC, 2010, p.7). This case study does not focus only on economically dependent self-employment but will address this problem, as it turns out to be a major issue in Italy and Spain.

Below, we describe the different types of self-employment that exist in Italy and in Spain.

¹²⁴ See http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Employment_statistics.

¹²⁵ In this case study, we will therefore provide further subdivisions of « self-employment » and distinguish, if needed, the information collected for each of the specific groups defined.

¹²⁶ See European Commission (2010), The European Employment Observatory Review: Self-employment in Europe, available at: <http://ec.europa.eu/social/BlobServlet?docId=6137&langId=en>.



5.7.1.2 Italy

In Italy, the Civil Code (CC) defines a self-employed worker as a person who 'undertakes to perform a work or a service for remuneration, mainly by means of his/her own labour and without a relationship of subordination to the client' (Eurofound, 2009a, p.1). The self-employment relationship is typical of the intellectual professions, but also of other activities, such as artisanal and entrepreneurial ones. In some cases, a self-employed is obligatorily enrolled on a professional register (« albo professionale ») and is subject to supervision by the council of the professional order exercising disciplinary power over its members. Based on EEO (2010) and Eurofound (2009a)¹²⁷, we identify three main categories of self-employed in Italy:

- ▶ « Professionals » (lawyers, medical doctors, pharmacists, engineers, etc.);
- ▶ « Standard self-employed » (farmers, salesmen, craftsmen, including entrepreneurs) ;
- ▶ « Para-subordinate workers » and among them, mostly « Employer-coordinated freelance workers ».

According to Eurofound (2009a), "para-subordinate" workers are those who receive income from 'employer-coordinated freelance work or project work, professional activities, occasional self-employment, door-to-door sales (if the annual income is more than EUR 5,000), and joint ventures' (Eurofound, 2009a, p.2). Among the "para-subordinate" employment relationships, the "employer-coordinated freelance work" is the one that has become most widespread in recent years and that, in various respects, best exemplifies all the ambiguities connected with "para-subordinate" work. This form of employment is defined, in Eurofound (2009a), by three fundamental features:

- ▶ Continuity: the contractual obligation does not cover a single objective, but the generic availability of the worker to perform certain activities during a certain (and, sometimes, indefinite) span of time;
- ▶ Coordination: the performance of work, even if it does not involve subordination, must be coordinated with the functional requirements of the principal's organisation;
- ▶ Non-entrepreneurship: the work must mainly involve the use of personal labour, means and equipment, but must not extend into activities of an entrepreneurial kind.

The category of "employer-coordinated freelance work" raises concerns as the border between self-employment and economically-dependent employment remains shaded: these workers with a self-employed status may offer their services to a single client, thus hiding a dependent employment relationship.

This type of workers, legally considered as self-employed, do not employ any other worker than themselves, and with regard to social security contributions, they are enrolled in a specific Fund of the National Institute for Social Security, the so-called "Separate Management" (see section 5.7.3.1 for details). However, as said above, this type of employment often hides relationships of dependent work: in many cases the "freelance" relationship has to undergo restrictions such as working hours, company hierarchies, etc. The workers have often just one client over a long period of time. This gives companies several advantages:

- ▶ Absolute freedom to interrupt the working relationship;
- ▶ Lack of regulation regarding workers' pay, whereas for employed workers pays are provided for in the national collective contracts;
- ▶ Reduced social and pension contributions (7-10% less).

For some "employer-coordinated freelance workers", the status of "economically dependent self-employment worker" might result in a choice made by the worker in order to benefit from higher flexibility (however limited by their status of economic dependent self-employed), etc. However, the situation is such that these workers may be particularly weak in the job market, being de facto excluded by public unemployment benefits. There have been changes in the legislation in Italy in order to face this situation. First, "economically dependent self-employed" are specifically recognized among self-employment workers. Since 1995 a law regulates the "continuous coordinated collaboration contract's («so called « co-co-co ») and in 2003, a new form of contract has been put in place (« co-co-pro ») in order to fight abuses. In this case, the collaboration is not continuous but must be linked to a specific project.

¹²⁷ See Eurofound (2009a), European Observatory of Working Life: Italy, Self-employed, available at: <http://eurofound.europa.eu/observatories/eurwork/comparative-information/national-contributions/italy/italy-self-employed-workers>.



Despite these legislative changes, it appears however that there is, according to Eurofound (2009a), still an abuse of such contracts.

5.7.1.3 Spain

The Spanish Social Security Law defines self-employed as workers 'older than 18 who exert an economic activity on their own account under no labour contract, irrespective of whether or no they hire employees and regardless of the type of business, i.e. individual or family' (Eurofound, 2009b, p.1)¹²⁸. Therefore, as noticed in Eurofound (2009b), they are understood as those who habitually, personally and directly carry out a profit-driven activity without receiving a regular wage.

Economically dependent self-employed workers ("trabajador autónomo económicamente dependiente") are also included in the category of self-employment in Spain. A law implemented in 2007 (law 20/2007) specifically defined these workers as workers who usually, personally and directly carry out an economic or professional activity for lucrative purposes and only for one client, from whom they receive, at least, 75% of their income. Since the implementation of the law, these workers benefit from the same protection as "standard" self-employed and the law provides additional provisions for these workers. Among the measures included in the law, economically dependent self-employed workers have now the right to enjoy 18 days of holiday per year as well as the right to be covered by insurance against work-related accidents, professional diseases and cessation of activities.

5.7.2 Size, evolution and composition of self-employment

We first present below the size of self-employment in Europe, based on the data used in the report. Afterwards, we present the size of self-employment in Italy and in Spain and further analyse the composition of the group of self-employed in these countries.

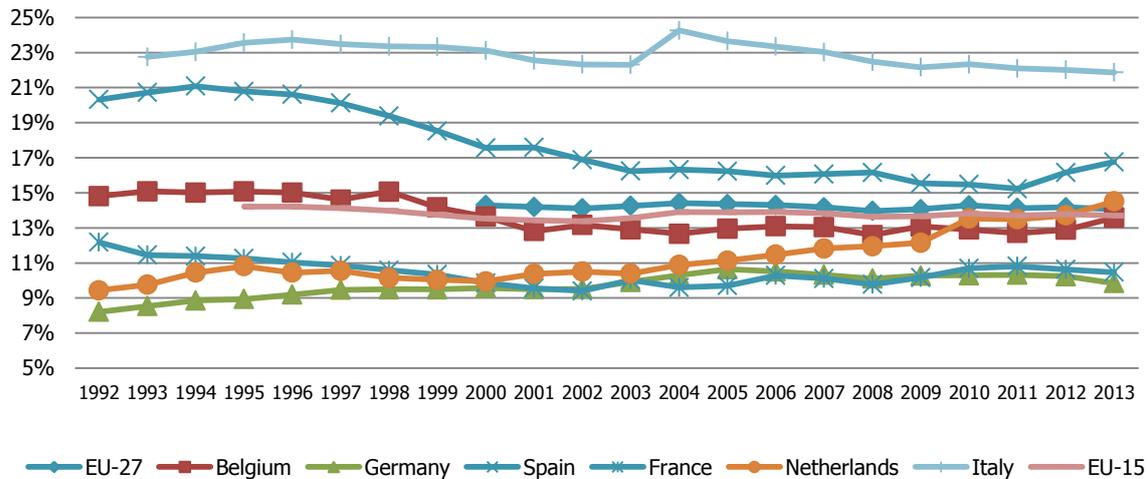
5.7.2.1 European Perspective

As indicated in the Figure 28, self-employment accounted for 13.7% of total employment in the EU-15 and 14.1% in the EU-27 in 2013. In the EU-27 and in the EU-15, the share of self-employment in total employment is remained rather steady. Between 2000 and 2013, self-employment decreased by only 0.2 percentage point in the EU-27, from 14.3% to 14.1%. In the EU-15, a decrease of 0.5 percentage point can be noticed from 1995 to 2013. However, this decrease hides different evolutions in the type of self-employed. This is discussed based on data for Spain and Italy.

¹²⁸ See Eurofound (2009b),



Figure 28: Evolution of self-employment in the EU-15, the EU-27 and in the selected countries (share in total employment)



Source: IDEA Consult based on Eurostat.

5.7.2.2 Italy

In this section, we present the size and evolution of the different types of self-employment in the recent years. We also provide information regarding the territorial distribution of self-employed and their profile (in terms of gender, age and education).

► Size and evolution of the types of self-employed:

In comparison to the rest of Europe it appears clearly on Figure 28 that Italy and, to a lesser extent, Spain have a particularly large share of self-employed. In Italy, the share of self-employment in total employment amounted to 22% in 2013. Since 1992, the size of self-employment remains rather steady in Italy (around 23% of total employment). Since 2004, we can however point out that a slight decrease of self-employment is occurring (except between 2009-2010).

According to EP (2013)¹²⁹, there is huge variation across sectors in terms of size of self-employment, reaching a peak in the construction sector and the insurance/finance sector, with 38.9% and 26.5% respectively.

Regarding the different types of self-employment, in 2009, according to EEO (2010)¹³⁰, "professionals" accounted for 20 % of total self-employment, the "self-employed in the strict sense" (farmers, craftsmen, salesmen, etc.) represented the highest share (61.7 %) and "entrepreneurs" accounted for only 4.5 % of total self-employment. Finally, a low but significant share (6.8 %, or 400 000 workers, according to official ISTAT estimates) are identified as occasional workers and "collaboratori coordinate", i.e., "employer-coordinated freelance workers". As explained above, these workers are only formally self-employed, as they are usually economically dependent of a single employer' (EEO, 2010, p.1).

► Territorial distribution:

Regarding the territorial distribution of self-employment, Eurofound (2009)¹³¹ indicates that the 'traditional free professions, manufacturing crafts and small trade are more present in the North-East of Italy and in the South, while the unskilled self-employed displays a uniform geographical distribution. Free professionals in occupations

¹²⁹ See European Parliament (2013), Social protection rights of economically dependent self-employed workers, available at: http://www.europarl.europa.eu/RegData/etudes/etudes/join/2013/507449/IPOL-EMPL_ET%282013%29507449_EN.pdf

¹³⁰ See European Employment Observatory EEO Review: Self-employment, 2010, Italy.

¹³¹ See <http://eurofound.europa.eu/it/observatories/eurwork/comparative-information/national-contributions/italy/italy-self-employed-workers>.



without professional registers are more common in the North, particularly in the large cities. This relation signals that the new forms of intellectual self-employment have spread mostly in areas where the productive system has changed the most, introducing new forms of work organisation and advanced technology' (Eurofound, 2009, p.1).

► **Gender, age and education:**

The following table, from ISFOL (2012), presents the characteristics of self-employed workers, in terms of sex, age and education and for the two following categories of self-employment:

- ◆ "Standard self-employed" and entrepreneurs.
- ◆ "Professionals" (both regulated and unregulated).

We do not have information regarding the situation of the third categories defined in the section 5.7.1.2, i.e. the "para-subordinate" and among them the "Employer-coordinated freelance workers". The following key observations might be pointed out from Table 33 :

- ◆ It appears that a large share of self-employed are men (74.5% of total self-employment).
- ◆ 35% of all self-employed are aged between 45 and 54 years old.
- ◆ A high proportion of self-employed hold a (superior) secondary school degree (47.7%) while a relatively large proportion hold an elementary school degree or an inferior secondary school degree (29.9%). Finally, 22.4% of self-employed hold a bachelor degree. This relative high share of persons holding a bachelor's degree is clearly driven by the category "professionals": 47.8% of regulated professionals have a bachelor degree. With regards to entrepreneurs and standard self-employed workers, the share with bachelor degree amounted only to 9.1% in 2012.

Table 33: Characteristics of the self-employed in Italy in 2012 (% of total self-employment)

		Entrepreneurs and self- employed workers (%)	Professionals Regulated (%)	Professionals Unregulated (%)	Total (%)
Sex	Man	74,7	74,9	70,6	74,5
	Woman	25,3	25,1	29,4	25,5
Age	Less than or equal to 34 years old	7	6,6	7,8	6,9
	35-44 years old	22,5	25,5	23,2	23,5
	45-54 years old	34,8	34,1	41,2	35
	55-64 years old	24,1	23,9	21,3	23,8
	More than or equal to 65 years old	11,6	10	6,6	10,8
Education	Elementary school and secondary inferior	38,3	15,3	23,2	29,9
	Secondary superior	52,6	36,9	57	47,7
	Bachelor's degree	9,1	47,8	19,8	22,4
Total		100	100	100	100

Source: IDEA Consult based on ISFOL (2012)



5.7.2.3 Spain

In this section, we first present the size and evolution of the different types of self-employment in the recent years. We also provide information regarding the profile (in terms of gender, age and nationality) of the self-employed.

► Size and evolution of types of self-employed:

As indicated in Figure 28, self-employment accounted for 17% of total employment in 2013, which is above the EU-15 average (13.7%). In Spain, the share of self-employment decreased almost continuously between 1994 and 2011, while it is increasing since 2011.

Eurofound (2009b) provides further information regarding the evolution and the composition of self-employment without employees in Spain.

Self-employment without employees has been developed in the services sector in particular (commercial activity, and particularly in retail, activities of hostelry, vehicle driving and company and personal services, etc.). The second-largest sector in terms of numbers of self-employed workers is agriculture. However, whereas self-employment in services has been growing rapidly, it has been decreasing in agriculture. According to Eurofound (2009a), other sectors where self-employment is important are the construction and the industry.

► Gender, age and nationality:

With regards to gender, men are far more represented than women in the construction sector, somewhat less in industry and transport, and less in the agriculture, although men outnumber women in terms of self-employment in all of these sectors. However, the number of women is approaching that of men in the general services sector. Feminine presence has also been growing to very high levels in retail, company services and hostelry.

With regard to age, the majority of self-employed workers are found in the central age brackets: from 16 to 24 years old, there were 80.700 self-employed workers without employees in 2007. Still in 2007, there were 1.380,500 self-employed without employees aged between 25 and 59 years old, 161.900 aged between 60 and 64 years and 48.000 self-employed who were over than 65 years old.

Regarding nationality, the proportion of non-Spanish self-employed was just over 10% (220.800) in 2007. This is roughly comparable to the proportion of non-Spanish in the total population in 2007 (10.2%) but regarding the proportion of non-Spanish in self-employment, it appears that this number is growing very quickly. Around 40% of the non-Spanish self-employed were from a non-EU country.

5.7.3 Social protection of self-employed workers

Unsurprisingly, the survey conducted in the context of this study among the Eurociett and UNI Europa members indicates that self-employed benefit from a limited access to social security in comparison to other workers. Indeed, the general index¹³² of social security amounted to 1.2, in comparison to 1.94 for fixed-term, 1.98 for temporary agency workers and 2 for open-ended contracts.

5.7.3.1 Italy

In line with the results derived at the level of the 21 countries included in the survey, the survey results indicates that in Italy, self-employed have a much weaker access to social protection than the other workers (except regarding healthcare). In particular, in Italy, self-employed enjoy less favourable rights than the other workers in the following categories:

- Unemployment benefits;
- Sick benefits;
- Maternity leave;
- Pension's benefits.

It is important to point out that these results might vary according to the different types of self-employment. For example, some categories of "professionals" have defined their own provisions regarding some social protection aspects. The survey does not allow distinguishing the results according to the different types of self-employment, given that the respondent, in the case of Italy, mostly focused on economically-dependent self-employed.

¹³² See chapter 4 of the report for more information regarding the index.



This diversity of provisions according to the different types of self-employed is confirmed in EEO (2010) and Eurofound (2010)¹³³.

- ▶ **“Professionals”** (such as lawyers, medical doctors, pharmacists, engineers, etc.) ‘adhere to specific social security funds (Casse di previdenza e assistenza per i liberi professionisti), currently covering eleven categories of workers, which, within minimum standards defined by law, offer social security schemes to their members according to specific rules and provisions. These schemes cover old age, early retirement and invalidity pensions, as well as maternity leave (compulsory, for five months, since 2001) and healthcare assistance (which is voluntary)’ (EEO, 2010). These self-employed are therefore not subject to the general regime managed by the National Social Security Institute (Istituto nazionale di previdenza sociale: INPS) and can freely define their own social security regulations, provided that they comply with specific parameters of long-term financial equilibrium.
- ▶ Regarding the categories of **“standard self-employed (including entrepreneurs)”** INPS manages the social security coverage of certain categories of workers through three different funds: self-employed farmers, salesmen and craftsmen adhere to a specific fund within INPS, paying different social contributions depending on their sector of activity, income and number of working days. While sickness benefits are not provided, maternity leave is covered (for five months, two before and three after delivery). Moreover, family benefits (though very modest in absolute value) are provided to those self-employed falling under specific income thresholds.
- ▶ Finally, **“employer-coordinated free-lance workers”** adhere to another INPS fund, the so-called “gestione separate”¹³⁴. This fund was created in 1995 with the aim to offer minimum social assistance to workers employed under this contractual typology, which until that moment was not covered by any compulsory pension scheme. However, the initial social contribution level (almost 10 %) was so low that it encouraged the widespread use of these contracts, which have been largely used by employers to substitute paid employee contracts. Some legislative changes have been introduced in order to avoid the misuse of these self-employed and to enhance social protection of these workers. The law 92/12 has changed the para-subordinate work rules and has made more difficult the use of such working arrangement (the project must be defined in specific terms and not in a generic way, the project must provide a final result, etc.). Moreover, the social contribution level and the protections attached to the fund for “employer-coordinated free-lance workers” have progressively increased during the last decade. As said before, the normative framework introduced in 2003 has established provisions intended to provide further protection for freelance workers coordinated by an employer and for “project workers”. In particular, the law has extended, to these workers, some social security benefits related to pregnancy, sickness and injury. The Finance Act of 2007 has introduced further measures to strengthen social protection for these workers. As a consequence, the level of social security granted to free-lance collaborators has gradually increased: maternity leave and sickness benefits (although to a lesser extent than those granted to employees) have been introduced and social contributions have increased up to 26 % (still largely below the 33 % paid by employees). However, despite these legislative changes, there are still a significant number of “economically dependent self-employed” in Italy and the protections and rights for these workers continue to be significantly lower than the protections and rights granted to the other forms of work (open-ended contracts, fixed-term contracts and temporary agency work).

5.7.3.2 Spain

In line with the results of the other countries considered in the survey, in Spain, self-employed have a much weaker access to social protection than the other workers. In particular, in Spain, self-employed enjoy less favourable rights than the other workers in the following categories of social protection¹³⁵:

- ▶ Unemployment benefits;
- ▶ Pension’s benefits.

However, with regards to the following topics, self-employed enjoy the same rights than the other workers:

¹³³ Eurofound (2010), Self-employed workers: industrial relations and working conditions.

¹³⁴ The maternity leave, sickness benefits and social benefits are financed by the Fund with a specific contribution of 0.72% of income (1/3 worker, 2/3 client).

¹³⁵ Regarding the access to sick benefits of self-employed, it appears that the access is different from the other workers. We couldn’t however specify if the access was less or more favourable.



- ▶ Healthcare;
- ▶ Maternity leave.

Regarding the organisation of the social protection, the Spanish Social Security includes the general system of social security (Régimen General de la Seguridad Social) and a group of special systems (Regímenes Especiales de la Seguridad Social). Self-employed workers, in particular, have to contribute to the second group, mainly by means of the so-called special subsystem for self-employed workers (Régimen Especial de los Trabajadores Autónomos). This special subsystem for the self-employed covers 90% of total self-employed regardless of whether they have employees and with no differences according to sector or occupation. The remaining self-employed workers contribute to other subsystems aimed at specific sectors such as the special agricultural subsystem (Régimen Especial Agrario) and the special subsystem for mariners (Régimen Especial de los Trabajadores del Mar).

As indicated above, in Spain, the Self-Employed Workers' Statute (Estatuto del Trabajo Autónomo), has been approved by the Spanish Parliament in July 2007 and introduced several measures, with a view to bring the social security Entitlements of self-employed workers closer to those granted to employees under the general social security system. In practice, the statute has introduced a special social security subsystem for self-employed workers, which includes some quite innovative elements such as:

- ▶ Benefits for the stoppage of activities (prestación por cese de actividad), established with the aim of protecting those self-employed workers facing an urgent situation due to the involuntary stoppage of economic activities. This social insurance includes both paternity and maternity leave;
- ▶ Social protection for temporary sickness (prestación social por incapacidad temporal), which covers all self-employed workers and starts on the first day of sickness;
- ▶ Early retirement (jubilación anticipada) option, which covers self-employed workers involved in toxic, dangerous or painful economic activities and provides for the same protections guaranteed to employees under the general social security regime.

However, despite these changes, the social protection of self-employed remains less favourable than for other workers.



5.7.4 Working conditions of self-employed workers

5.7.4.1 European perspective

The results of the EWCS (2010) of Eurofound provide information regarding the working and employment conditions of self-employed (both with and without employees) in comparison to other workers. These data, collected at European level, are not distinguished according to various types of self-employment. With regards to the topics studied in this study, the following main comparisons can be derived:

- ▶ Regarding pay and working time, the results are contrasted. According to EWCS (2010), it appears that self-employed earn, on average, more than workers under fixed-term contracts or temporary agency workers (this results might be driven by the fact that self-employed with employees are also included in the category under consideration). Self-employed perform also well with regards to the indicator of working time quality EWCS (2010). This indicator is based on information related to the duration, the scheduling, the discretion and the short-term flexibility over working time. It turns out that, with regards to this indicator, self-employed perform better than workers under fixed-term contracts, temporary agency workers and even open-ended contracts. This may be due to the flexibility (with regards to working time scheduling) offered by some types of self-employed. However, self-employed tend to work more during Sunday and during the night and, most of all, self-employed are less satisfied than other employees. In particular, a high share of self-employed would like to work less hours (41% of the self-employed).
- ▶ Both the survey and the EWCS (2010) indicate that self-employed have fewer access to vocational training than all the other forms of work studied in the report.
- ▶ The health and safety of self-employed seem to be more at risk and less initiatives are developed by social partners with regards to this topic for this type of workers.

Few information that reviews working and employment conditions of all distinct forms of self-employment in Italy and Spain is available. We provide however below some information.

5.7.4.2 Italy

As stressed above and confirmed by Eurofound (2009a), employment and working conditions differ greatly according to the different types of self-employment, but also according to the economic and social context in which such work is performed.

The information collected allows us to provide insights about the following topics related to working and employment conditions:

- ◆ Willingness of being self-employed;
- ◆ Employment protection and job security;
- ◆ Pay;
- ◆ Working time;
- ◆ General satisfaction.

It is important to note that we could not find information over working and employment conditions for all the different types of self-employed. Most of the information available addressed specifically the situation of the "para-subordinate work" (including in particular "employer coordinated freelance workers").

▶ Willingness of being self-employed:

Eurofound (2010) provides information regarding the willingness to be self-employed in Italy: in 2006, according to the Isfol PLUS survey, 65.5% of "employer coordinated freelance workers and 81% of "specific project workers" were self-employed upon the request of their employer rather than out of free choice.

▶ Employment protection and job security:

In EEO (2010), a study of CNEL (2009) presented and described the transition from employment to unemployment or inactivity for self-employed. The following results might be pointed out: the yearly transition rate to unemployment or inactivity (estimated using LFS data) amounted, between 2007 and 2008, to 7.2 % for employees, to 6.5 % for "self-employed in a strict sense", and to 18.7 % for "employer coordinated freelance workers". It is important to point out that the category of "employer coordinated freelance worker" is less protected than some other workers with regards to unemployment benefits. This high rate is therefore appealing. In this view and according to EEO (2009a), here must have legislative changes in order to introduce unemployment insurance for the less protected workers.



► Pay:

According to Eurofound (2009a), the majority of studies on remuneration of self-employed conducted in the past 10 years have concentrated mainly on forms of "para-subordinate" work, and in particular on employer-coordinated freelancers. For example, the Institute of Economic and Social Research (Istituto di ricerche economiche e sociali, Ires), drawing on the 2004 Istat labour force survey and data furnished by the Inps, has estimated that, 'in general, the incomes received by employer-coordinated freelancers were lower than those of dependent employees in similar jobs. This economic penalisation does not concern their current incomes alone but, because of their different Inps contribution rates, also their future pension incomes. For example, among highly-qualified intellectual professions, only a very small minority of employer-coordinated freelancers earned incomes amounting to more than EUR 2,000 a month, while the majority of them (44.5%) had monthly incomes of between EUR 800 and EUR 1,200. In comparison to the average earnings of a dependent employee with an equivalent job grade and a similar working-time schedule, an employer-coordinated freelancer in this income bracket earned between 40% and 50% less than his/her dependent employee counterpart. For lower job grades, employer-coordinated freelancers were increasingly less penalised in comparison with their dependent counterparts, mainly because of the rather low levels of average income earned by all dependent employees. However, the Ires reported that 85% of freelancers with lower job grades earned less than EUR 800 a month. (Eurofound, 2009a, p.1).

► Working time:

Still following Eurofound (2009a), studies on the working conditions of employer-coordinated freelancers have 'highlighted that the majority of these workers work on the company's premises and with a daily presence in the workplace, without any autonomy in regard to working hours and often with schedules identical to those of colleagues with a dependent employment contract (Altieri, 2006). The Ires study above-mentioned also showed that, in 2004, the majority of employer-coordinated freelancers (55%) worked between 21 and 40 hours a week. A significant percentage of female freelancers (34% of the total) worked at most 20 hours. The female freelancers who worked reduced hours were almost equally divided between "voluntary" and "non-voluntary" part-timers. Among men, 28% of freelancers worked part-time: in this case, the "non-voluntary" rate was smaller (35.5%). The main reasons given by employer-coordinated freelancers who voluntarily worked part time were study and family care responsibilities'. (Eurofound, 2009, 1)

► General satisfaction with working conditions:

Regarding the degree of satisfaction with working conditions expressed by employer-coordinated freelancers, Eurofound (2009a) indicates that there exist various studies conducted on the matter and that these studies 'have highlighted conflicting and not easily interpretable elements: on the one hand, there seems to be widespread satisfaction with and interest in the content of the work; on the other hand, there seems to be dissatisfaction with the living conditions that derive from work with this type of contract. Such dissatisfaction is due to the mix of unfavourable conditions connected with the employer-coordinated freelance relationship: few contractual guarantees, low current incomes and low future pension benefits' (Eurofound, 2009, p.1).



5.7.4.3 Spain

Regarding the working and employment conditions in Spain, the information collected allowed us to provide insights about the following topics:

- ◆ Pay;
- ◆ Working time;
- ◆ Health and safety at work;
- ◆ General satisfaction.

▶ Pay:

According to Eurofound (2009b), in Spain, according to the Survey on Quality of Life in the Workplace, carried out by the Spanish Ministry of Labour and Social Affairs (Ministerio de Trabajo y Asuntos Sociales), in 2006, the majority of self-employed workers without employees (67.7%) earned a net income of between €600 and €2,100 a month, slightly below the national average. The inequalities of earnings among self-employed without employees is higher than inequality of earnings among all employees: the lowest earnings levels (less than €600 a month) and highest earnings level (over €2,100 a month) were more widespread among self-employed workers without employees than among employees.

▶ Working Time:

Eurofound (2009b), provide information regarding the results of a 2006 Survey on Active Population developed by the Spanish Institute of Statistics. It appears that 'self-employed workers with no employees work 5.8 hours more than the average for the whole number of occupied people in Spain (40.9 hours per week compared to 35.1 hours of the whole occupied population)' (Eurofound, 2009b, p.1). In addition, more self-employed workers with no employees work very long working hours than the national average - 28.6% work more than 50 hours a week compared to 11.9% of the whole occupied people. By gender, male self-employed work over six hours per week more than women, on a general basis, and a higher proportion of men self-employed work long working hours as well.

▶ Health and safety at work:

Still following Eurofound (2009b), the National Statistics about Working Accidents (developed by the Spanish Ministry of Labour and Social Affairs), show that just 1.1% of the total number of accidents registered at work in Spain corresponds to self-employed workers (above all to the group without employees, that is, 0.9%), which is far below the proportion they represent over the total occupied population (17.8% according to the Spanish Institute of Statistics for the year 2006).

▶ General satisfaction:

As published by the 2006 Survey on Quality of Life in the Workplace and quoted by Eurofound (2009b), the general job satisfaction of self-employed workers without employees is rather good and very similar to the national average (7.4 and 7.3 points respectively in a scale of 0 to 10 points), although there are some differences regarding their satisfaction with specific aspects of working and employment conditions.

Firstly, self-employed workers without employees are mostly satisfied with their level of autonomy (8.4 points), participation in the decision-making process (8.4 points), personal development (7.7 points) or their working activity itself (7.6 points). For some of these topics, self-employed appear to be more satisfied than the occupied population as a whole (e.g. regarding the level of autonomy and participation or the personal development).

Secondly, the analysed self-employed group is less satisfied with social protection (3.3 points), holiday (4.9 points) and level of autonomy (4.9 points). Compared to the national average, they have lower satisfaction rates concerning social security and holidays, as well as with the working day and breaks.

Finally, as far as some possible negative aspects of the workplace is concerned, self-employed workers with no employees seem to be moderately affected by the level of monotony and stress (4.9 points and 5.8 points respectively), which is similar to the national average (5.0 points and 5.6 points respectively).



6/ Horizontal analysis

We provide below some key findings derived from the analysis of the previous chapters. The aim is not to summarize all the topics studied but to present key “takeaways” of the study.

1. Temporary agency work did not grow strongly in the last decade but still plays a key role in the labour market

At the level of the EU-15, the **following evolutions might be pointed out:**

- ▶ Between 1996 and 2012, **TAW** increased by 1 percentage point and accounted for 2.5% of total employment in 2012 (1.8% when considering the EU-27). During the last decade, the evolution of TAW was contrasted. In particular, the share of TAW decreased during the crisis and increased by only 0.4 percentage point between 2003 and 2012. In 2013, **open-ended contracts** remain the most widespread contractual arrangement (around 75% of total employment). Between 1996 and 2013, in the EU-15, the share of open-ended contracts decreased by 1.4 percentage points and the share of **self-employment** decreased by 0.5 percentage point while the share of **temporary employment** increased by 1.9 percentage points.
- ▶ During the last decade, the evolution of these forms of work at EU level was not strictly continuous: we can't therefore argue that a strong growth of a form of work is occurring at the expense of another. In absolute value, the different forms of work evolve strongly in a same direction, which is determined by economic conditions. However, when looking further in details at national level, it appears that some specific dynamics occur. In particular, during the least years, a strong **increase of fixed-term contracts of short duration** has been noticed in some countries (e.g. in France or in Spain). As indicated below, this evolution raises concerns with regards to access to social protection for these workers.

Despite the very slow growth registered during the last decade, **TAW still plays an important role in the labour market.**

For the **firms** (user undertakings), TAW provides a flexible workforce, at an affordable/controlled cost, that answers the firm's needs in terms of qualifications and skills:

- ▶ TAW allows facing temporary increase (or decrease) in demand due, among other reasons, to changes in economic conditions. The strong positive correlation between the evolution of TAW and the economic conditions is confirmed in the study and indicates that firms rely on TAW to adapt to economic changes.
- ▶ The flexibility offered by TAW to the firms is combined with reasonable costs. In some countries in particular, e.g. in Germany, collective labour agreements allow combining lower costs (derogation from the principle of equal treatment in pay in Germany) while guarantying stability in social protection for the workers (open-ended contracts for the workers in Germany).
- ▶ Moreover, TAW allows firm to hire candidate with the desired qualifications and skills. Indeed, agencies put efforts in building and matching the qualifications and skills of the workers with the profile desired by the firm.

Regarding the **workers**, the study has highlighted some of the keys roles of TAW:

- ▶ TAW acts clearly as a bridge from unemployment to work: a vast majority of workers entering TAW were unemployed. TAW moreover ensures a rather durable transition from unemployment to work, in comparison to fixed-term contracts (in France): a relative high proportion of TAW remains employed (whether in TAW or with direct fixed-term or open ended contracts) a year after entering TAW.
- ▶ In comparison to other forms of temporary work or in comparison to unemployment, temporary agency work may be, under certain conditions¹³⁶, more efficient in facilitating transitions from temporary employment to open-ended contracts.
- ▶ Some workers enter TAW because they are looking for flexibility in their employment. TAW offers them flexibility in working time and the opportunity to gain diverse working experience.

¹³⁶ Results depend on the period considered, on the profile of temporary agency workers considered, on the methodology used, etc.



- ▶ Finally, specifically for students, TAW may act as a bridge from education to work. These workers are also willing to acquire a first relevant professional experience that may help them enhance their positioning in the labour market.

Regarding the **labour market as a whole**, the following results might be pointed out:

- ▶ The size of temporary agency work is positively correlated with the size of the activity rate: the activity rate tends to be higher in countries where the size of temporary agency work is high.
- ▶ It also appears that the countries where it is easier to resort to TWA have smaller undeclared economies. These results might emphasize on the role of temporary agency work in increasing labour force participation rate and fighting undeclared economy.

2. TAW and open-ended contracts offer comparable rights regarding key aspects in employment and working conditions

According to the results derived in the survey, TAW, fixed-term contracts and open-ended contracts are roughly comparable in terms of the rights offered in most of the studied topics.

In comparison to these forms of work, self-employed are in general much less protected. We provide below more specific comparisons between these forms of work with regards to the four main topics studied.

- ▶ TAW and fixed-term contracts offer rather similar access and provisions as open-ended contracts with regards to **"health and safety provisions and practices"** and provide better access than self-employment. The implementation of the directive on Health and Safety in Fixed-Term and Temporary Employment may partially explain these results, providing specific requirements to Member States.
- ▶ Regarding **"vocational training"**, the survey tends to indicate that TAW and fixed-term contracts offer rather similar access as open-ended contracts. However, the data from Eurofound tend to demonstrate that workers under open-ended contracts have a greater access to vocational training. The access to vocational training for self-employed is much weaker. Regarding vocational training, it is particularly important to point out that the access to vocational training for temporary agency workers is in practice eased by the existence of several bipartite funds specifically devoted to temporary agency workers. Regarding FTCs, as indicated below, such funds do not exist at such a scale. As a result, it appears that the effective access to vocational training is higher for TAW than for fixed-term contracts.
- ▶ With regards to **"basic working and employment conditions"** (in terms of working time limits and pay), the principle of "equal treatment" (between temporary agency workers and open-ended contracts) and the principle of "non-discrimination" (between fixed-term contracts and open-ended contracts) provided by the European directives have been widely implemented. For strictly identical position, basic working and employment conditions are therefore broadly similar. However, when looking to total amount earned in the main job and working time more broadly defined (flexibility on working time, etc.) it appears that open-ended contracts provide better conditions than the other types of contracts. However, these differences may also be explained by differences in sector and occupational function. Self-employed, given the flexibility it offers in the scheduling of the working time, have a rather good index in basic working and employment conditions (broadly defined).
- ▶ Finally with regards to various topics related to access to **"social protection"** (i.e. unemployment benefits, sick benefits, maternity leave, healthcare and pension's benefits), temporary agency work and fixed-term contracts provide rather similar access and provisions as open-ended contracts. However, as further explained below, the effective access to social protection might be more difficult for workers with contracts of short duration who might have difficulties to accumulate the necessary worked days to get social benefits.

3. The effective access to social benefits might be difficult for workers with contracts of short duration: this is why portability of rights is important

While access to social protection of TAW and FTCs is similar to that of open-ended contracts, the access to social benefits in practice might be difficult for temporary employment (fixed-term contracts or TAW) of short duration:

- ▶ The required accumulation of worked days or amount earned ("thresholds") that gives access to social benefits (pension's benefits, unemployment benefits, etc.) may be more difficult to reach.



- ▶ In case of contracts of very short duration, illness or pregnancy may have a negative impact for the worker: social benefits might stop if the contract stops and a new contract might not be given to the worker.

In this view, it may be important to provide additional compensations in some cases and to ensure the portability and the effective accountability of the rights accumulated under different contracts of short duration. The portability of rights must be insured both within a given form of work (e.g. in the TAW sector) and between the different forms of work (from TAW to other forms of work) in order to not penalize workers accumulating different contracts.

Regarding, TAW this study shows that several initiatives have been taken to provide compensations for the workers with contracts of short duration and to ease the portability of the rights within the temporary agency sectors (some of these initiatives are briefly quoted below). It appears that such initiatives do not exist at such a scale for fixed-term contracts.

4. Social partners in TAW sector develop initiatives in order to ease the effective access to social protection, vocational training and health and safety provisions and practices

In order to further protect the workers (particularly those with contracts of short term duration), the social partners have developed provisions in the temporary agency sector of various countries (France, Netherlands, Belgium, Italy, etc.). These provisions aim at compensating for the discontinuous nature of the work and for the difficulty for agency workers to reach the necessary "thresholds" (in terms of worked days, etc.) that gives access to social protection provisions.

Below, we quote some example of such initiatives / provisions (a more complete list of initiatives can be found in throughout chapter 4/):

- ▶ With regards to ***sick benefits***:
 - ◆ ***In Belgium***, a collective labour agreement has been designed and implemented in order to further protect the agency workers: they now receive additional compensation from the agency during the first 30 days of their incapacity.
 - ◆ ***In France***, collective agreements have been concluded between social partners in order to provide additional compensation in case of illness or accident. The organisation in charge of managing these additional compensations is called "Reunica". In case of strong disability, an annuity is also paid if the agency worker warrants 1,800 hours of service in the profession during the 24 months prior to the work stoppage.
 - ◆ In ***the Netherlands*** a CLA provides additional provisions for workers in "phase A" (i.e. workers who have accumulated few working days, see section 5.3).
- ▶ With regards to ***healthcare***, in ***Italy***, additional protection, regarding e.g. dental care or surgery, are offered to temporary agency workers.
- ▶ With regards to ***pension's benefits***:
 - ◆ In ***France***, a single pension fund for temporary agency workers has been set up. This eases the compilation of all the career paths of workers and informs workers about their current situation, in terms of pension's rights.
 - ◆ In ***Italy***, an additional private pension fund (FONTEMP) has also been set up to allow temporary agency workers to benefit from additional provisions.

It appears that **comparable provisions do not systematically exist for standard fixed-term contracts**, which tends to indicate that the particular employment relationship induced by agency work (triangular relationship) might help to develop provisions aimed at enhancing working conditions of workers.



5. Key differences exist between TAW and fixed-term contracts: the development of unique bodies/funds whose creation relies on the triangular relationship

As indicated below, several initiatives have been put in place by social partners to enhance working conditions of TAW. These initiatives cover all agency workers, regardless of the user company where they are assigned. Such initiatives do not exist at such a scale for fixed-term contracts.

The development of such unique bodies / funds is fostered by the triangular relationship of TAW: the intermediary role of the agencies as well as the active role of the social partners is fundamental. The same does not exist when considering fixed-term contracts (FTC groups various types of contracts, in various sectors) or self-employment. The diversity in fixed-term contracts (or self-employment) and the lack of unique intermediaries make it difficult to develop unique organisations or funds for those workers.

It is moreover important to notice that the intermediation in the TAW sector also allows for the privatization of the bodies / funds: e.g. in France, the organisation that allows a better registration of the career paths of the TAW workers is privately funded, which offers the opportunity to not increase public spending in compiling career paths of workers accumulating different contracts.

In this view, the strength of TAW, with respect to FTCs (or other forms of flexible work), lies in the fact that the triangular relationship facilitates the creation of systems and initiatives that allowed to combine flexibility and enhancement of working and employment conditions. The further development of TAW in the EU should therefore rely on this key strength.

6. Importance of further studying labour market evolutions and need for more detailed and harmonized data allowing to compare the forms of work

The comparison of the different forms work, in terms of evolution, working conditions, etc. is very important in order to get a clear picture of the changes occurring in the labour market. This research, among others, highlights the need of having access to harmonized and detailed data that allow the analysis of the Labour market at a sufficiently detailed level.

In this view, it is important to further develop, at EU level, databases (such as EWCS of Eurofound) that allow for studying the specificities of the different forms of work in terms of evolution, working conditions etc.



1/ Annex 1: Methodology

1.1. Methodological comments for Chapter 1 - Introduction

"3-axis analysis"

In order to achieve the objectives of the study, the research is based on a "3-axis analysis" that includes the following research methods:

- ▶ **A desk research** that consists both in a literature review and data collection:
 - ◆ Regarding the literature review, several documents have been consulted: EU publications, social partners joint publications, academic articles, etc.
 - ◆ Regarding the data collection, we mostly used harmonized data. Indeed, it is important to ensure the comparability of the data between the different countries. We present below the main data used in this study. The justification of the use of these data and the possible limitations of the latter will be provided in the related chapters.
 - Labour Force Survey (Eurostat);
 - Ciett data;
 - Micro data from the 5th European Working Conditions Survey, conducted in 2010 by Eurofound.
- ▶ **A survey** conducted among the Eurociett and UNI Europa members. The specific aim of the survey was to collect information at national level about the legislations and initiatives related to working and employment conditions for the different forms of work. National respondents were asked to compare the forms of work with regards to the following topics: "Access to social protection", "Social dialogue", "Occupational health and safety provisions" and "Access to vocational training". A questionnaire (see annex 3/) has been sent the 1st July 2014 to all Eurociett and UNI Europa national members. Between July 2014 and September 2014, we received 30 filled-in questionnaires. This allows us to collect comparable information for 21 European countries.
- ▶ **Case studies.** Finally, a case study analysis is provided. The case studies aim at further deepening the analysis of 6 specific relevant topics by focusing on the situation in one or two European countries¹³⁷. The topics of the case studies are the following:
 - ◆ The use of open-ended contracts in temporary agency work: the case of Germany
 - ◆ The profile and satisfaction of temporary agency workers: the case of Belgium
 - ◆ The stepping stone function of TAW
 - ◆ The role of social partners in regulating TAW: the case of the Netherlands
 - ◆ A focus on fixed-term contracts: the case of France and Spain
 - ◆ A focus on self-employment: the case of Italy and Spain

Selection of the other forms of work

The selection of those three "other forms of work" (i.e. open-ended contracts, fixed-term contracts and self-employment) is based upon 4 main criteria:

- ▶ *Large importance, in terms of size, in the labour market.* The three selected forms of work meet this criterion.
- ▶ *Availability of reliable data.* Again, the three selected forms of work meet this criterion.
- ▶ *High degree of "substitutability" to TAW.* In terms of flexibility, fixed-term employment and self-employment could be seen, at first glance, as rather close substitutes to TAW.

¹³⁷ The case study on the stepping stone function of TAW does not focus specifically on one or two countries. The selection of the countries for the case studies is based upon the following main criteria: Relevancy of the topic in the given country and availability of data and studies.



- ▶ *Traditionally high level of working conditions.* Workers under open-ended contracts have traditionally high level of working conditions. For comparison purposes, it is therefore important to select this form of work.

1.2. Methodological comments for Chapter 2 - Size of temporary agency work compared to other forms of work

The major data sources used in this chapter are the following:

- ▶ Regarding temporary agency work, we mainly use data collected by Ciett from their members. It should be noted that these data are provided by national employer organisations: the methods of survey and calculation may differ slightly between some countries.¹³⁸
- ▶ Regarding the other forms of work, the major source of information used in this chapter are the data from the Labour Force Survey (LFS). Eurostat, the OECD and the ILO use these data to provide information related to the labour market. The main advantage of the LFS data is that it provides harmonized EU data while data from different national statistical offices would be barely comparable. However, the use of the LFS data for this study leads to several challenges that have to be taken into account in the analysis of the data. First, these data are collected through interviews and are therefore subject to problems related to the self-declaration of individuals. Secondly, EU-LFS data cover the resident population, so that the figures reported for a country include residents working abroad and excludes foreign residents working in the country. This can make a sizeable difference in particular in small countries with relatively many cross-border workers, such as Luxembourg. Finally, the data regarding "fixed-term employment" contain both standard fixed-term contracts and temporary agency-work. We cannot therefore analyse strictly the evolution of standard direct fixed-term contracts in Europe.
- ▶ Finally, regarding the global overview of the labour market, presented in the section 2.2, we use some micro-data¹³⁹, from the fifth European working Conditions Survey conducted by Eurofound in 2010. These data allow providing information regarding all the forms of "work", including the unregulated forms of work and the apprenticeship.

In the chapter, the size of each form of work is presented in terms of share in total employment. For temporary employment or open-ended contracts, this presentation, in terms of total employment, differs from the presentation available in several databases (e.g. the share of temporary employment is expressed as share of total employees in Eurostat). Moreover, the total number of open-ended contracts (non-publicly available in absolute values) is obtained by subtracting the numbers of temporary employment and self-employment from total employment.

1.3. Methodological comments for Chapter 4 - Effective working and employment conditions

The evaluation of the different topics related to the effective working and employment conditions required the utilisation of **various sources**. In particular, we rely on the following sources:

- ▶ *Survey conducted on the Eurociett and Uni-Europa members.* This survey was conducted by IDEA Consult, in collaboration with Eurociett/Uni-Europa, from June 2014 to September 2014 and aimed at collecting information about national legislations and, more particularly, about how national legislations for TAW, standard fixed-term contracts and self-employment compared to open-ended contracts. The questionnaire covered the following main topics: "Access to social protection", "Social dialogue", "Occupational health and safety provisions" and "Access to vocational training". 30 filled-in questionnaires have been received which allow us to cover 21 European countries. The questionnaire can be found in the annex 3/.
- ▶ *Micro data from the fifth Employment and Working Conditions Survey (EWCS) conducted in 2010 by Eurofound.* This survey has been conducted in 2010 in all European countries. Around 40.000 workers have been questioned about the working and employment conditions in their main job. The micro data used in this chapter have been obtained via UK Data.

¹³⁸ See Eurociett and UNI Europa (2013).

¹³⁹ European Foundation for the Improvement of Living and Working Conditions, European Working Conditions Survey, 2010 [computer file]. Colchester, Essex: UK Data Archive [distributor], February 2012. SN: 6971, <http://dx.doi.org/10.5255/UKDA-SN-6971-1>.



- ▶ Finally, other sources are used to complement the information. More specifically, we also use indexes available in *OECD (2014)* and the results from *Metropolitan London University (2012)*.

We provide in the table below a general overview of the specific topics studied in this chapter and the sources used.

Table 34: Overview of the topics and sources of chapter 4

Main topics	Specific topics	Sources
Access to social protection (in theory)	Unemployment benefits	▶ Survey IDEA Consult (2014)
	Sick benefits	▶ Survey IDEA Consult (2014)
	Healthcare	▶ Survey IDEA Consult (2014)
	Maternity leave	▶ Survey IDEA Consult (2014)
	Pension's benefits	▶ Survey IDEA Consult (2014)
Basic working and employment conditions	Working time	▶ Eurofound EWCS (2010)
	Pay	▶ Eurofound EWCS (2010)
Occupational health and safety provisions and practices	Health and safety at work and initiatives developed by social partners	▶ Survey IDEA Consult (2014) ▶ Eurofound EWCS (2010)
Access to vocational training	Access to vocational training and initiatives developed by social partners	▶ Survey IDEA Consult (2014) ▶ Eurofound EWCS (2010)
Access to representative bodies	Level of representation	▶ Survey IDEA Consult (2014)
Perception of job security	Perception of employment (in)security	▶ OECD (2014), based on EWCS (2010)
General indicators of working and employment conditions	Indicator of general satisfaction with working conditions	▶ EWCS (2010)
	Index of intrinsic job quality	▶ Eurofound (2012) based on EWCS (2010)
	Average rating with regards to the rights they provide to workers	▶ London Metropolitan University
	Combined index of job quality	▶ Survey IDEA Consult (2014) ▶ EWCS (2010)

Source: IDEA Consult



2/ Annex 2: Additional data

Table 35: Share of part-time employment in total employment

GEO/TIME	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
European Union (27 countries)	15,8	15,7	15,7	16,1	16,7	17,3	17,5	17,6	17,6	18,1	18,6	18,8	19,2	19,6
Austria	16,7	16,9	18,7	18,3	20	20,8	21,3	21,8	22,6	23,7	24,3	24,3	24,9	25,7
Belgium	20,6	18,4	19,3	20,4	21,5	21,7	22	21,9	22,4	23,2	23,7	24,7	24,7	24,3
Bulgaria	n.a	3,3	2,7	2,1	2,7	1,9	1,8	1,5	2	2,1	2,2	2,2	2,2	2,5
Croatia	n.a	n.a	6,5	6,6	6,5	7,8	7	6,6	6,9	6,9	7,5	7,6	6,3	6,2
Cyprus	7,6	7,4	6,3	7,6	7,5	7,6	6,6	6,4	6,8	7,5	8,3	9	9,7	11,9
Czech Republic	4,8	4,4	4,3	4,5	4,4	4,4	4,4	4,4	4,3	4,8	5,1	4,7	5	5,8
Denmark	21,4	19,6	20	20,3	21,9	21,5	23	23	23,8	25,2	25,6	25,1	24,8	24,7
Estonia	6,3	6,8	6	6,7	6,9	6,6	6,7	7,2	6,4	9,4	9,8	9,3	9,2	8,9
Finland	11,9	11,6	12,1	12,5	12,8	13,3	13,5	13,4	12,7	13,3	13,9	14,1	14,1	14
France	16,8	16,3	16,1	16,8	16,9	17,1	17,1	17,2	16,8	17,2	17,6	17,6	17,7	18,1
Germany	19,1	19,9	20,3	21,2	21,9	23,4	25,2	25,4	25,1	25,3	25,5	25,7	25,7	26,2
Greece	4,4	3,9	4,2	3,9	4,5	4,8	5,5	5,4	5,4	5,8	6,2	6,6	7,6	8,2
Hungary	3,4	3,3	3,4	4,1	4,3	3,9	3,8	3,9	4,3	5,2	5,5	6,4	6,6	6,3
Iceland	27,5	26,7	27,4	19,1	19,2	21,8	16,6	21,1	20,1	23	22,4	20,5	20,8	20,8
Ireland	16,6	16,4	16,3	16,7	16,6	16,8	16,6	17,3	18,1	21	22,2	23,1	23,5	23,5
Italy	8,7	8,9	8,5	8,5	12,4	12,7	13,1	13,4	14,1	14,1	14,8	15,2	16,8	17,7
Latvia	10,5	9,2	8,6	9,4	9,8	7,6	5,8	5,6	5,5	8,4	9,3	8,8	8,9	7,5
Lithuania	8,9	8,4	9,5	8,6	8,4	6,8	9,5	8,6	6,5	7,9	7,8	8,3	8,9	8,4
Luxembourg	11,2	11,3	11,6	13,4	16,3	17,4	17,1	17,8	17,9	17,6	17,5	18	18,5	18,7
Malta	6,1	7,1	8,4	8,9	7,8	9,4	9,7	10,6	11,1	10,7	11,7	12,4	13,2	14
Netherlands	41	41,9	43,4	44,6	45,2	45,7	45,8	46,3	46,8	47,7	48,3	48,5	49,2	50
Norway	25,7	25,6	25,7	28,3	29,1	27,7	28,1	27,5	27,4	27,8	27,6	27,3	27,2	27
Poland	9,3	9,2	9,6	9,3	9,6	9,8	8,9	8,5	7,7	7,7	7,7	7,3	7,2	7,1
Portugal	8,1	8,2	8,4	8,8	8,1	8,2	8,1	8,8	8,6	8,4	8,4	10,1	11	10,9
Romania	14	14,3	9,7	10,6	9,2	9,2	8,6	8,6	8,6	8,5	9,7	9,3	9,1	8,8
Slovakia	1,8	2,4	1,8	2,2	2,5	2,4	2,7	2,5	2,5	3,4	3,8	4	4	4,5
Slovenia	5,3	5,3	5,8	5,8	8,3	7,8	8	8,1	8,1	9,5	10,3	9,5	9	9,3
Spain	8	8	8	8,2	8,8	12,2	11,8	11,6	11,8	12,6	13,1	13,7	14,6	15,9
Sweden	21,8	20,2	20,4	22,2	23,1	24	24,3	24,2	25,7	26	25,8	25,2	25	24,7
Switzerland	29,3	30,7	30,6	31,5	32	32,2	32,4	32,5	33,3	33,7	34,1	33,9	34,5	35,1
United Kingdom	24,4	24,4	24,5	25	25,1	24,2	24,3	24,2	24,2	25	25,7	25,5	25,9	25,5

Source: IDEA Consult based on Eurostat data



Table 36: Penetration rate of TAW in the European Union

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Austria	1,0%	1,2%	1,2%	1,5%	1,7%	1,7%	1,4%	1,6%	1,8%	1,9%
Belgium	1,6%	1,8%	1,8%	2,1%	2,2%	2,1%	1,6%	1,8%	2,0%	1,9%
Bulgaria	n.a	n.a	n.a	n.a	n.a	0,1%	0,2%	0,3%	n.a	0,3%
Croatia	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	0,3%
Czech Republic	n.a	n.a	n.a	n.a	n.a	0,7%	0,7%	0,7%	0,7%	0,9%
Denmark	0,4%	0,5%	0,6%	0,7%	0,7%	0,8%	0,5%	0,5%	0,5%	0,5%
Estonia	n.a	n.a	n.a	n.a	n.a	n.a	n.a	0,5%	0,6%	0,6%
Finland	0,5%	0,6%	0,7%	0,7%	1,1%	1,3%	0,8%	0,9%	1,3%	1,2%
France	2,3%	2,3%	2,3%	2,4%	2,5%	2,3%	1,7%	2,0%	2,2%	2,0%
Germany	0,9%	1,1%	1,2%	1,6%	1,9%	2,0%	1,6%	2,0%	2,2%	2,2%
Greece	n.a	n.a	n.a	n.a	0,2%	0,0%	0,1%	0,1%	0,1%	0,2%
Hungary	1,0%	1,4%	1,4%	1,4%	1,4%	1,4%	0,6%	1,8%	n.a	n.a
Ireland	1,4%	1,4%	1,3%	1,5%	1,7%	1,7%	0,9%	1,9%	2,5%	1,4%
Italy	0,6%	0,7%	0,7%	0,8%	1,0%	0,9%	0,7%	0,9%	1,0%	0,9%
Latvia	n.a	n.a	n.a	n.a	n.a	n.a	n.a	0,3%	0,4%	0,03%
Lithuania	n.a	n.a	n.a	n.a	n.a	n.a	n.a	0,2%	0,1%	0,2%
Luxembourg	2,1%	2,1%	2,1%	2,6%	2,5%	2,0%	1,8%	1,9%	n.a	2,4%
Netherlands	1,9%	1,9%	2,2%	2,5%	2,8%	2,9%	2,5%	2,5%	2,6%	2,7%
Poland	0,1%	0,2%	0,2%	0,2%	0,4%	0,6%	0,5%	0,7%	1,0%	1,0%
Portugal	0,9%	0,9%	0,9%	0,9%	0,9%	1,6%	1,6%	1,8%	1,7%	n.a
Romania	n.a	n.a	n.a	n.a	n.a	0,3%	0,2%	0,5%	n.a	0,2%
Slovakia	n.a	n.a	n.a	n.a	n.a	0,6%	0,6%	0,8%	n.a	n.a
Slovenia	n.a	n.a	n.a	n.a	n.a	0,2%	0,2%	0,5%	n.a	n.a
Spain	0,6%	0,7%	0,7%	0,7%	0,7%	0,6%	0,4%	0,5%	0,5%	0,5%
Sweden	0,7%	0,7%	0,7%	0,8%	1,3%	1,3%	1,0%	1,3%	1,4%	1,3%
UK	4,0%	4,2%	4,3%	4,4%	4,7%	4,2%	3,7%	3,0%	3,6%	3,8%
EU-27 (without Malta and Cyprus)	1,5%	1,6%	1,7%	1,8%	2,0%	1,8%	1,4%	1,6%	1,9%	1,8%
EU28 (without Malta and Cyprus)	1,5%	1,6%	1,7%	1,8%	2,0%	1,8%	1,4%	1,6%	1,9%	1,8%
Group selected countries	1,2%	1,3%	1,4%	1,5%	1,7%	1,7%	1,3%	1,6%	1,7%	1,7%

Source: IDEA Consult based on Ciett data



Table 37: Components of temporary employment

		Temporary help agency workers	Fixed-term contracts	On-call workers	Seasonal workers	Other temporary workers
Australia	1997	21.7	75.9	..	2.4	..
Canada	1995	2.1	50.4	33.0	14.5	..
France	1990	12.2	48.6	..	2.8	36.4
	1995	12.2	45.0	..	3.1	39.7
	2001	25.7	57.9	..	3.4	40.9
Korea	2001	5.7	63.9	13.4	..	17.0
Mexico	1995	..	17.1	..	47.8	35.1
	2000	..	9.3	..	54.0	36.6
Netherlands	1992	25.1	28.1	29.6	..	17.3
	1995	31.4	27.7	28.7	..	12.2
	1999	36.8	23.8	27.3	..	12.1
United Kingdom	1992	6.7	48.1	..	6.5	38.7
	1995	10.4	54.0	..	4.4	..
	2000	15.8	48.3	..	4.1	31.8
United States	1995	14.1	..	14.2	..	71.8
	2001	13.2	..	14.8	..	72.0

.. Data not available.

a) See Table 3.A.2 in Annex 3.A for explanation of the categories of contract type reported for each country.

Source: Data from national Labour Force Surveys for France, Mexico and United Kingdom; Pot *et al.* (2000) for Netherlands; the 2001 Supplement to the Labour Force Survey for Korea; the 1995 Survey of Work Arrangements (SWA) for Canada; the 1997 Survey of Forms of Employment (FOE) for Australia; and the 1995 and 2001 Supplements on Contingent and Alternative Work Arrangements to the Current Population Survey for United States.

Source: OECD (2002).

Table 38: Size of temporary employment in total employment: number of temporary workers / total employment (annual average, adjusted series)

GEO/TIME	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
European Union (27 countries)	n.a	n.a	n.a	10,1	10,1	10,3	10,7	11,5	11,9	12,0	11,7	11,2	11,4	11,6	11,3	11,3
Austria	6,7	6,8	6,8	6,9	6,3	6,2	7,4	7,9	7,8	7,6	7,7	7,8	8,0	8,2	8,0	7,9
Belgium	6,4	8,4	7,6	7,4	6,4	7,2	7,4	7,5	7,4	7,3	7,1	7,0	6,9	7,6	6,9	6,9
Bulgaria	n.a	n.a	n.a	5,3	4,6	4,8	6,2	5,1	5,0	4,3	4,3	4,0	3,8	3,5	3,9	4,9
Croatia	n.a	n.a	n.a	n.a	7,6	8,6	9,5	9,2	9,9	9,9	9,4	9,1	9,5	9,8	10,0	11,3
Cyprus	n.a	n.a	8,0	8,1	6,9	9,5	9,8	10,7	10,3	10,5	11,0	11,0	11,3	11,5	12,5	14,3
Czech Republic	4,9	5,4	6,1	6,2	6,2	6,9	7,2	6,6	6,6	6,5	6,0	6,2	6,6	6,4	6,7	7,4
Denmark	9,1	9,2	9,2	8,4	8,0	8,5	8,9	8,8	8,0	8,1	7,6	7,8	7,6	7,9	7,7	7,9
Estonia	1,5	1,7	2,0	2,6	2,0	2,6	2,6	2,4	2,4	1,9	2,2	2,2	3,3	4,0	3,1	3,1
Finland	14,7	15,9	15,4	15,8	15,2	15,8	15,0	14,3	14,2	13,8	12,9	12,4	13,2	13,3	13,2	13,1
France	12,0	12,0	13,5	13,1	12,5	11,7	11,2	12,3	13,1	13,4	13,2	12,7	13,2	13,3	13,2	14,5
Germany	10,8	11,5	11,2	10,9	10,6	10,7	10,7	12,4	12,7	12,8	12,9	12,8	12,9	12,9	12,1	11,8
Greece	7,5	7,8	8,0	8,1	7,2	6,9	7,9	7,5	6,8	7,0	7,4	7,7	7,9	7,3	6,3	6,2
Hungary	5,3	5,1	5,7	6,3	6,3	6,5	5,9	6,0	5,8	6,3	6,8	7,3	8,4	7,8	8,3	9,6
Iceland	n.a	n.a	n.a	n.a	n.a	3,2	4,5	5,5	9,6	10,3	8,1	8,2	10,4	10,4	11,0	11,9
Ireland	6,8	4,0	4,2	3,7	3,9	3,8	2,7	3,0	4,9	6,5	6,8	7,1	7,8	8,3	8,3	8,1
Italy	6,0	7,0	7,2	6,8	7,1	6,9	8,5	8,9	9,6	9,7	9,9	9,3	9,5	10,0	10,3	9,9
Latvia	6,5	6,0	5,6	6,0	9,9	8,0	7,8	7,3	6,1	3,6	2,8	3,7	5,9	5,8	4,1	3,7
Lithuania	5,1	4,5	2,9	5,2	6,0	6,5	5,3	4,6	3,8	3,2	2,1	2,0	2,1	2,4	2,3	2,3
Luxembourg	2,6	3,1	3,0	4,0	4,0	2,9	4,4	4,9	5,6	6,3	5,8	6,5	6,4	6,4	6,9	6,3



Malta	n.a	n.a	3,4	3,6	3,5	3,7	2,8	3,8	3,2	4,3	3,6	4,1	4,7	5,6	5,9	6,5
Netherlands	10,9	10,4	12,0	12,5	12,4	12,6	12,5	13,3	14,2	15,3	15,3	15,3	15,3	15,3	16,0	16,7
Norway	n.a	n.a	8,9	8,3	9,5	8,5	9,3	8,7	9,1	8,6	8,1	7,3	7,5	7,2	7,6	7,6
Poland	3,7	3,3	4,0	8,5	11,0	13,7	16,3	18,9	20,5	21,4	20,6	20,2	20,8	20,5	20,6	20,7
Portugal	12,1	13,2	14,2	14,2	15,6	14,9	14,6	14,4	15,4	16,7	17,2	16,6	17,6	17,3	16,0	16,7
Romania	1,8	1,8	1,6	1,6	0,6	1,3	1,7	1,5	1,2	1,0	0,8	0,7	0,7	1,0	1,1	1,0
Slovakia	3,7	3,3	3,6	4,5	4,2	4,3	4,6	4,2	4,3	4,3	3,9	3,6	4,7	5,5	5,7	5,7
Slovenia	9,0	8,6	10,6	10,7	12,4	11,6	15,0	14,5	14,3	15,4	14,8	13,5	14,1	14,9	14,2	13,5
Spain	25,1	25,6	25,6	25,4	25,8	25,8	26,0	27,2	27,9	26,0	24,0	21,0	20,7	21,1	19,4	19,1
Sweden	10,8	11,7	12,2	13,8	13,7	13,9	13,9	13,9	15,0	15,2	14,0	13,2	14,0	14,5	13,9	14,3
Switzerland	9,2	9,5	9,3	9,5	10,0	9,8	10,0	10,6	11,2	10,7	10,9	11,0	10,9	10,7	10,7	10,7
United Kingdom	5,9	5,6	5,7	5,7	5,2	4,9	4,8	4,8	4,8	4,9	4,5	4,6	5,0	5,0	5,1	5,0

Source: Source: IDEA Consult based on Eurostat data

Table 39: Size of self-employment in total employment – Number of self-employed / total employment (adjusted)

GEO/TT	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000	2011	2012	2013
EU 28	n.a	n.a	n.a	n.a	n.a	14,1	14,3	14,4	14,4	14,3	14,2	14,0	14,1	14,3	14,2	14,2	14,1
EU 27	n.a	n.a	n.a	14,3	14,2	14,1	14,3	14,4	14,3	14,3	14,2	14,0	14,1	14,3	14,1	14,2	14,1
Austria	10,3	10,6	10,5	10,4	10,4	10,5	10,5	11,4	11,5	11,6	11,5	10,9	10,7	11,0	11,1	10,8	10,8
Belgium	14,6	15,1	14,2	13,6	12,8	13,2	12,9	12,7	13,0	13,1	13,0	12,6	13,1	12,9	12,7	12,9	13,6
Bulgaria	n.a	n.a	n.a	14,0	13,1	12,7	12,5	12,9	11,9	11,3	10,8	10,8	11,0	11,4	10,7	10,4	11,1
Croatia	n.a	n.a	n.a	n.a	n.a	17,0	17,6	18,1	19,2	17,6	17,0	16,9	16,6	17,4	17,0	15,8	15,3
Cyprus	n.a	n.a	n.a	19,4	18,7	18,2	18,4	18,8	19,1	17,9	17,0	16,4	15,9	14,8	14,3	13,3	14,5
Czech Republic	n.a	12,8	13,7	14,2	14,3	15,0	16,4	15,9	15,0	15,1	15,2	15,0	15,6	16,5	16,9	17,2	16,2
Denmark	8,0	8,2	8,1	8,0	7,5	7,7	8,0	7,5	7,5	7,9	7,9	7,9	8,5	8,2	8,2	8,1	8,0
Estonia	n.a	7,8	7,8	7,7	6,5	6,4	7,9	9,0	7,6	7,6	8,4	7,3	7,7	7,7	7,8	7,9	8,5
Finland	13,6	13,2	12,7	12,7	12,1	12,1	12,0	11,7	11,6	11,8	11,4	11,6	12,4	12,1	12,0	12,1	11,9
France	10,9	10,6	10,3	9,9	9,6	9,4	10,0	9,6	9,7	10,3	10,1	9,8	10,2	10,7	10,8	10,6	10,5
Germany	9,5	9,5	9,5	9,6	9,5	9,5	9,9	10,3	10,6	10,5	10,3	10,1	10,3	10,3	10,3	10,2	9,8
Greece	30,6	30,6	30,5	30,8	30,0	30,0	29,7	29,1	28,7	28,6	28,2	28,3	28,6	29,1	29,8	30,9	31,5
Hungary	16,0	14,9	14,7	14,2	13,7	13,0	12,7	13,8	13,0	12,0	11,7	11,5	11,8	11,7	11,3	10,8	10,3
Iceland	n.a	n.a	n.a	n.a	n.a	n.a	12,1	12,3	13,1	13,6	12,8	11,6	11,0	11,4	11,3	11,1	11,3
Ireland	17,3	17,0	16,2	16,2	15,8	15,6	15,3	15,7	15,1	14,5	15,0	15,3	15,4	14,8	14,4	14,1	14,7
Italy	23,5	23,4	23,3	23,1	22,6	22,3	22,3	24,3	23,7	23,3	23,0	22,5	22,2	22,3	22,1	22,0	21,9
Latvia	n.a	10,6	10,3	9,9	9,7	8,7	9,0	9,2	8,7	9,3	8,5	8,2	9,4	9,7	9,8	10,0	10,2
Lithuania	n.a	14,9	15,7	15,5	16,1	16,7	17,0	15,4	13,7	12,9	11,5	9,3	9,3	8,9	8,8	9,3	10,3
Luxembourg	8,1	8,3	8,3	8,6	6,6	7,2	7,4	7,7	7,7	7,6	7,0	6,1	7,3	7,1	7,6	7,9	7,8
Malta	n.a	n.a	n.a	11,8	11,7	14,3	13,5	13,6	13,5	13,6	13,7	13,1	13,2	13,6	12,9	12,7	12,9
Netherlands	10,6	10,1	10,0	10,0	10,4	10,5	10,4	10,9	11,1	11,5	11,8	12,0	12,2	13,5	13,5	13,7	14,5
Norway	n.a	n.a	n.a	6,9	6,5	6,7	6,7	6,8	6,8	7,6	7,2	6,9	7,2	7,0	6,3	6,1	6,1
Poland	21,5	21,1	21,1	21,2	21,3	21,4	20,8	20,1	19,6	19,0	18,4	18,1	18,0	18,4	18,4	18,1	17,8
Portugal	20,8	21,6	20,4	19,0	20,4	20,3	20,2	19,3	18,7	17,8	17,8	17,6	17,4	16,4	15,6	15,8	15,9
Romania	16,5	16,8	17,0	18,6	18,7	18,8	19,3	17,0	18,0	17,4	17,5	17,3	17,6	18,6	17,1	17,4	17,3
Slovakia	n.a	6,7	7,4	7,7	8,3	8,2	9,3	11,7	12,5	12,5	12,7	13,6	15,4	15,7	15,8	15,3	15,4
Slovenia	11,1	11,5	11,4	10,0	10,8	10,8	9,0	9,4	9,1	10,1	9,7	9,1	9,9	11,3	11,6	11,4	11,3
Spain	20,1	19,4	18,5	17,6	17,6	16,9	16,2	16,3	16,2	16,1	16,2	16,2	15,6	15,6	15,3	16,4	17,0
Sweden	10,1	9,7	9,9	9,4	9,4	9,3	9,3	9,4	9,4	9,6	9,4	9,2	9,4	9,5	9,1	8,9	9,1
Switzerland	14,3	14,1	14,3	14,6	13,8	13,5	14,1	13,2	13,1	12,7	12,7	12,7	11,8	12,1	11,8	11,8	11,7
Turkey	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	26,0	25,0	24,4	24,5	23,6	22,7	22,1	21,5
United Kingdom	11,9	11,5	11,3	11,2	11,3	11,4	11,8	12,0	12,0	12,1	12,3	12,2	12,4	12,6	12,7	13,1	12,9

Source: IDEA Consult based on Eurostat data



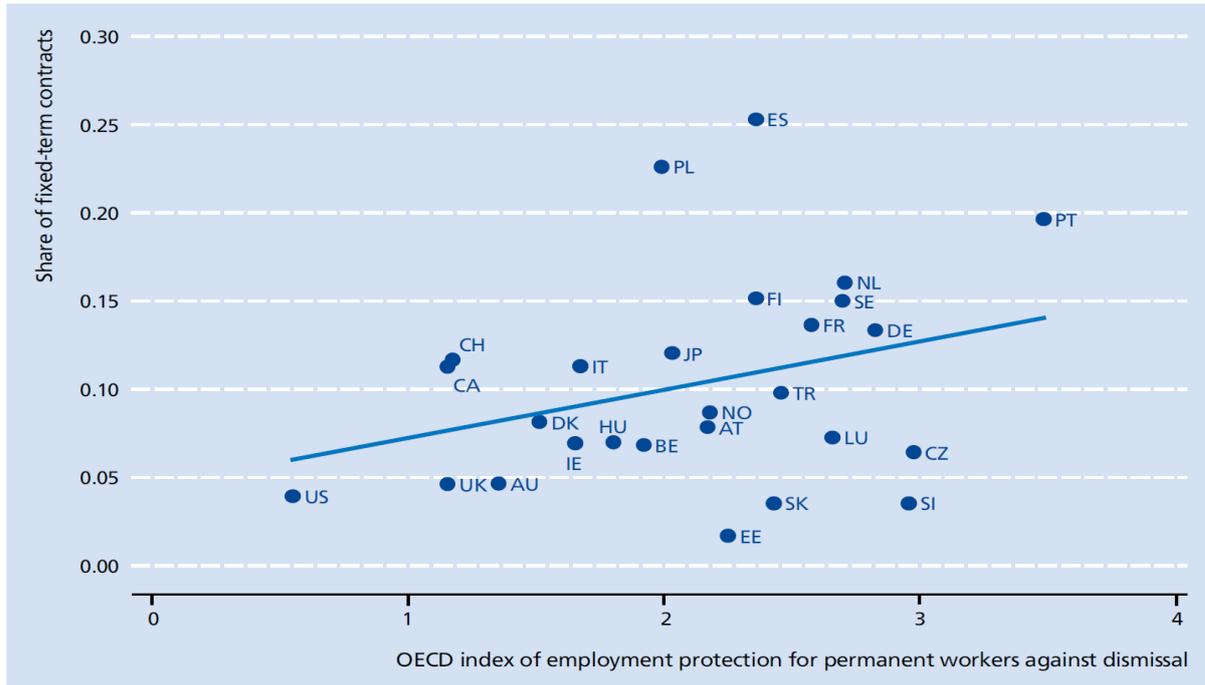
Table 40: Share of open-ended contracts in total employment

GEO/TIME	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
EU-27	n.a	n.a	n.a	75,7	75,8	75,5	74,9	74,2	73,8	73,8	74,4	74,7	74,3	74,3	74,6	74,6
Austria	82,7	82,7	82,8	82,6	83,1	83,3	81,2	80,6	80,6	80,9	81,4	81,5	80,9	80,7	81,2	81,2
Belgium	78,5	77,4	78,8	79,8	80,4	79,9	79,9	79,6	79,5	79,6	80,3	79,9	80,2	79,7	80,2	79,5
Bulgaria	n.a	n.a	n.a	81,6	82,7	82,7	80,8	83,0	83,7	84,9	85,0	85,0	84,8	85,8	85,8	84,1
Croatia	n.a	n.a	n.a	n.a	75,4	73,8	72,4	71,5	72,5	73,2	73,7	74,3	73,1	73,2	74,2	73,4
Cyprus	n.a	n.a	72,6	73,2	74,9	72,1	71,4	70,3	71,8	72,5	72,6	73,2	74,0	74,2	74,1	71,1
Czech Republic	82,4	80,9	79,8	79,5	78,8	76,7	76,8	78,4	78,3	78,4	79,0	78,2	76,8	76,6	76,1	76,4
Denmark	82,7	82,7	82,8	84,1	84,3	83,5	83,6	83,7	84,2	84,0	84,5	83,7	84,2	83,9	84,3	84,1
Estonia	90,8	90,5	90,3	90,9	91,7	89,5	88,4	90,1	90,1	89,7	90,5	90,1	89,0	88,3	89,0	88,5
Finland	72,0	71,4	71,9	72,1	72,7	72,2	73,3	74,1	74,0	74,8	75,5	75,2	74,7	74,7	74,7	75,0
Republic of Macedonia	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	74,0	74,0	72,3	71,7	70,5	71,1	71,8	70,5
France	77,4	77,6	76,7	77,3	78,1	78,3	79,2	78,0	76,6	76,5	77,0	77,2	76,2	75,9	76,2	75,0
Germany	79,7	79,0	79,2	79,6	79,9	79,4	79,0	77,0	76,8	76,9	77,0	77,0	76,8	76,8	77,6	78,3
Greece	61,9	61,7	61,3	61,9	62,9	63,4	63,0	63,8	64,6	64,9	64,3	63,6	63,0	62,9	62,8	62,3
Hungary	79,8	80,3	80,1	80,0	80,7	80,8	80,4	80,9	82,2	82,0	81,6	80,9	80,0	80,9	80,9	80,1
Iceland	n.a	n.a	n.a	n.a	n.a	84,7	83,2	81,4	76,8	77,0	80,3	80,9	78,2	78,3	77,9	76,8
Ireland	76,2	79,8	79,6	80,5	80,4	81,0	81,5	81,8	80,5	78,4	77,9	77,5	77,4	77,3	77,6	77,2
Italy	70,6	69,7	69,7	70,6	70,6	70,8	67,2	67,4	67,0	67,2	67,6	68,5	68,2	67,9	67,7	68,2
Japan	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Latvia	82,9	83,7	84,5	84,3	81,3	83,0	83,0	84,0	84,5	87,9	89,0	86,9	84,4	84,4	85,9	86,1
Lithuania	79,9	79,8	81,6	78,7	77,3	76,6	79,2	81,7	83,3	85,5	88,8	88,9	89,0	88,8	88,4	87,4
Luxembourg	89,1	88,7	88,4	89,4	88,8	89,7	87,9	87,4	86,8	86,7	88,0	86,1	86,5	86,0	85,2	85,9
Malta	n.a	n.a	84,8	84,7	82,2	82,8	83,6	82,7	83,3	82,0	83,3	82,7	81,8	81,6	81,4	80,6
Netherlands	78,9	79,6	78,0	77,1	77,1	77,0	76,6	75,6	74,4	72,9	72,7	72,6	71,2	71,2	70,3	68,8
Norway	n.a	n.a	84,2	85,1	83,9	84,8	83,9	84,5	83,3	84,3	85,0	85,5	85,5	86,5	86,2	86,3
Poland	75,2	75,6	74,7	70,2	67,6	65,5	63,6	61,6	60,5	60,1	61,4	61,7	60,8	61,1	61,3	61,4
Portugal	66,3	66,4	66,7	65,3	64,0	64,9	66,2	66,9	66,8	65,5	65,2	66,0	66,0	67,1	68,2	67,4
Romania	81,4	81,2	79,8	79,7	80,7	79,4	81,3	80,5	81,4	81,4	81,9	81,8	80,7	81,8	81,5	81,7
Slovakia	89,6	89,4	88,7	87,3	87,6	86,4	83,7	83,3	83,2	83,0	82,6	81,0	79,6	78,8	79,1	78,9
Slovenia	79,5	80,0	79,4	78,5	76,8	79,4	75,6	76,4	75,6	74,9	76,1	76,6	74,6	73,5	74,5	75,2
Spain	55,5	55,9	56,8	57,0	57,3	58,0	57,7	56,6	56,0	57,8	59,8	63,3	63,8	63,6	64,2	64,0
Sweden	79,5	78,3	78,4	76,8	77,0	76,8	76,8	76,6	75,4	75,4	76,8	77,5	76,5	76,4	77,2	76,7
Switzerland	76,7	76,2	76,1	76,8	76,5	76,1	76,7	76,4	76,2	76,6	76,4	77,1	77,0	77,5	77,6	77,6
Turkey	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	66,7	67,8	68,8	69,1	69,5	69,8	70,4	70,9
United Kingdom	82,6	83,1	83,1	83,0	83,5	83,3	83,3	83,2	83,0	82,9	83,3	83,0	82,4	82,3	81,8	82,1
United States	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a

Source: IDEA Consult based on Eurostat data



Figure 29: Relation between employment protection for permanent workers and the share of temporary employment

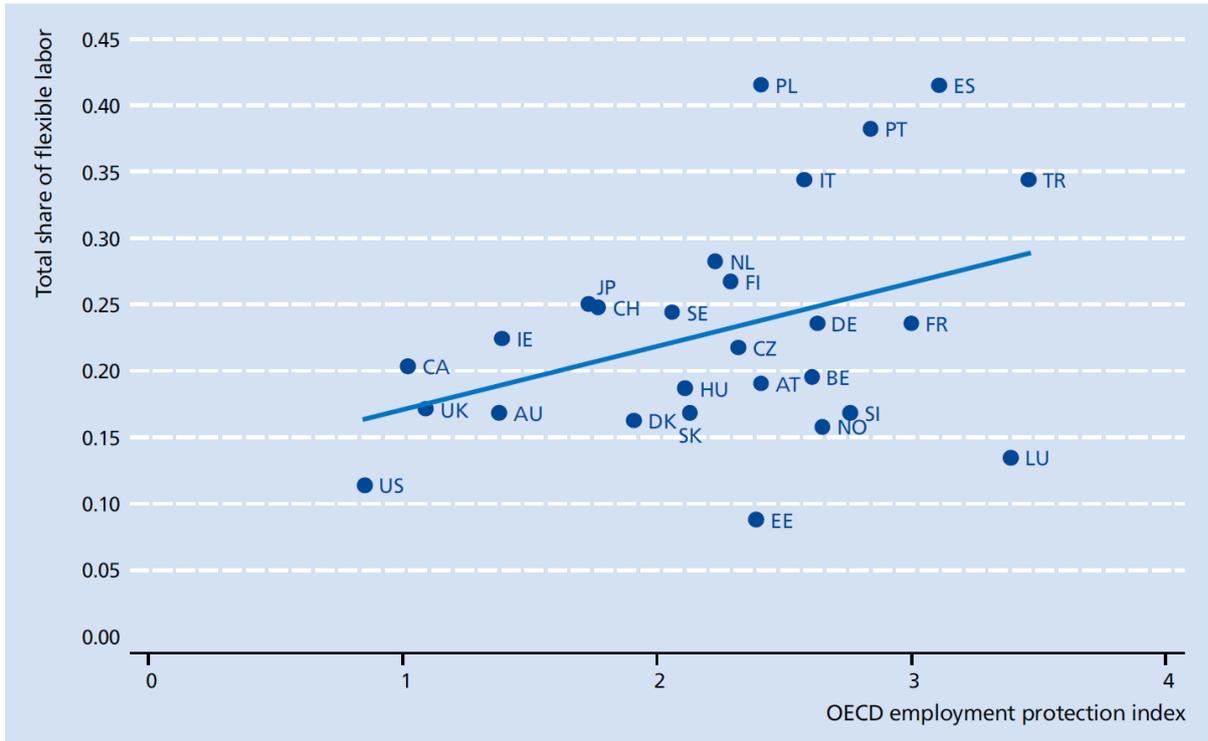


SEO calculations based on Eurostat Labour Force Statistics 2012, OECD 2012a and OECD 2009

Source: SEO (2013).



Figure 30: Total share of flexible labour (self-employment, fixed-term contracts and temporary agency work) and OECD employment protection index

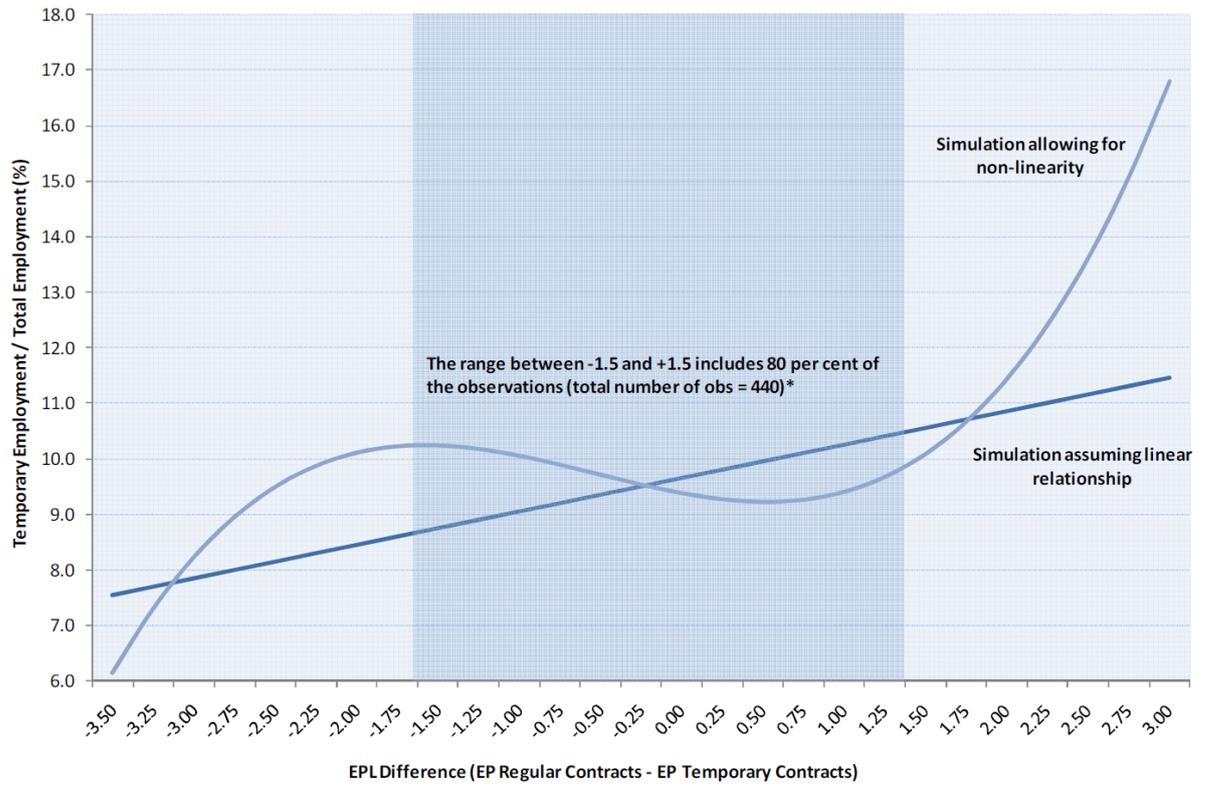


Source: SEO calculations based on Eurostat Labour Force Statistics 2012, OECD 2012a and OECD 2009

Source: Randstad (2013)



Figure 31: Share of temporary employment and gap between protection of permanent and temporary employment



Notes: Simulations are based on fixed-effects estimations on the temporary employment rate using data for 30 countries. See the Appendix for details. *One country usually has more than one observation as the estimations use panel data.

Source: ILO (2012)



3/ Annex 3: Questionnaire of the survey

Access to social protection

Box 4: Definition of access to social protection

Social protection may be defined as the policies and actions that:
 enhance capacity of people to escape from poverty and better manage risks and shocks
 aim at providing a higher level of social security through income security and access to essential services throughout active and inactive periods
 For the purpose of the study, we consider policies and actions defined at the level of the state but also possible policies and actions that result from sectorial collective labour agreements.

1. Considering the different forms of work listed below, are these workers **covered by unemployment benefits** in your country? Please describe your answer and provide us relevant sources.

If the conditions are “theoretically” similar to the ones of open-ended contracts but that it differs in practice (e.g. due to ‘entry threshold’: necessary length of work duration), please describe it.

Forms of work	Coverage	Please further describe the effective access to unemployment benefits	Sources
TAW	<input type="checkbox"/> Yes, under the same conditions as open-ended contracts <input type="checkbox"/> Yes, under different conditions <input type="checkbox"/> No		
Direct fixed-term contracts	<input type="checkbox"/> Yes, under the same conditions as open-ended contracts <input type="checkbox"/> Yes, under different conditions <input type="checkbox"/> No		
Self-employment	<input type="checkbox"/> Yes, under the same conditions as open-ended contracts <input type="checkbox"/> Yes, under different conditions <input type="checkbox"/> No		

2. Considering the different forms of work listed below, are these workers **covered by sick benefits** in your country? Please describe your answer and provide us relevant sources.

If the conditions are “theoretically” similar to the ones of open-ended contracts but that it differs in practice (e.g. due to ‘entry threshold’: necessary length of work duration), please describe it.

Box 5: Definition of sick benefits

Sick benefits refers to the benefits that compensate for loss of income linked to an incapacity to work.

Forms of work	Coverage	Please further describe the effective access to sick benefits	Sources
TAW	<input type="checkbox"/> Yes, under the same conditions as open-ended contracts <input type="checkbox"/> Yes, under different conditions <input type="checkbox"/> No		
Direct fixed-term contracts	<input type="checkbox"/> Yes, under the same conditions as open-ended contracts <input type="checkbox"/> Yes, under different conditions <input type="checkbox"/> No		
Self-employment	<input type="checkbox"/> Yes, under the same conditions as open-ended contracts <input type="checkbox"/> Yes, under different conditions <input type="checkbox"/> No		



3. Considering the different forms of work listed below, do these workers have **access to healthcare** (coverage of hospitalization costs, etc.) in your country? Please describe your answer and provide us relevant sources.

If the conditions are “theoretically” similar to the ones of open-ended contracts but that it differs in practice (e.g. due to ‘entry threshold’: necessary length of work duration), please describe it.

Box 6: Definition of healthcare

Healthcare refers to the benefits which are intended to supply, make available, pay directly or reimburse the cost of medical care and products and services ancillary to that care.

Forms of work	Access to healthcare	Please further describe the effective access to healthcare benefits	Sources
TAW	<input type="checkbox"/> Yes, under the same conditions as open-ended contracts <input type="checkbox"/> Yes, under different conditions <input type="checkbox"/> No		
Direct fixed-term contracts	<input type="checkbox"/> Yes, under the same conditions as open-ended contracts <input type="checkbox"/> Yes, under different conditions <input type="checkbox"/> No		
Self-employment	<input type="checkbox"/> Yes, under the same conditions as open-ended contracts <input type="checkbox"/> Yes, under different conditions <input type="checkbox"/> No		

4. Considering the different forms of work listed below, do these workers have **access to maternity leave** in your country? Please describe your answer and provide us relevant sources.

If the conditions are “theoretically” similar to the ones of open-ended contracts but that it differs in practice (e.g. due to ‘entry threshold’: necessary length of work duration), please describe it.

Box 7: Definition of maternity leave

Maternity leave is a period of paid absence from work to which a woman is legally entitled during the months immediately before and after childbirth.

Forms of work	Access to maternity leave	Please further describe the effective access to maternity leave	Sources
TAW	<input type="checkbox"/> Yes, under the same conditions as open-ended contracts <input type="checkbox"/> Yes, under different conditions <input type="checkbox"/> No		
Direct fixed-term contracts	<input type="checkbox"/> Yes, under the same conditions as open-ended contracts <input type="checkbox"/> Yes, under different conditions <input type="checkbox"/> No		
Self-employment	<input type="checkbox"/> Yes, under the same conditions as open-ended contracts <input type="checkbox"/> Yes, under different conditions <input type="checkbox"/> No		



5. Considering the different forms of work listed below, do these workers have **access to pension's benefits** in your country? Please describe your answer and provide us relevant sources.

If the conditions are "theoretically" similar to the ones of open-ended contracts but that it differs in practice (e.g. due to 'entry threshold': necessary length of work duration), please describe it.

Box 8: Description of pension's benefits in the context of the survey

For the purpose of this survey, pension's benefits refers to the first two pillars of pension's benefits only. The first pillar is the "State pension". The second pillar is the "supplementary occupational pension" (pension schemes linked to an occupational activity: e.g. pension fund). We do not consider personal pension savings in this questionnaire.

Forms of work	Access to pension's benefits	Please further describe the access to pension's benefits	Sources
TAW	<input type="checkbox"/> Yes, under the same conditions as open-ended contracts <input type="checkbox"/> Yes, under different conditions <input type="checkbox"/> No		
Direct fixed-term contracts	<input type="checkbox"/> Yes, under the same conditions as open-ended contracts <input type="checkbox"/> Yes, under different conditions <input type="checkbox"/> No		
Self-employment	<input type="checkbox"/> Yes, under the same conditions as open-ended contracts <input type="checkbox"/> Yes, under different conditions <input type="checkbox"/> No		

Social dialogue

6. Is there in your country, **any specific form of representation of the workers**, for the different forms of work listed below? If yes, please indicate the form of representation (several answers possible) and provide further description.

Forms of work	Form of representation	Please further describe the forms of representations	Sources
Open-ended contracts	<input type="checkbox"/> National level <input type="checkbox"/> Sectoral level <input type="checkbox"/> Company level		
TAW	<input type="checkbox"/> National level <input type="checkbox"/> Sectoral level <input type="checkbox"/> Company (undertaking) level <input type="checkbox"/> Company (agency) level		
Direct fixed-term contracts	<input type="checkbox"/> National level <input type="checkbox"/> Sectoral level <input type="checkbox"/> Company level		
Self-employment	<input type="checkbox"/> National level <input type="checkbox"/> Sectoral level <input type="checkbox"/> Company level		



Access to vocational training

Box 9: Definition of vocational training

Vocational training is defined as training whose main objective is preparing people for work with a basis in manual or practical activities, traditionally non-academic and entirely related to a specific trade, occupation or vocation. We only take into account training not entirely financed by worker himself.

7. According to you, in which matter do the different forms of work have **access to vocational training** in your country? Please describe and provide potential relevant sources.

Forms of work	No access	Limited access	Fully access	Please further describe the access to vocational training	Sources
Open-ended contracts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
TAW	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Direct fixed-term contracts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Self-employment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

8. Considering each form of work listed below, is there any **specific initiative in your country that facilitates access to training** (at national, sectorial or company level)? Please describe and provide potential relevant sources.

Forms of work	Initiatives	Please further describe the initiatives that facilitate access to training	Sources
Open-ended contracts	<input type="checkbox"/> National level <input type="checkbox"/> Sectoral level <input type="checkbox"/> Company level		
TAW	<input type="checkbox"/> National level <input type="checkbox"/> Sectoral level <input type="checkbox"/> Company level		
Direct fixed-term contracts	<input type="checkbox"/> National level <input type="checkbox"/> Sectoral level <input type="checkbox"/> Company level		
Self-employment	<input type="checkbox"/> National level <input type="checkbox"/> Sectoral level <input type="checkbox"/> Company level		



9. Considering each form of work listed below, do **social partners take any initiative to enhance vocational trainings** in your country? Please describe and provide potential relevant sources.

Forms of work	Yes	No	Please further describe the initiatives of social partners	Sources
Open-ended contracts	<input type="checkbox"/>	<input type="checkbox"/>		
TAW	<input type="checkbox"/>	<input type="checkbox"/>		
Direct fixed-term contracts	<input type="checkbox"/>	<input type="checkbox"/>		
Self-employment	<input type="checkbox"/>	<input type="checkbox"/>		

Occupational health and safety provisions and practices

Box 10: Definition of Occupational health and safety provisions (ILO)

Occupational health and safety provisions refers to the provisions aimed at anticipating and controlling hazards arising in or from the workplace that could impair the health and well-being of workers.

10. Considering each form of work listed below, is there any **specific initiative on health and safety provisions developed by social partners in your country**? Please describe and provide potential relevant sources.

Forms of work	Yes	No	Please describe the initiatives on occupational health and safety provisions	Sources
Open-ended contracts	<input type="checkbox"/>	<input type="checkbox"/>		
TAW	<input type="checkbox"/>	<input type="checkbox"/>		
Direct fixed-term contracts	<input type="checkbox"/>	<input type="checkbox"/>		
Self-employment	<input type="checkbox"/>	<input type="checkbox"/>		



Additional information

In the case there are in your country additional sources (studies, websites, etc.) that deal with **the working conditions of TAW and how it compares to other forms of work**, could you please indicate these sources in the box below?

Additional sources



4/ Annex 4: Bibliography

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