

CiETT & EurociETT Public Affairs Report

December 2011

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*Seasons Greetings
and best wishes for 2012!!*

Key CiETT & EurociETT Public Affairs Priorities & Achievements

Adapting to change Report presented at several high-level meetings

In November and December, CiETT and EurociETT implemented a comprehensive action plan to communicate and promote the key messages of the “Adapting to Change” Report. These included external presentations at Conferences and several high-level face-to-face meetings.

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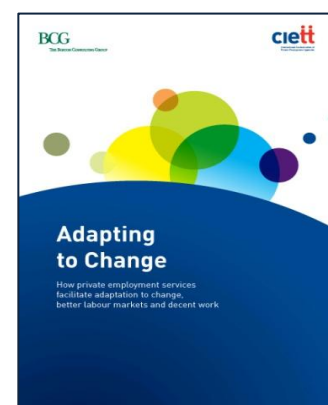
CiETT & EurociETT Positions

EurociETT Press Release on the transposition of the EU Agency Work Directive

PA calendar

- **1st January 2012:** Start of the Danish EU Presidency
- **16th – 20th January 2011:** EP Plenary session

Further information



The Agency Work Business Indicator is available on the EurociETT website www.eurociETT.eu

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International Public Affairs

Ciett Delegation at ILO office

Fred van Haasteren (Ciett President), Denis Pennel (Managing Director) and Sandro Pettineo (Policy Advisor) met with the International Labour Organisation (ILO) office in charge of the private employment agencies sector to follow up on the results of the Global Dialogue Forum (GDF), which took place last October. The main objective was to assess to what extent the outcome of the GDF could affect the good relationship with the ILO office and the promotion of ratification of Convention No. 181.

Alette van Leur, Director of the sectoral activities, and John Myers, from her staff, reassured Ciett that not reaching points of consensus had happened before and had no significant impact on the commitment of the ILO to continue the promotion of Convention No. 181, nor on the relations with Ciett.

To this end the Governing Body approved a research for 2012-2013 to assess the benefits of ratifying and implementing Convention No. 181 and compare the results with countries that have not yet implemented the Convention. At the end of the study, a new GDF could take place to discuss the findings and disseminate the results.

Ciett actions and next steps: Ciett will continue the dialogue with the ILO and will remain involved in the research on the benefits of ratifying Convention No. 181.

OECD: BIAC meeting report

On 21 November, Sandro Pettineo took part in the Employment, Labour and Social Affairs (ELSA) committee meeting of the BIAC. The BIAC is the Business and Industry Advisory Committee that provides strategic advice and input from the business perspective into the policies developed by the Organisation for Economic Co-operation and Development (OECD). The meeting offered the opportunity to present the key findings of the "Adapting to Change" report to the other ELSA committee members. The presentation stimulated the discussion on how to better enrich the BIAC messages on flexibility and how to improve understanding on different forms of flexibility.

Better understanding of different forms of flexibility is one of the agenda points of the OECD ELSA work programme for 2013-14. If the draft work programme is approved as it stands, the OECD ELSA committee will examine how to promote labour market flexibility and adaptability to reduce segmentation and unemployment and how different labour contracts provide firms with incentives to hire and workers with social security contributions.

Ciett actions: Ciett will remain engaged in the activities of the BIAC and will closely monitor the developments in the adoption of the OECD ELSA committee work programme. Ciett will act as the contact point for this item in the work programme, once adopted.

OECD publishes the Economic Outlook n. 90

On 28 November, the OECD published its latest Economic Outlook, an update from the Economic Outlook n. 89 issued in May 2011. The OECD registers deterioration in the global economy and the slowing down of advanced economies, with a mild recession in the euro area.

Unemployment in the OECD area is projected to remain high for an extended period, with the jobless rate staying at around 8% through the next two years. In order to reduce unemployment and encourage hiring, the report gives some recommendations, including: strengthening public employment services and training programmes to improve the matching of workers and jobs; rebalancing employment protection towards less-strict protection for regular workers, but more protection for temporary workers; relaxing

regulatory restrictions in sectors where there is a strong potential for new job growth, such as retail trade and professional services.

The Economic Outlook puts forward different scenarios of economic growth, from weak to poor activity, and provides tailor-made recommendations accordingly on structural measures to boost jobs and economic activity. More information can be found on the [OECD website](#).

Adapting to Change – PA/PR Actions to promote the Report

Launch event in the European Parliament

Jointly with Euractiv, a specialised European online media platform, Eurociett organised a panel debate in the European Parliament entitled “Europe’s next job” on the 21st of November. The panel debate included speakers from the European Commission’s DG Employment (Jean-Louis de Brouwer) the European cross-industry employer organisation for small and medium sized companies UEAPME (Liliane Volozinski), the Chairwomen of the EP Employment Committee (Pervenche Berès) and the Eurociett President Annemarie Muntz. The event was moderated by Euractiv and served as a basis to present and discuss the key findings of the “Adapting to Change Report.

Presentation at EU Events & Conferences

In the past weeks, Eurociett participated in several high-level conferences and events to present the “Adapting to Change” Report and to put forward its key messages. The most important speaking opportunities have been:

- The 2011 European Employment Forum, during which Eurociett acted again as exhibitor and speaker. The two-day event covered a broad range of employment and social affairs priorities, including youth employment, skills and training and mobility. Denis Pennel acted as keynote speaker during a panel debate on the future of work
- On 29th of November, Eurociett acted as partner organisation for the MEP Awards, a yearly high-level event to give credits to the most active and most influential Members of the European Parliament. The MEP Awards are given in a wide series of categories. Eurociett acted as partner for the award for employment and social affairs, which was awarded in 2011 to Pervenche Berès (MEP | S&D | F).
- A Conference on employment protection in restructuring for workers in more flexible forms of employment and in SME’s on the 1st and 2nd of December. Denis Pennel took part in a round table debate on equal treatment of flexible workers in SME’s and used his intervention to present key messages of the “Adapting to Change” Report.

Face-to-face meetings implemented in the last months

In complementing the launch event in the European Parliament and the presentation at EU Conferences and events, several face-to-face meetings have been implemented to put forward the key messages of the adapting to change report. These included Wallis Goelen (Head of Unit Employment Services at DG Employment), Pervenche Berès (MEP | S&D | F, Chair of the EP Employment Committee and Bernadette Segol (Secretary General of ETUC) and Philippe de Buck (Secretary General of BUSINESSEUROPE).

Commenting on the report and the role of private employment services in the labour market, Philippe de Buck stressed that particular attention should be devoted to young people and their access to the labour market. Effective apprenticeship schemes can play an

important role in this context.

The meeting and advocacy programme on the “Adapting to Change” Report will be continued in the new year, covering especially Members of the European Parliament, Commission officials and influential EU stakeholders.

Top European Public Affairs Priorities

Agency Work Directive: Formal end of the transposition phase

On December, 5th the transposition phase of the EU Directive on temporary agency work officially ended. Based on an internal assessment carried out by Eurociett, the Directive has been transposed by the majority of countries, while it has often been implemented in a rather unbalanced way. Equal pay has become the general rule (while allowing for some derogations), Member States have not sufficiently engaged in the review and lifting of exiting, unjustified restrictions. Some countries are still working on the transposition of the Directive (including Belgium, Italy and Greece) and have thus not met the deadline.

The EU Commissioner for Employment, Social Affairs and Inclusion, Laszlo Andor, has issued a press release on the transposition of the Directive, stressing that the Directive will help to improve the working conditions of temporary agency workers and will at the same time support the positive role they play in providing flexibility in the labour market.

Eurociett actions and next steps: Based on the internal, Eurociett assessment prepared by the Secretariat in November, Eurociett issued a press release on the 5th of December, warning that the Directive has been implemented in an unbalanced way. In parallel, Eurociett has sent a letter to DG Employment commenting on the transposition of the Directive and calling for the need to enter into a dialogue particularly on the review and lifting of unjustified restrictions.

As next step, Eurociett will ask especially national federations of the large countries to carry out a detailed, legal assessment on the results of the transposition of the Directive, which will form the basis for Eurociett PA and PR actions to follow-up on the implementation process.

Posting of Workers: Enforcement Directive postponed to 2012

In December 2011, the European Commission’s DG Employment indicated that the proposal for an EU Enforcement Directive on the Posting of Workers, which was initially announced for 20th of December, will not be published before early 2012. The main reason for the delay have been questions on the appropriate approach to address enforcement problems in the context of the impact assessment process, which is carried out prior to each new, EU legislative initiative. Furthermore, there are still discussions on whether and who to address the topic of subsidiary liability within the new legislative instrument.

Eurociett actions and next steps: Eurociett has been liaising closely with the European, central employers organisation BusinessEurope as well as with other, sectoral European employers federations (such as FIEC, the federation for the construction sector) to exchange information and coordinate public affairs actions. In the forthcoming debate on the Posting of Workers, Eurociett aims at aligning its position and public affairs actions closely with BusinessEurope, as it will be essential that European employers

defend shared interest in this debate. The Eurociett positioning on the posting of workers (focusing on a better enforcement, efficient controls and administrative cooperation) is indeed very much in line with the position of BusinessEurope.

Eurociett Dialogue with DG Employment

On 14th of December, Eurociett implemented the fourth meeting of 2011 in the Dialogue with DG Employment – Employment Services Unit. Key topics addressed during the meeting have been the following:

- The Europe 2020 governance for 2012, particularly the progress on the Europe 2020 targets and the economic and labour market outlook for 2012 (Annual Growth Survey – see below)
- A feedback from DG Employment on the Eurociett position paper on the operationalization of the EU Employment Guidelines, which had been submitted and presented to DG Employment in October. DG Employment welcomed the Eurociett contribution to the topic, while proposing that Eurociett should further develop its position on apprenticeships (this topic will be further discussed during the first Eurociett Public Affairs Committee meeting in 2012).
- The European Commission gave an update on the latest developments related to the EU initiative to develop Partnerships of Employment Services (PARES). The Commission will focus in 2012 under the PARES initiative particularly on partnerships at regional and local level, as well as on fields and forms of cooperation. These topics will be discussed in strategic dialogue groups gathering public and private employment services. Eurociett has been asked to chair the strategic dialogue group on fields and forms of cooperation. This will provide an important opportunity for Eurociett to push for more and better cooperation between employment services, especially in countries where these are still under-developed.
- Wallis Goelen and her team provided feedback on the discussions held in October 2011 on the lack of cooperation between public and private employment services in Greece, which was initiated by a presentation given by ENEPASE during the meeting. Based on follow-up discussions of DG Employment with the head of the Greek public employment service as well as with the Greek Task Force set up to address the sovereign debt crisis, the main barriers to cooperation are not so much related to legal barriers, but to a lack of political will and reluctance of the Greek public administration to cooperate with private businesses on labour market matters. Furthermore, the limited size of the agency work industry in Greece is also perceived as a barrier to more effective cooperation.
- Finally, Eurociett was given the opportunity to present the key messages of the Adapting to Change Report, which was discussed with the representatives of DG Employment.

Eurociett actions and next steps: A Eurociett delegation composed of Annemarie Muntz, Denis Pennel, Michael Freytag and Sandro Pettineo implemented the meeting with DG Employment. As next step, Eurociett will discuss with DG Employment the preparation of the strategic dialogue groups under the PARES initiative.

Furthermore, Eurociett will gather information and develop a position on the role of the agency work industry in developing apprenticeship schemes, which will be subject to a discussion with DG Employment at a forthcoming meeting based on input and a discussion in the Eurociett Public Affairs Committee.

The Eurociett dialogue with DG Employment will be continued in 2012 with quarterly meetings.

Commission presents the Annual Growth Survey

On 24th of November, the European Commission published the 2012 Annual Growth Survey, a landmark Communication outlining the economic, growth and labour market prospects for the coming year. The annual growth survey also sets out priorities to be focused on under the Europe 2020 Strategy in 2012.

In the Annual Growth Survey, the European Commission is accelerating its efforts for economic renewal focusing on the sovereign debt crisis, the prospect of significantly reduced growth and weak employment performance, which is expected for 2012. On the launch of the Annual Growth Survey, Commission President Barroso underlined that EU Member States should step up their economic and labour market reforms at national level to cope with the deteriorating economic and social situation in Europe.

The Annual Growth Survey focuses on five key priorities, namely:

- Pursuing differentiated, growth friendly fiscal consolidation
- Restoring a normal lending economy
- Promoting growth and competitiveness
- Tackling unemployment and social consequences of the crisis
- Modernising public administration

The Annual Growth Survey covers a list of pending or future proposals aimed at boosting growth (particularly related to economic governance and a better surveillance in the euro area), which the Commission aims at progressing swiftly to address the current economic challenges.

Several sections of the Annual Growth Survey are of particular relevance to private employment services:

- The industry could benefit from the actions proposed to promote growth and competitiveness, especially due to the strong call for structural reforms and to implement the country specific recommendations defined under the Europe 2020 Strategy.
- The need for developing a real international market for services, thus removing legal, technical and administrative barriers to the provision of services
- Employment services are specifically addressed in the context of the priority area of tackling unemployment and the social consequences of the crisis. In this context, the Commission calls upon Member States to devote particular attention to maintaining or reinforcing the coverage and effectiveness of employment services and active labour market policies such as training schemes for unemployed persons.

Furthermore, the Annual Growth Survey calls for specific action to support labour market participation of young people, promote quality and supply of apprenticeship and traineeship contracts and reforming education and training schemes to reflect labour market conditions and skill demand.

Eurociett actions: Eurociett discussed the Annual Growth Survey during a high-level meeting with DG Employment / Employment Services Unit on 14th December 2011.

Furthermore, Eurociett will use selected recommendations in its advocacy work to promote the positive contribution of private employment services in the EU policy debates.

European Commission presents draft Joint Employment Report

On 23rd of November, the European Commission published the draft Joint Employment Report. The Report is issued as an annex to the Annual Growth Survey and takes stock of the employment and labour market situation in Europe. The Draft Joint Employment Report therefore provides complementary information to the labour market chapter of the Annual Growth Survey.

The report first looks at current labour market trends, underlining that the slowed growth hampers the already weak employment recovery. The report furthermore shows that increase in employment in 2011 has been largely driven by temporary contracts and part time jobs, while the situation of young people has worsened in the past year (youth unemployment rose from 15.5% in 2008 to 20.9% in 2010). At the same, long-term and low-skilled unemployment have been increasing across the Union, reaching 9.7% in the first half of 2011, thus putting pressure on social security systems and leading to new challenges of long-term exclusion.

A second section of the report focuses on the implementation of structural labour market policies and specifically labour market reforms designed in the Member States to implement the Europe 2020 Employment Guidelines. The Commission assesses in this context the progress made in Member States

- To make work more attractive
- Help the unemployed people back to work
- Combat poverty and promote social inclusion
- Invest in education and training
- Balancing security and flexibility
- Reform pension systems

The draft Joint Employment Report concludes by underlining that the job creation capacity must be stepped up and that particular attention should be devoted to the young people. In order to address the high unemployment and the dim employment prospects, effective active labour market policies should be put in place and policies should be designed to address the increasing skills mismatch.

EU Sectoral Social Dialogue

End of November 2011, the new joint Eurociett / Uni-Europa project on transitions in the labour market has been approved by DG Employment. As part of the project, an external study will be conducted on the role of temporary agency work in facilitating transitions, the diversity of profiles of agency workers and their career paths as well as the flux of temporary agency workers (the situation of temporary agency workers before and after temporary agency workers). Based on the grant received, the sectoral social partners will be able to contract out external research and organise several conferences and events in 2012.

Eurociett actions: In December 2011, Eurociett and Uni-Europa will launch an official call for tenders in order to get proposals from project partners. Following the selection of a project partner, Eurociett and Uni-Europa will form a steering committee and approach Eurociett members regarding factual input for the project (data/studies).

Further European Public Affairs Priorities

Danish EU Council Presidency to start on 1st December 2012

On 1st of January 2012, Denmark will take over the rotating EU Council Presidency from Poland. While the formal presidency programme will only be adopted end of December, the Danish government has recently announced central priorities for the coming six months. This will include the economic situation and sovereign debt crisis, the strengthening of drivers of growth, an agreement on the EU's long-term budget. In March 2012, an Employment and Social Affairs Council meeting as well as the European Council will discuss progress on the Europe 2020 strategy for smart, sustainable and inclusive growth. This will include also a stock-taking on the employment and labour market situation as well as the drafting of country-specific recommendations for labour market reforms and more effective labour market policies.

2012 will also be the 20 year anniversary of the European internal market, a policy which belongs to the EU's most significant and valuable achievements contributing to growth and employment. Against this background, the Danish Presidency will devote discussions on the need for further developing the European internal market, removing existing barriers and reforming internal market rules where necessary.

European Court of Justice – Case on placement services

In recent Eurociett public affairs meetings, particularly related to European agency work regulation, particular reference has been made to the importance of the European Court of Justice Ruling on placement services (C55-96). In the case on the freedom to provide services and placement of employees the Court ruled that the Articles 86 and 90 of the EC treaty, the Court ruled that public placement offices are subject to the prohibition contained in Article 86 of the EC Treaty, so long as application of that provision does not obstruct the performance of the particular task assigned to them. A Member State which prohibits any activity as an intermediary between supply and demand on the labour market, whether as an employment agency or as an employment business, unless carried on by those offices, is in breach of Article 90 (1) of the Treaty where it creates a situation in which those offices cannot avoid infringing Article 86 of the Treaty. According to the court ruling, that is in case, in particular, in the following circumstances:

- The public placement offices are manifestly unable to satisfy demand on the market for all types of activity; and
- The actual placement of employees by private companies is rendered impossible by the maintenance in force of statutory provisions under which such activities are prohibited and non-observance of that prohibitions gives rise to penal and administrative sanctions; and
- The placement activities in question could extend to the nationals or to the territory of other Member States.

The Court therefore classifying permanent placements as economic activity therefore establishing de facto an end to the monopoly of public employment services with regard to permanent placement activities.

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Eurociett takes part in Expert Workshop on apprenticeships

On 1st December 2011, Eurociett participated in an expert workshop to discuss a draft study carried out by DG Employment on the apprenticeship supply in Member States. The workshop gathered Commission representatives and European social partners from the cross-industry and sectoral level. In the morning session, the contractors for the study gave a first overview on their ongoing research, which aims at describing the concept of apprenticeship type schemes, giving a quantitative assessment of these schemes and conducting a series of case studies. Results of the project will be published in the first half of 2012.

Public Affairs Network

Michael Freytag gave presentation on Eurociett/ILO ITC Capacity Building project

On 12th of December, the European Commission organised a special Conference (“Liaison Forum”) for national and European Social Partners on capacity building. Successful capacity building projects implemented in cooperation with the International Training Centre of the ILO have been presented and formed the basis for a discussion on how to move forward with the European activities to strengthen the capacity of social partners and their involvement in the European policy process.

Michael Freytag presented the 2010 Eurociett/ILO ITC capacity building project for the Eurociett member federations from central and eastern Europe. He highlighted the added value of the project for sharing best-practices and for supporting the younger and still developing federations. Further presentations have been given by the Commerce sector, the cleaning industry and the employers of the public sector. A closing round table presented the views of the cross-industry social partners BusinessEurope and ETUC.

Eurociett at the European Employment Forum

On 22nd and 23rd of November, Eurociett participated in the European Employment Forum, an annual, pan-European conference and exhibition on employment and social affairs. The conference included sessions on youth employment, the new reality of work, active ageing, structural reforms and Flexicurity.

The exhibition linked to the conference gathered around 50 exhibitors, including public authorities, social partners and social non-governmental organisations. Eurociett was represented with an exhibition stand and acted as a speaker in a panel debate on the future of work. During the European Employment Forum, Eurociett has been able to disseminate around 200 copies of the “Adapting to Change” Report and discussed the report with a broad range of stakeholders.

BusinessEurope publishes its Economic Outlook

End of November, the European central employers organisation BusinessEurope has published its Autumn economic outlook. BusinessEurope underlined in this context that the ongoing sovereign debt crisis has resulted in falling confidence among businesses and consumers, which will have a negative impact on the growth prospects for 2012. BusinessEurope only expects an economic growth of 0.8% in the euro area and 1.0% for the EU-27. Despite this economic environment, European businesses will continue to create jobs, with a forecasted job creation potential of one million new jobs in 2011 and potentially more than a quarter of a million in 2012. Domestic demand is likely to be depressed and the financial environment is expected to remain challenging, with significant constraints on investment and in the long-term growth.

The BUSINESSEUROPE economic outlook is available online: www.busesseurope.eu

Abbreviations

DG	Directorate General (department of the European Commission)
F	France
ILO	International Labour Organisation
ITC	International Training Centre
MEP	Member of the European Parliament
S&D	Socialist & Democrats Group in the European Parliament
