

Overview on the Content of this Issue

1. International Affairs

- In the section on International Affairs, Members will find information on a conference organised by the ILO in Lisbon on “action against human trafficking”.
- On the UN level, a Ministerial Declaration on full and productive employment and decent work has been adopted by the UN Economic and Social Affairs Council on the 5th of July 2006. More information on this topic is provided in section 1 of the Public Affairs Report.

2. European Affairs

- After the political agreement on the Services Directive, which excluded services provided by temporary work agencies from the whole scope, the debate on the Agency Work Directive will most likely be relaunched. Information on these and related topics are covered in the section of the European Public Affairs Priorities (section 2).
- The section on the other European affairs issues covers information on minimum wage schemes, a ruling of the European Court of Justice concerning fixed term contracts, the informal Employment Council meeting that took place on the 8th of July 06 and focused on demographic changes.

3. Public Affairs Actors and Networks

- In the section on Public Affairs Actors and Networks, we give a brief introduction to the European social dialogue.
- Furthermore, a brief introduction to the International Centre for Migration Policy Development is provided in this section.

4. Calendar

| Date | Actor | Event |
|--|--------------|---|
| 24 th July 2006 | EU | Competitiveness Council Meeting |
| 4 th – 7 th September 2006 | EU | Plenary Session of the European Parliament |
| 14 th September 2006 | EU | European Social Dialogue Liaison Forum |
| 14 th September 2006 | Eurociett | Round Table of Eurociett and Uni-Europe in Poland |
| 26 th – 28 th September 2006 | EU | Plenary Session of the European Parliament |

Due to the summer break of the ILO and the European institutions Ciett and Eurociett will not publish a Public Affairs Report in August 2006. The next Public Affairs Report will therefore be distributed to Ciett and Eurociett Members around the 12th of September 2006.

However, the Ciett and Eurociett Secretariat will always be at your disposal for questions and comments on our international and European public affairs priorities during the summer months. Please contact us, if you need any additional or updated information (info@ciett.org).

1. International Affairs

***ILO
programme
on "Action
against
trafficking
and forced
labour
exploitation
of migrant
workers in
Europe"***

End of last June, the ILO organised the last of its conferences related to its programme on "Action against trafficking and forced labour exploitation of migrant workers in Europe". Funded by the European Commission and sponsored by the ICMPD (International Centre for Migration Policy Development, see for further information section 4 of this report), this meeting was the final round of several previous conferences organised by the ILO on this topic (two of which Ciett took part in Kiev - Ukraine).

The conference gathered around 80 people representing governments (Portugal, UK, the Netherlands, Ukraine, Moldavia, Romania, EU), trade unions, employers and labour inspectors.

The content of the conference was broader than the previous ones in Ukraine and - good news! - was less focusing on Private Employment Agencies but on the need for all parties involved to cooperate to tackle this issue, with a rather positive view on our industry.

As an official speaker, Ciett gave a presentation during a workshop (see Annex 1) on "Regulating and monitoring recruitment" of migrant workers. The presentation insisted on the need not to focus controls only on Private Employment Agencies, but to take into account all labour intermediaries that are involved in cross-border assignments, and to make a clear difference between well regulated players (such as PrEAs) and pretending ones (agencies with a facade of legality). Indeed, most traffickers operate under disguises (travel agencies, model or fashion agencies) that do not have recruitment as their primary activity.

Regarding licensing systems for PrEAs, Ciett highlighted that a "one-size fits all" approach would not be relevant, and that when they exist they should be proportionate, objective and transparent. It was also mentioned that over-regulation on our industry can have a vicious impact: Employers in need of labour flexibility may be tempted to use other forms of flexible labour contract, which are illegal (undeclared labour, abusive sub-contracting) or less well regulated.

The representative from the EU (Johan Ten Geuzendam - DG Employment) stated that the EU is working on drafting a Directive on migrant workers. It will cover third countries migrant workers, not from a working condition point of view, but from non-discriminatory general principles.

As this topic of human trafficking will remain high on the ILO agenda, it may be worth considering drafting an internal position paper on this subject. Creating awareness and debate on how TAW business can help address the issues of forced labour/trafficking would give the industry the opportunity to distinguish itself from the illicit agency trade.

UN Ministerial Declaration on full and productive employment and decent work

The United Nations adopted in July 2006 a Ministerial Declaration on full and productive employment and decent work. The declaration aims at strengthening the UN efforts orientated towards creating jobs and cutting poverty on the global level.

The declaration was adopted after three days of intensive discussion on national and international policies needed to generate decent work. Ministers reaffirmed that opportunities for men and women to obtain productive work in conditions of freedom, equity, security and dignity are essential to fight against poverty and to improve the economic and social well-being for all. The Ministerial Declaration also maps out a number of initiatives and asks governments and other institutions to consider the employment impact of their national policies. The UN underlined that the agreement was urgently needed to address the growing decent work deficit that can be observed. The declaration recognises the decent work agenda of the ILO as an important instrument to achieve the objectives of full and productive employment. Services provided by private employment agencies and working conditions in the private employment agency industry are not specifically addressed in the declaration. The text of the declaration is available online:

<http://www.ilo.org/public/english/bureau/inf/event/ecosoc/declaration.pdf>

The discussion on decent work is gaining increasing importance both on the international (ILO, UN) and European level. Ciett and Eurociett will continue to monitor this debate, in order to assure that any misconception with regard to private employment agency industry is avoided. Private employment agencies should be positioned in this context as form to promote decent work, as it combines flexible working solution with the protection of workers' rights.

2. Main European Policy Priorities for the Private Employment Agency Sector

Services Directive

In the ongoing first reading of the Services Directive in the Council, a political agreement has been reached in May 2006. The debate in the Council will be concluded in the forthcoming month with the adoption of the Council's common position. The following second reading in the European Parliament shall be completed by the end of 2006.

According to information obtained by Eurociett from the European Commission's DG Internal Market, the Council supported in its political agreement the exclusion of temporary agency work services from the whole scope of the Services Directive which was proposed in the revised Commission's proposal issued in April 2006 and which covers "services provided by temporary work agencies".

Eurociett has submitted a Position Paper to the Permanent Representations of the EU Member States in Brussels and provided the Eurociett Members with lobbying tools for the debate in the Council.

Eurociett advocated especially that all services provided by private employment agencies should be covered within the scope of the Services Directive.

Eurociett will continue to advocate that restrictions for the provision of private employment agency services have to be lifted and that the functioning of the single market for private employment agencies has to be improved. Eurociett will closely monitor the further debate on this dossier, especially the second reading of the European Parliament.

Agency Work Directive

During recent months, there have been several corroborating indications that the political discussion on the draft Agency Work Directive, which has been blocked in the Council since October 2004, is gaining more attention again.

The Commission is currently assessing the situation to evaluate if progress can be achieved on the blocked Directive, considering especially the status of the debate on the Services Directive and the political agreement reached to exclude temporary agency work services from the scope of the Services Directive. Furthermore, the current status of the blocking minority has been evaluated.

According to information obtained from the Commission and the Finnish Council Presidency, the Council currently sets the priority on deblocking the Working Time Directive. The Council Presidency does not intend to contact the Member States concerning the Agency Work Directive at the same time, as the Presidency prefers not to contact national governments on two sensitive political dossiers at the same.

The Eurociett Secretariat and Public Affairs Group are closely monitoring the relaunched debate on the Agency Work Directive and are assessing internally on an ongoing basis possible compromise solutions.

Parallel and for the time being purely internally, Eurociett is preparing a political concept for a regulatory framework that allows for a better development of the agency work industry in order to have the Eurociett position ready if the debate starts.

Posting of Workers Directive

Following the European Commission's Guidelines on the Posting of Workers, the Employment and Social Affairs Committee of the European Parliament is currently discussing an own initiative report as a reaction to these guidelines. Eurociett has submitted a Position Paper on this report to express the common Position of Eurociett on the Posting of Workers Directive and to comment on some factual mistakes in the report, especially with respect to perceived risks of "social dumping".

The draft report severely criticises shortcomings in the Commission's guidance document, which does not (in the rapporteur's view) address the European Parliament's call for examination of the significant deficits in the implementation and monitoring of the Posting of Workers Directive.

The vote in the Employment Committee on the own initiative report, which had

been scheduled for July 2006, has recently been postponed until September in order to allow for more time to work on compromise amendments for the draft report. A press article on the Posting of Workers is attached in annex 2 to the Public Affairs Report.

Eurociett will continue to monitor the debate in the European Parliament, Council and Commission on the Posting of Workers Directive and will meet several, influential Members of the European Parliament in early September 2006.

Communication on Flexicurity

The European Commission is expected to publish a Communication on "Flexicurity" in 2007. This Communication aims at identifying general, European principles on flexicurity. "Flexicurity" as an approach to reconcile flexible labour markets with the protection of workers rights is further more increasingly mainstreaming the EU agenda. The concept of flexicurity has been particularly emphasised by the Spring European Council and Commissioner Spidla is frequently making reference to flexicurity as an approach to reform labour markets in public speeches and presentations.

For Eurociett and its members, the concept of flexicurity can provide several advantages, as it may be used as a tool to call for the lifting of restrictions for the private employment agency industry; it is, however, also linked to a number of risks. Whereas the approach to enhance flexibility on the labour market as integral part of a flexicurity agenda should be welcomed by Eurociett, there is a potential risk of putting too strong an emphasis on social protection, which might lead to additional barriers, as well as administrative and financial burdens. Therefore, it will be essential to assure that the right balance is achieved between flexibility and social protection in the flexicurity debate.

In order to advocate the contribution of Private Employment Agencies to flexicurity, Eurociett is in the process of preparing a leaflet on this topic, which shall be distributed to European decision-makers when addressing topics and proposals linked to flexicurity debate.

Green Paper on Labour Law

By mid-October, the European Commission is expected to publish a Green Paper on the Future of Labour Law. This Green Paper will discuss the evolution of labour law in Europe and assess the need for community action in the field of labour law (while taking account of the limited competencies of the EU in the area of employment and social policy). According to information obtained during a meeting with a cabinet member of Commissioner Spidla, the Green Paper will have a broad, political focus, which aims at launching a European debate on this topic. Particular attention will be given to the fact that an increasing number of workers are performing work in vulnerable positions. Issues to be addressed are furthermore the definition of a worker, triangular employment relationships and forms of disguised work. In drafting the Green Paper, the European Commission is closely monitoring the debate that took place in the ILO on the Employment Relationship.

As there is a potential danger that protectionist aspects of labour law are given priority over the need to increase flexibility, Eurociett particularly

emphasised the need to lift restrictions and increase labour market flexibility in the debate on the Green Paper.

The cabinet of Spidla was aware of this potential risk and promised to work towards a more balanced approach.

Sectoral Social Dialogue

A working group meeting of the sectoral social dialogue took place on the 7th of July 2006. The Eurociett delegation, along with the Uni-Europa one, addressed the following topics:

- The Round Table that will be organised in Poland on the 14th of September 2006. The programme is attached in annex 3 to the Public Affairs Report. This Round Table aims at supporting the Polish social partners in further developing their social dialogue on the sectoral level.
- A Eurociett presentation on the integration of outsiders on the labour market and the role private employment agencies can fulfil in this respect (presentation is available at the Eurociett Secretariat on request).
- The proposal to launch a new study project on work mobility. Eurociett and Uni-Europa agreed to submit a revised proposal on work mobility in Autumn 2006 in order to highlight the contribution of Private Employment Agencies to the mobility of workers.

The social partners have been formally invited by the European Commission to submit a joint contribution to the flexicurity debate by March 2007. The next meeting of the sectoral social dialogue will take place on the 20th of October 2006.

3. Other European Policy Issues

Eurostat survey on minimum wage schemes in Europe

Eurostat has recently published a feature on minimum wages in Europe and the risk of working poor. According to the findings of Eurostat, the purchasing power of workers receiving the minimum wage varies considerably between the EU Member States. According to Eurostat, seven Member States (Sweden, Germany, Italy, Cyprus, Finland, Hungary, Denmark and Austria) have still not adopted a minimum wage scheme. More information is available on the website of Eurostat:

http://epp.eurostat.ec.europa.eu/portal/page?_pageid=2053,47645761&_dad=portal&_schema=PORTAL

Ruling of the European Court of Justice on fixed-term contracts

In a recent decision, the European Court of Justice interprets the framework agreement on fixed-term work and reinforces the protection of workers. According to the decision, the use of successive fixed-term employment contracts, including in the public sector, must meet certain strict conditions (Judgment of the Court of Justice in Case C-212/04 Konstantinos Adeneler and Others v Ellinikos Organismos Galaktos (ELOG)).

The purpose of Directive 1999/70 is to put into effect the framework agreement, concluded between the general cross-industry organisations (ETUC, UNICE and

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CEEP), on fixed-term work. The framework agreement is intended to establish a framework to prevent abuse arising from the use of successive fixed-term employment contracts or relationships. It provides that 'objective reasons' may justify the renewal of successive fixed-term employment contracts or relationships. It also lays down that Member States are to determine under what conditions fixed-term employment contracts or relationships are to be regarded as 'successive' and are to be deemed to be contracts or relationships of indefinite duration. The period for transposition of the directive expired on 10 July 2001, with the possibility of an extension of a maximum of one year.

Greek legislation transposing the directive into national law was adopted belatedly, in April 2003. So far as concerns private-sector employees, it provides that unlimited renewal of fixed-term employment contracts is permitted if justified by an objective reason, and specifies that an objective reason exists, amongst other cases, where the conclusion of a fixed-term contract is required by a provision of statute or secondary legislation. The legislation also states that fixed-term employment contracts or relationships are to be regarded as 'successive' if they are concluded between the same employer and worker under the same or similar terms of employment and they are not separated by a period of time longer than 20 working days. The regime applicable to public-sector workers precludes absolutely the conversion of fixed-term contracts into contracts of indefinite duration.

Working Time Directive and the Social Summit in Helsinki on the 7th of July 2006

In a meeting preceding the Informal Employment and Social Affairs Council in Helsinki on the 7th of July 2006, the European social partners have confirmed their deep divide over the Working Time Directive. The European Trade Union Confederation (ETUC) and the European Employers Confederation (UNICE) could not agree on national opt-out clauses concerning the maximum 48 hour working week. The Finnish labour minister Tarja Filatov indicated that the Finnish Presidency will continue the debate on the Working Time Directive and will try to find a compromise on the working time dispute.

Informal Employment Council Meeting in Helsinki

The informal Employment and Social Affairs Council meeting that took place from 6th to 8th of July 2006 focused on demographic changes in Europe and the challenges created by globalisation. The Council meeting aimed at discussing ways to enhance attractiveness of work, to improve the quality of work life and the work-life balance. The Council concluded especially that a good balance of security and flexibility is needed both in the labour market and in work life. The Council underlined that Member States can promote the labour market and social protection systems by supporting the smoothest possible transition from one job to another. Professional expertise and effective labour services increase the opportunities to change quickly to new workplaces. The European Commission underlined in this context its intention to draw up general principles on flexicurity in a communication to be issued in 2007 (see above).

Infringement procedures against

The European Commission has launched infringement proceedings against Germany in order to enhance the freedom to provide services and the freedom of establishment. Germany has been requested to assure full compliance with the

Germany

European Court of Justice judgement concerning the requirements imposed on employers that intend to post nationals of non-EU countries to other EU Member States in the context of the provision of services. The Commission considers that these requirements are contrary to the EC treaty on the freedom to provide services (Art. 49). The request takes the form of a “reasoned opinion”, which is the second stage of the infringement procedure laid down in Article 226 of the EC Treaty. If there is no satisfactory reply within two months, the Commission may refer the matter to the European Court of Justice.

4. Public Affairs Actors and Networks

European Sectoral Social Dialogue

Social dialogue, the negotiations and discussions between social partners, employers and trade union organisations, play an essential role in the European society. The social dialogue is considered to be a major element of the European social model, even though the degree and commitment to the social dialogue varies considerably between the EU Member States. The social dialogue can play a central role in reaching the Lisbon objectives of promoting economic growth and job creation in Europe. The European Commission urges the social partners that the social dialogue should lead to concrete results, as for example study projects and joint declarations on central policy priorities. The social dialogue is organised both on an interprofessional level between the European Trade Union Confederation (ETUC) and the European Confederation of Employers (UNICE) and on a sectoral level. Temporary agency work is one of the 31 sectoral social dialogue committees of the European Union, which aims at promoting the common interests of the private employment agency industry and the agency workers.

Website on the European Social Dialogue:

http://ec.europa.eu/employment_social/emplweb/news/socialdial_news_en.cfm

International Centre for Migration Policy Development (ICMDP)

The International Centre for Migration Policy Development is an inter-governmental organisation with a European focus and global interests. It strives at being the centre of excellence in migration policy development. It fosters regional and international orderly migration regimes by supporting governments and institutions through policy expertise, research and information, dialogue and networking facilities. Its services are provided on request, are not agenda driven and delivered by way of an informal networking pattern. The ICMDP, which has been founded in 1993, is based in Vienna and currently supported by 30 governments. More information about the ICMDP is available online: www.icmdp.org

Discussions within the British Conservatives to withdraw from the EPP Group

Since several months, there are ongoing discussions within the British conservatives to withdraw from the European Parliament's European Peoples Party group. In July 2006, David Cameron, leader of the British Conservatives, announced that such a withdrawal is still planned, but that concrete action will not be taken before 2009, meaning until the next parliamentary elections. The implementation of such a withdrawal from the European Peoples Party Group and the formation of a new parliamentary group would substantially weaken the EPP group and would therefore

have a significant impact on the public affairs actions and strategy of Eurociett. A press article on this topic is included in annex 4 to this public affairs report.

5. Useful Links

Please consult the Ciett website for a selection of useful weblinks (www.ciett.org / section: links).

Information on the Finnish EU Council Presidency (June to December 2006) is available on the Council Presidency's website: http://www.eu2006.fi/en_GB/

6. Abbreviations

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| CEEP | European Centre of Enterprises with Public Participation and of Enterprises of General Economic Interest |
| DG | Directorate General (department of the European Commission) |
| EPP | European Peoples Party |
| EU | European Union |
| ETUC | European Trade Union Confederation |
| ILO | International Labour Organisation |
| PrEAs | Private Employment Agencies |
| TAW | Temporary Agency Work |
| UNICE | Union of Industrial and Employers Confederations of Europe |

In the annexes, Members will find:

- The presentation given by Denis Pennel at the ILO workshop on human trafficking (annex 1)
- A press article on the Posting of Workers Directive (annex 2)
- A press article on the plans of British Conservatives to withdraw from the parliamentary group of the European Peoples Party / EPP (annex 3)
- The programme of the Round Table that will be held in Poland in the framework of the Sectoral Social Dialogue (annex 4)

For any questions or further information on specific policy issues, please contact the Ciett / Eurociett Secretariat: Denis Penne (Managing Director) or Michael Freytag (Policy Advisor).