

Overview on the Content of this Issue

1. International Affairs

- In the section on International Affairs, Members will find a detailed overview on the 2006 session of the ILO conference, including an assessment of the debate on the “Employment Relationship dossier”.
- Furthermore, we have included in the international affairs section contributions on studies released by the OECD on economic migration and employment policies.

2. European Affairs

- In the section on the European Affairs priorities, Members will find the latest developments on the Services Directive, for which a political agreement has been reached in the Council, the Agency Work Directive and the Social Dialogue.
- Further contributions on European affairs cover the European summit held in June, an outlook on the Finnish Council Presidency and the political debate on the Posting of Workers Directive.

3. Public Affairs Actors and Networks

- In the section on Public Affairs Actors and Networks, we would like to inform you about new Members of the European Parliament that joined the Parliament following elections in Italy (with some Italian MEPs taking over positions in domestic politics).
- Furthermore, we have included information on changes in the personnel of the European Commission and at CEN, the European Committee for Standardisation.

4. Public Affairs Calendar

In order to provide the Members of Ciett and Eurociett with more updated information on upcoming events, we have decided to include a Public Affairs Calendar with some of the upcoming events on the European and international level.

<i>Date</i>	<i>Actor</i>	<i>Event</i>
1 st July 2006	EU	Start of the Finnish Presidency
3 rd – 5 th July 2006	ILO	ILO Subregional Workshop on Labour Market Information in South Africa
3 rd – 6 th July 2006	EU	Plenary Meeting of the European Parliament in Strasbourg
6 th – 8 th July 2006	EU	Informal Employment and Social Affairs Council Meeting
10 th – 11 th July 2006	EU	Informal Competitiveness Council Meeting

1. International Affairs

ILO 2006 Conference

The ILO 2006 conference, which closed last June 16th, has adopted a Recommendation on the Employment Relationship. This text (see Annex 1) is a revised version of the one drafted by the ILO Office ahead of the conference.

From the Agency Work industry's point of view, the results of the conference can be seen as mixed.

On the positive side, the Ciett members that went to Geneva (7 people altogether) have managed, with the support of the Employers' group, to get a disclaimer amendment being adopted which reads: **"This Recommendation does not revise the Private Employment Agencies Recommendation, 1997 (n° 188), nor can it revise the Private Employment Agencies Convention, 1997 (n°181)."** This was the main objective of Ciett and we have reached it.

On the negative side, it has to be mentioned that the Employers did not vote in favour of the amended Recommendation. Indeed, the Employers' group has stated from the outset that they could not support language on indicators and criteria about what is an employment relationship, nor language that would create presumptions of an employment relationship. As these provisions have not been deleted from the draft text, the consensus within the employers group was that the Recommendation would have less influence if it were clear to governments that it was a bilateral rather than a trilateral instrument.

Furthermore, there still remains the potential for long-term problems, especially regarding with three issues:

1. Convention 181: the success in obtaining paragraph 23 (disclaimer amendment) of the Recommendation does not mean that the Agency Work industry won the battle to preserve what it gained in Convention 181. It means merely that we were lucky enough to be able to take advantage of a legal technicality having to do with the hierarchy of ILO instruments. It is comforting to see the words, but per the comments on Issue 3 below, there is still a danger that Convention 181 may be attacked.

2. Triangular employment relationships: it is true that the explicit reference to it has been deleted and replaced by "multiple employment relationships", but we can expect those who are unfriendly to the Agency Work industry to define "multiple employment relationships" in such a way that we will be included. We will have to be on our guard.

3. Determinants of an employment relationship: Paragraphs 9, 11, and 13 are a direct attack on our status as employers. Article 1(b) of Convention 181 is no protection because it assumes an employment relationship but does not define it. If it were defined as recommended by these paragraphs, Private Employment Agencies would fall under Article 1(a) of the Convention and be placement agents but not employers. These paragraphs are the most important (and most controversial) part of the Recommendation. It is because they have been retained in the final text that the employers group has decided to oppose it during the final vote.

***ILO 2006
Conference
(continued)***

The provisional record of the debate within the Committee on the Employment Relationship can be downloaded from the ILO website at the following address: www.ilo.org/public/english/standards/relm/ilc/ilc95/pdf/pr-21.pdf

The Secretariat thanks all members that have been involved in the Conference and will keep on monitoring and lobbying the ILO pro-actively in the coming months.

***Employment
and
Development
initiative of
IZA and
World Bank***

In a joint appeal to policymakers in the Western industrialised countries, the World Bank and the Institute for the Study on Labour (IZA / Germany) called for a more forceful approach to fighting mass unemployment in the developing world. In the absence of additional efforts in this field, the goal of reducing poverty and social exclusion would become out of reach while north-south migration would continue to increase. This is why employment strategies must be at the core of development assistance. It is against this background that IZA and the World Bank have started a new initiative to stimulate cooperation between research institutions, donor organizations and policy makers in order to strengthen the role of job-creation in international aid programmes. The initiative was presented during an international expert conference in Berlin from 25 to 27 of May 2006. More information is available online: www.iza.org/development

***OECD
International
Migration
Outlook***

In June 2006, the OECD published the International Migration Outlook summarizing main migration developments and trends in the OECD countries. According to the report, between 3 and 3,5 million immigrants, including those already living in their new country on a temporary basis, became official long-term residents in OECD countries in 2004. Immigration rose sharply to the USA (+28%) and the UK (+24%) during 2004, the last year for which comparable figures are available. By contrast, immigration dropped sharply in Finland (-25%), Germany (-15%) and New Zealand (-14%).

According to the OECD International migration outlook, the number of temporary, seasonal and contract workers has been increasing over the past 10 years as OECD countries continue to recruit temporary foreign workers. In the countries and categories for which detailed data are available, temporary entries for employment increased by approximately 7% in 2004, reaching 1,5 million.

Many countries have adopted measures to attract highly skilled immigrants and foreign students by introducing selection policies. Security and fight against irregular migration, however, remain key elements of policies to control migration flows. In parallel, new measures were adopted to develop or improve the integration of newcomers, including for example language courses, assistance to find jobs and fight against discrimination. More information is available online: www.oecd.org

***OECD urges
more
dynamic
government
policies on
employment***

OECD countries urgently need to get more people into paid employment if they want to boost living standards and keep welfare systems afloat. They can do this by moving away from policies that discourage people from working and companies from hiring and by doing more to raise worker's skills. These are the main findings of the 2006 OECD Employment Outlook published in June 2006. Based on the analysis of labour markets and employment policies, the OECD urges governments to:

- Set macroeconomic policies which aim to achieve price stability and sustainable public finances
- Ensure that recessions do not lead to permanent falls in employment
- Make it more attractive for people to work than to stay on welfare benefits
- Make sure that benefit recipients receive high-quality services, particularly in relation to their quest for jobs and that this is monitored closely, backed by the threat of benefit sanctions
- Adapt regulations and tax policies so as to encourage companies to take on staff rather than to shun new hires
- Strengthen competition in product markets
- Ensure that legislation to protect job security does not undermine the dynamism of the labour market or lead to discrimination in hiring and firing
- Provide people of working age with the education and training opportunities that they need to get jobs and raise their incomes.

More information and order forms for the 2006 Employment Outlook are available on the OECD website: www.oecd.org

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

***Services
Directive***

During the EU Competitiveness Council Meeting (Ministers for trade and economic affairs) on the 29th of May, a political agreement has been reached on the revised Directive on Services in the Internal Market. The agreement builds on the compromise reached in the European Parliament, which has been broadly supported by the European Commission in its revised proposal. Therefore, the scope of the Services Directive will be significantly reduced and will not cover temporary agency work services. Furthermore the provisions on the cross-border provision of services have been significantly watered-down. The ministers for trade and economic affairs underlined that the Services Directive, once adopted and implemented, will stimulate growth and employment in the EU whilst protecting the social models and public services in the Member States. The political agreement in the Council was reached by unanimity with abstentions of Belgium and Lithuania.

Services Directive (continued)

Reactions to the political agreement:

- Members of the European Parliament's Internal Market Committee, especially Evelyne Gebhardt (PSE) and Malcolm Harbour (EPP) have underlined that the agreement is largely based on the European Parliament's compromise.
- In a first reaction, UNICE, the European Employers Confederation, has welcomed the compromise reached on the Services Directive.
- The General Secretary of ETUC, John Monks, underlined that some points still have to be solved which are of concern for workers, especially with regard to labour law and social services of general interest.

In the coming months, the political agreement reached in the Council will be finalised by agreeing on a common position, which will then be forwarded to the European Parliament for the second reading of the proposed Directive in the European Parliament.

Despite this emerging consensus, Eurociett will continue to advocate that temporary agency work should be fully covered by the scope of the Services Directive.

Agency Work Directive

With the debate on the Services Directive coming to a conclusion and formal agreement most probably by the end of the year, a re-launch of the debate on the Agency Work Directive is most probable. According to information obtained from Eurociett Members, the European Commission has been contacting national governments of the blocking minority in the past months to evaluate possible compromise solutions, especially with regard to the principle of "user pay". If such a solution proves to be unrealistic, the Commission intends to withdraw the current proposal and start from scratch with a new Directive.

The Eurociett Position on the draft Directive has remained unchanged. Whereas Eurociett is not opposed to a Directive on agency work, any such Directive should achieve a fair balance between the need for more flexibility and the lifting of restrictions on the one hand and the objective to protect basic social rights and working conditions of the agency workers. The Eurociett Board and Public Affairs Group are currently working on a draft regulatory framework that would combine these two elements and would allow for a better development of the agency work industry in Europe. This proposal for a regulatory framework shall be communicated to European stakeholders by late summer / autumn 2006.

**Lisbon
Strategy,
Employment
Week and
EU
Employment
Council**

The 13th “Employment Week” has been organised from 16 to 18th of May 2006 in Brussels. This year’s topic of the Employment Week focused on “Working together for growth and jobs”. Policy makers, non-governmental organisations and practitioners met to discuss recent developments, challenges and future trends in employment markets and policies of the EU Member States. More information on the yearly Employment Week is available online: <http://www.employmentweek.com/>

The Employment, Social Policy, Health and Consumer Affairs Council met on the 1st and 2nd of June in Brussels. In the section on employment policy, the Council focused on the issue of working time, where no agreement could be reached. Further item of interest to Eurociett have been:

- The Council held a public debate and endorsed a joint opinion of the Social protection and the Employment Committee on the review of the EU Sustainable Development Strategy.
- The European Commission briefed the Council on its Communication concerning social services of general interest, which launched a consultation on social services.
- The Council reached unanimous political agreement on a draft regulation establishing a European Institute for Gender Equality.
- The Council endorsed the joint contribution of the Employment Committee and the Social Protection Committee on flexicurity. The joint contribution identifies four elements for achieving a good balance between flexibility and security on the labour market: Availability of suitable contractual arrangements, active labour market policies, credible life-long learning systems and modern social security systems.
- Despite extensive negotiations, no agreement could be reached on the pending Working Time Directive. The most controversial topics remain to be possible opt-out solutions in the framework of the Working Time Directive.

The Conclusions of the Employment Council meeting are available online: http://www.eu2006.at/en/News/Council_Conclusions/0206ConclusionEmployment.pdf

**Sectoral
Social
Dialogue**

On the 19th of June, Michael Freytag (Eurociett Policy Advisor) has taken part in the Social Dialogue Liaison Forum on behalf of Eurociett. During the Forum, the following main topics of interest to Eurociett have been discussed:

- The Commission is working on a Communication on “Flexicurity”, which shall be issued by 2007 and which shall focus on labour contracts and social protection schemes. This Communication will built on the Green Paper on Labour Law, which will be issued in September / October 2006.
- A Commission official presented the main approach and outline of the Commission’s Communication on Decent Work (see separate article below).

**Sectoral
Social
Dialogue
(continued)**

- With respect to the Commission's Communication on Community measures to support people furthest from the labour market (Eurociett submitted a contribution), the Commission underlined that it received 70 replies, which are currently assessed and which will be available online by Summer. The Commission official underlined that most contributions advocated action in the area of the open-method of coordination, whereas harmonisation has not been identified as being necessary. As next steps, the Commission will carry out an impact assessment, on which future actions will be built on.

In the framework of the Temporary Agency Work Sectoral Social Dialogue, the next working group meeting, taking place on the 7th of July 2006 will discuss ways to promote the integration of marginalized groups on the labour market (long-term unemployed, disabled, low-skilled people, women-returners). Private Employment Agencies do play a significant role in this area, which shall be further explored jointly with our social partner Uni-Europa. Furthermore, Eurociett and Uni-Europa agreed to start an open discussion on undeclared work carried out by organisations pretending to be temporary work agencies. For both topics, an initial debate between the social partners is planned, which shall form the basis for future actions on these topics (e.g. joint declarations).

Finally, the working group meeting will discuss research projects that could be carried out in the framework of the Sectoral Social Dialogue, especially with regard to the topics of work mobility, an update of the study on temporary agency work in an enlarged European Union and interactions between the cleaning industry, private security and temporary work agencies (the last one having been proposed by Uni-Europa). As 2007 has been declared as the European Year of Equal Opportunities for All, additional funding for research and workshops related to this topic might be available. Therefore, Eurociett and Uni-Europe will also assess joint projects related to the European Year of Equal Opportunities for all.

Members will receive a comprehensive report on the results of the social dialogue working group meeting in the next Public Affairs Report.

**Communi-
cation of the
European
Commission
on Decent
Work**

On the 24th of May, the European Commission published the Communication "The EU contribution to the implementation of the decent work agenda in the world. With the communication, the Commission aims at promoting more coherent policies and a better implementation of decent work policies. Decent work, meaning more and better jobs with welfare protection, equal opportunities and social dialogue, can help developing countries fight poverty. But it can also help to improve working and living conditions and pursue appropriate policies as globalisation, technical advances and population trends all change.

The Communication aims at strengthening the EU policies and programmes in helping spread decent work both inside and outside the EU. The Commission's Communication aims to go beyond just ensuring minimum labour standards, but give a clear indication how promoting decent work can be achieved. This includes promoting job creation, improved governance and social dialogue, identifying and addressing decent work deficits, better cooperation between the main stakeholders and reducing corruption.

Communi- cation on Decent Work (continued)

On the international level, the United Nations Summit affirmed last September that fair globalisation and decent work for all have to be fundamental objectives in both national and international policies, as well as development strategies. The Communication affirms the Commission's commitment to contributing to the effective implementation of promoting decent work for all in the world.

The Communication is available online:

http://ec.europa.eu/employment_social/news/2006/may/com_2006_249_en.pdf

3. Other European Policy Issues

European Council meeting on the 15th & 16th June 06

The European Council meeting on the 15th and 16th of June 2006, which concluded the Austrian Council presidency ending at the end of the month, focused especially on the following topics of interest to Ciett and Eurociett:

- *European Constitutional Treaty and future of Europe:* The Council carried out a first assessment of the reflection period. The Council agreed that the ratification process should continue in those countries that have not yet completed it and that the German Presidency shall be asked to produce a report on the progress and problems in the ratification of the European Constitutional Treaty.
- *Enlargement:* The EU Enlargement has been characterised by the European Council as historic opportunity to ensure peace, security and stability. Enlargement can furthermore help the EU to become a more competitive and dynamic economy. With regard to future enlargements, the Council underlines that the absorption capacity of the EU has to be considered and that the EU has to consider in each enlargement process the impact on the proper functioning of the EU institutions and procedures.
- *Economic and labour migration:* A major focus of the Council debate has been the cooperation in the area of justice and home affairs. In this context, the Council agreed that developing a coherent approach to migration should be a priority for the EU. As a first, practical measure, the heads of state and governments called for a quick establishment of a rapid border intervention teams to fight against illegal migration. These teams will provide boats, planes and helicopters to countries facing illegal migration. Furthermore, the dialogue with Africa and neighbouring countries shall be enhanced as part of the EU's overall neighbourhood policy.
- *Lisbon Strategy:* The Council underlined that the refocused Lisbon Strategy is of essential importance to the citizens and that particular emphasis should be laid on investment in knowledge and innovation. The European Council welcomed the commitment of the Member States and the Commission to the Lisbon Strategy.

European Council (continued)

- *Services Directive and internal market policy:* The European Council welcomed the political agreement reached on the Services Directive and called for a swift conclusion of the legislative process. The European Council also welcomed the intention of the European Commission to launch a general review of the internal market and its effective functioning.

EU Council Presidency of Finland

Finland is going to take over the EU Council presidency on the 1st of July 2006. In recent communications and briefing sessions, the main priorities of the Finnish Presidency have been presented. The most important topics for Eurociett are the following:

- *Constitutional Treaty and future of Europe:* As agreed during the European Council in June, the main focus on identifying possible solutions to the “constitutional crisis” will be devoted to the German presidency. However, the Finnish government indicated that work should start in the second half of 2006 in order to explore possible options with regard to the constitutional treaty.
- *Services in the internal market:* Finland aims at completing the first reading on the proposed Services Directive in the Council. The Services Directive will thereafter be subject to the second reading in the European Parliament. Furthermore, Finland will focus on further developing the internal market and Europe’s competitiveness. Remaining obstacles in the internal market shall be removed so that companies and consumers can take full advantage of the single market.
- *Employment and social affairs:* Finland will continue the European debate on Europe’s changing demography by identifying required measures that should be taken as part of the Lisbon Strategy. Furthermore, the debate on achieving the right balance between flexibility and security should be continued. In addition, the European Commission is expected to publish a Green paper on the future of labour law during the Finnish presidency, which will be closely linked to the debate on flexicurity. With regard to current, pending proposal in the field employment policy, Finland emphasised that they intend to de-block the debate on the Working Time Directive. Until now, the Finnish presidency has not publicly indicated to put the current draft Agency Work Directive on the agenda of a Council meeting in the second half of 2006.

More information on the Finnish presidency is available online:
http://www.eu2006.fi/en_GB/

Posting of Workers Directive

Following the mini-hearings on the consequences of the posting of workers directive in January, February and April, the Parliament (Elisabeth Schroedter Greens / Germany) issued a draft report on the application of Directive 96/71 on the Posting of Workers. This own-initiative report is linked to the European Commission’s Communication on the application of the Posting of Workers Directive, which has been issued on the 4th of April jointly with the revised

proposal on the Services Directive. 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 calls for examination of the significant failings in the implementation and monitoring of the Posting of Workers Directive. The report will be discussed and voted in the Employment Committee before the Summer break.

Eurociett prepared a written reply to this report, which will be sent to all Members of the Employment Committee.

European Commission's Consultation on the Future of the Single Market

The European Commission has launched a new, broad Consultation on the "Future of the Single Market" and invited stakeholders to contribute to the debate on how to improve the functioning of the single market. Eurociett has submitted a contribution to this consultation, advocating the lifting of justified restrictions for temporary agency work companies and the creation of a functioning single market for private employment agency services.

The Eurociett contribution to the Commission's Consultation is available on the Eurociett website (section on position papers).

European Commission proposed new programmes for 2007-2013

On the 24th of May, the European Commission has issued revised proposals for the EU programmes to start next year under the new 2007-2013 financial perspective. The proposals put a particular emphasis on growth, job-creation and economic progress. The revised package, which sets out details of funds for each programme and legal acts necessary for their implementation, is a major step before the programmes can be effectively launched. These proposals are now subject to adoption either jointly by the Council and the European Parliament in the co-decision procedure or the Council alone (depending on the policy area and funding programme).

2007 European Year of Equal Opportunities for all

The European Commission, Parliament and Council have agreed to designate 2007 as the "European Year of Equal Opportunities for All". Within this thematic focus, activities will be provided and co-funded by the European Commission with a budget of 15 million €. The European Year of Equal Opportunities for All will focus on four themes: rights, representation, recognition and respect.

UNICE Position on Legal Migration

UNICE adopted on the 10 May 2006 a position paper on legal migration, calling for the Commission policy on migration to lead to a rapid, transparent and simple procedure. A single, horizontal framework should deal with highly skilled workers, seasonal workers, intra-corporate transferees and remunerated trainees. Third country nationals already legally working in a Member State should be allowed to apply for a work permit in another EU country without first going back to their country of origin. UNICE also recalls that any EU initiative must respect the principle of subsidiarity, which implies in this context that decisions on the number of migrants to be admitted remain within the responsibility of the national policies.

4. Public Affairs Actors and Networks

New Deputy Director- General of DG Competition

Mrs. Lowri Evans has been appointed on the 10th of May 2006 as Deputy Director-General of the DG Competition in the European Commission, which is in charge of state aid control. Her main task will be to ensure that the DG's policy on state aid is in line with the Commission's overall policy objectives and to help develop European policies in the field of state aid.

New President of the European Committee for Standardisation

Juan Carlos López Agúí has been elected President of the European Committee for Standardisation (CEN). He takes over from Michael Kelly, who has been President since 2004. CEN, the European Committee for Standardization, was formed in 1961 by the national standards bodies in the European Economic Community and EFTA countries. CEN is contributing to the objectives of the EU and European Economic area with voluntary (technical) standards which promote free trade, the safety of workers and consumers, interoperability of networks, environmental protection, exploitation of resources, development programmes and public procurement. More information is available online: <http://www.cenorm.be>

New Members of the EP

Following the general elections in Italy, several of the Italian Members of the European Parliament have joint national politics and stepped down from their mandate in the European Parliament. The following new Members of Parliament have joined the European Parliament:

- Marco Cappato (ALDE), replacing Emma Bonino.
- Armando Veneto (EPP), replacing Paolo Cirino Pomicino.
- Gianluca Susta (ALDE), who took over from Pier Luigi Bersani.
- Carlo Casini (EPP), replacing Armando Dionisi
- Donato Tommaso Veraldi (ALDE), replacing Giovanni Procacci.
- Eugenijus Maldeikis (UEN).

None of these members has joint the Internal Market Committee or the Employment Committee, which are the most important committees for the public affairs activities of Eurociett.

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5. Useful Links

Please consult the Ciett website for a selection of useful weblinks (www.ciett.org / section: links). The incoming Finnish EU Council presidency has set up a website with updated information on current European Affairs: http://www.eu2006.fi/en_GB/

6. Abbreviations

ALDE	Group of the Alliance of liberals and democrats in the European Parliament	MEP	Member of the European Parliament
CEN	European Committee for Standardisation	OECD	Organisation for Economic Cooperation and Development
EPP	Group of the European Peoples Party in the European Parliament	PSE	Group of the Socialist Party in the European in the European Parliament
ETUC	European Trade Unions Confederation	UEN	Group of the Union of Europe of the Nations in the European Parliament
EU	European Union	UNICE	Confederation of European Employers' organisations
ILO	International Labour Organisation		

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