



Analysis of the situation in East Europe with regard to Temporary Agency Work

Macedonia/Skopje

22.-23.9.2011

Josef Středula

General Remarks

- Temporary work market is growing in all countries of the EMF Eastern Region
- Collective bargaining does not play significant role in regulation of TWA (Temporary Work Agency)
- Trade unions are critical to unequal rights and worse working conditions of agency workers
- People are unwilling to work in short-term jobs and still prefer long-term employment
- EE Countries established some forms of licensing schemes

Legislation

- Czech Republic – Labour Code and Act on employment
- Slovakia – Labour Code and Act on employment services
- Slovenia – Law on labour relations
- Hungary – Labour Code
- Poland – Labour Code and Act on promotion of employment and labour market institutions, Act on employment of temporary workers

Licensing requirements

- EE Countries established some forms of licensing schemes
- **1999 Slovenia** – applicants must meet a number of organisational and personal criteria; agencies are supervised by the labour ministry and inspectorate and must submit to them annual report on their activities.
- **2001 Hungary** – Licensing authority is regional office of public employment service. Applicants must have permanent premises and competencies and have the collateral of ca 4000 EUR. Labour inspectorates have the right to investigate both the TWAs and user companies. Big changes in legislation in 2006 due to potential abuse of agency workers.

Licensing requirements

- **2003 Poland** – Labour affairs ministry is the licensing authority, which also supervise the TWAs. Companies are required to provide detail annual report of placement activities.
- **2004 Czech Republic** – licences are issued by Labour and Social Affairs Ministry. Licences are subject of different criteria relating to age, residency, personal integrity, qualifications, etc. Licence fee is charged (350 EUR). Labour office performs inspections.

Licensing requirements

- **2004 Slovakia** – Licensees must have full secondary education and have no criminal record. Licence fee is ca 80 EUR for legal entities and 40 EUR for individuals. Agencies are subject of labour inspection.

Temporary Work Agency – Trade Union involvement

- Trade Unions in EEC (Eastern European Countries) are not involved in the procedure of getting/withdrawing the licences.
- Agency workers do have the right to information/consultation/representation like other employees. In practice due to the nature and the specific status of agency workers it is difficult to fulfil this right.

Temporary Work Agency – Trade Union involvement

- Employee representatives of the user company would usually represent the temporarily allocated agency workers.
- User employer should inform the workers representatives about use of agency workers.

Temporary Work Agency – Trade Union involvement

- Agency workers have also the right to association and collective bargaining but due to high fluctuation of agency workers these are not applied.
- Trade unions are not operating and existing in Agencies.

Temporary Work Agency – Trade Union involvement

- In any of the EMF Eastern Region countries there is no special Trade Union Federation/structure established for agency workers. **It doesn't exist.**
- There is also no collective agreement concluded for agency workers at any level (company, sectoral, intersectoral, national)

Working conditions of agency workers

- In majority countries the data about exact numbers of agency workers, duration of TAW placements, etc. are not available. Generally the average of assignment of agency worker in user company is between 3 to 6 months, max. 1 year.

Reasons of using temporary agency workers – often used arguments

- Flexible nature of this form of labour
- Increase of internal labour market flexibility in company
- Changes in production volume and related labour demands can be flexible managed by agency workers use
- Reduction of labour costs
- Reduction of administration of HR management, etc.

Reasons why workers accept this type of work

- High unemployment and lack of jobs in certain regions
- Only option to get any job
- Meets individual preferences (lifestyle)
- Sometimes better working conditions
- Low qualification
- Chance to get permanent contract in user company, etc.

Differences between agency workers and user company workers

- Differences in wages, working conditions
- Type of contracts (usually other than employment contracts)
- Occupational health and safety (exposed to risks and unhealthy conditions)

Conclusions

- Trade unions are critical to the use of temporary agency work – it more presents tool for companies flexibility than for providing jobs to workers. This type of work should be restricted.
- Agency workers are not in favourable position regarding working conditions.
- Growing number of agencies is causing problems.

Conclusions

- Additional „social agreement“ defining agency workers' rights more explicitly is needed.
- Collective agreement on TAW would improve working conditions of agency workers.
- Better regulation at national level is also needed.
- TAW contributes to unfair competition between companies.

Resources

- European Industrial Relations Observatory on-line
- Temporary agency work in and enlarged European Union
- Results of EMF questionnaires

Thank you for your attention.