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on Atypical contracts, secured professional paths, flexicurity and new forms of social dialogue
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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on Atypical contracts, secured professional paths, flexicurity and new forms of social dialogue (2009/2220(INI))

The European Parliament,

- having regard to the Commission communication entitled ‘A Shared Commitment for Employment’ (COM(2009)0257),
 - having regard to the Commission communication entitled ‘A European Economic Recovery Plan’ (COM(2008)0800) and Parliament’s resolution thereon of 11 March 2009¹,
 - having regard to the Commission communication entitled ‘Driving European recovery’ (COM(2009)0114),
 - having regard to the Commission communication entitled ‘Partnership for change in an enlarged Europe – Enhancing the contribution of European social dialogue’ (COM(2004)0557),
 - having regard to the Commission communication entitled ‘Towards Common Principles of Flexicurity: More and better jobs through flexibility and security’ (COM(2007)0359) and Parliament’s resolution thereon of 29 November 2007²,
 - having regard to the Commission’s green paper ‘Modernising labour law to meet the challenges of the 21st century’ (COM(2006)0708) and Parliament’s resolution thereon of 11 July 2007³,
 - having regard to the Council conclusions of 8 June 2009 (flexicurity in times of crisis),
 - having regard to the report of the Mission for Flexicurity, ‘Implementation of the common principles of flexicurity within the framework of the 2008-2010 round of the Lisbon Strategy’, of 12 December 2008,
 - having regard to the EPSCO Council conclusions of 5/6 December 2007,
 - having regard to the European social partners’ recommendations in the report entitled ‘Key challenges facing European labour markets: a joint analysis of European social partners’, of 18 October 2007,
 - having regard to Rule 48 of its Rules of Procedure,
 - having regard to the report of the Committee on Employment and Social Affairs (A7-0000/2010),
- A. whereas non-standard employment, such as part-time, casual or fixed-term work, temporary agency work, self-employment, independent or home working and teleworking, has grown significantly since 1990 while continuing to be regarded as ‘atypical’ employment,

¹ Texts adopted, P6_TA(2009)0123.

² Texts adopted, P6_TA(2007)0574.

³ Texts adopted, P6_TA(2007)0339.

- B. whereas globalisation and rapid technological developments are causing far-reaching economic restructuring, giving rise to changes in employment relationships and in the content of workers' tasks,
- C. whereas the financial and economic crisis may lead to unstable labour markets and rising social exclusion,
- D. whereas a substantial and complementary EU approach, focusing strongly on a mutually supportive mix of policy measures in the fields of economic, environmental, employment and social policies, should be developed,
- E. whereas the unemployment rate within the EU 27 has risen to 10% (2009), which is the same level as that in the USA, and unemployment is unlikely to peak before the second half of 2010,
- F. whereas a breakdown of employment changes by educational level shows that the number of low-skilled persons in employment has decreased in recent years,
- G. whereas on average every year between one fifth and one quarter of all European workers change job,
- H. whereas the transition rate between unemployment and employment is high, a third of the unemployed and 10% of the inactive population finding jobs within one year,
- I. whereas, in the EU 27, 45% of all periods of unemployment last longer than one year, compared with about 10% in the USA,
- J. whereas labour turnover is higher among women than men (five percentage points difference) and among younger workers (aged under 24), and decreases with rising levels of education,
- K. whereas in some Member States there has been an increase in the incidence of undeclared work, which could lead to serious economic, social and political problems,
- L. whereas the assessment of flexicurity is complex and a holistic approach is essential, showing the combination of and interaction between the four dimensions of contractual arrangements, lifelong learning, active labour market policies and modern social security systems,
- M. whereas, within employment policies, equal opportunities for women and men need to be actively promoted,
- N. whereas, while the social dialogue has developed in different ways across Europe, overall the mounting economic and financial difficulties have led to intensified tripartite dialogue,

A. *Atypical contracts*

- 1. Calls upon the 2010 spring European Council for clear guidance and concrete measures towards safeguarding employment and creating job opportunities in the framework of an ambitious EU2020 Strategy;

2. Calls on the Commission to continue the efforts made by the Mission for Flexicurity to assist Member States in promoting flexicurity principles, and points out that mutual learning and exchanges of good practice, as well as the open method of coordination, are essential tools for coordinating Member States' different policy approaches;
3. Welcomes the wide variety of labour traditions, contractual forms and business models existing in labour markets;
4. Recommends that the priorities for labour law reform, where it is needed, should focus on: extension of the protection of workers in atypical forms of employment; clarification of the situation of dependent employment; action against undeclared work; and the facilitation of transitions between various situations of employment and unemployment;
5. Encourages Member States to develop new modes of access to employment through the framing of new labour law provisions covering, for example, 'distance working', 'specified-purpose' contracts and 'mission' contracts;
6. Notes that the increase in the proportion of non-standard or atypical contracts has a strong gender and intergenerational dimension, as women, older and also younger workers are disproportionately represented in non-standard employment; calls upon the Member States and the Commission to combat and monitor the imbalance;
7. Calls upon the Member States to implement Directive 97/81/EC and Directive 99/70/EC;
8. Welcomes the adoption of Directive 2008/104/EC and calls for its swift implementation;
9. Stresses that non-standard forms of work must go hand in hand with support for workers who find themselves in situations of transition from one job or employment status to another;
10. Encourages the Member States to develop active intervention policies giving workers who re-enter the labour market an entitlement to individual support during the period strictly necessary for them to become more employable through training and requalification; unemployed people should re-enter the labour market quickly even if their contracts are atypical, the most important consideration being to keep people in the labour market;
11. Calls upon the Commission to analyse and monitor the different types of instrument developed within national activation policies;
12. Calls upon the Union and the Member States to eradicate illicit employment and believes that implementation of flexicurity strategies can help in fighting illicit employment and in making 'very atypical' forms of work less precarious;
13. Stresses the need to create high-quality jobs, including green jobs, and to ensure social cohesion; considers, therefore, that people are more likely to accept the efforts required of them if those efforts are perceived to be fair and to facilitate employment and social integration;

B. Flexicurity and secured professional paths

14. Believes that flexicurity should be defined as combining flexibility and security on the labour market, so as to help increase both productivity and the quality of jobs by guaranteeing security, while allowing firms the flexibility needed to create jobs in response to the changing needs of the market; is of the opinion that flexibility and security requirements are not contradictory and are mutually reinforcing;
15. Believes that, especially in the context of the present economic situation, implementing flexicurity is even more necessary, recalls that application of flexibility principles requires ambitious structural reforms based on a solid consensus;
16. Believes that companies do not trust the labour market and regard it as unreliable in the context of the current economic crisis, and that they lack long-term vision;
17. Calls, in the context of modern work organisation, for the creation of flexible and secure contractual arrangements; nevertheless believes that employment contracts of an indefinite duration should stay the main form of employment, while bearing in mind that some people prefer atypical contracts, especially for students or young people who need a diversity of experience;
18. Condemns the abusive replacement of regular employment with forms of atypical contracts that are at the expense of the general public, employees and competitors; stresses that such forms of contract violate the European social model;
19. Firmly believes that, taking into account the different traditions in Member States, any form of employment should be accompanied by a core of rights, which should include: equal treatment in employment, workers' health and safety protection and provisions on working/rest time, freedom of association and representation, collective bargaining, collective action and access to training;
20. Calls for the EU and the Member States to step up their efforts to invest in skills and training to support sustainable employment; therefore calls upon the Member States to invest in people by vigorously implementing and financing lifelong learning strategies;
21. Calls upon the Member States to implement policies that enable people to balance flexible work and family life better, ensuring that the opening hours of childcare facilities are tailored to working hours;
22. Strongly recommends that the EU employment initiative should include early intervention at the moment when jobs are actually lost, not least in order to reduce the risk of people becoming excluded from the labour market;
23. Calls upon the Member States to reinforce activation schemes, especially for the low-skilled, through personalised advice, intensive (re-)training of workers, subsidised employment and start-up grants for the self-employed and businesses;
24. Calls upon the Commission and the Member States to eliminate administrative burdens in order to facilitate the business environment, especially for SMEs;
25. Calls upon the Member States to report on the state of play regarding implementation of

flexicurity pathways;

C. *New forms of social dialogue*

26. Believes that the formal recognition of the role of the social partners in the new Treaty constitutes progress, as it recognises their autonomy and reaffirms the importance of their support in promoting the social dialogue;
27. Is of the opinion that acknowledgment of the Tripartite Summit for Growth and Employment as an institutional body contributes to the involvement of the social partners in EU economic policies;
28. Believes that the contribution of the European and national social partners to achieving the EU2020 Strategy is particularly important with regard to reaching the employment targets and implementing the flexicurity agenda;
29. Calls upon the national social partners to overcome reservations against ‘outsiders’ (employees with atypical or ‘very atypical’ contracts) and to balance their rights and social-protection requirements with those of ‘insiders’;
30. Calls upon the social partners at European and national level to support investment in lifelong learning strategies;
31. Notes that the involvement of the social partners in policymaking and implementation varies widely across the Member States, but that generally the trend is towards the use of a wider mix of instruments to pursue policy objectives; believes that the quality of the social and institutional support which the social partners enjoy is probably the major determinant of the quality of their contribution;
32. Believes that collective bargaining has proven to be an effective instrument for maintaining employment and that it allows companies to find flexible solutions to deal with the economic downturn;
33. Is convinced that the role of governments is decisive in providing the preconditions for inclusive and effective collective bargaining and encompassing tripartite structures to involve the social partners in public policy-making, in accordance with national practice and traditions;
34. Instructs its President to forward this resolution to the Council, the Commission, the Social Protection Committee, the European Employment Committee and the governments and parliaments of the Member States and the candidate countries.

EXPLANATORY STATEMENT

The European Union and its Member States are faced with a deep financial, economic and social crisis and needs to put major efforts to safeguard as many jobs and as much employment in Europe as possible.

The rapporteur is convinced that the European social models, with its objectives of sustainable growth, full employment, social progress, welfare and social protection, is able to guide the European Union and its Member States through the crisis.

In order to get through this crisis and to safeguard employment, prevent massive unemployment and help the unemployed to find new jobs we need to step up our efforts to invest in skills, training and sustainable job creation.

In view of the previous the rapporteur expects an agreement at the 2010 Spring European Council on clear guidance and concrete measures towards safeguarding employment and creating job opportunities in the framework of the EU2020 Strategy.

Within the EU2020 strategy the aim should be at an effective launch of a comprehensive European employment initiative, by ensuring that an undertaking can be set up free of charge anywhere in the European Union within three days, and that the formalities for the hiring of first employees can be fulfilled via a single access point on the one hand, and, by reinforcing activation schemes, particularly for the low-skilled, through personalised advice, intensive training or retraining and up-skilling of workers, apprenticeships, subsidised employment and start up grants for the self-employed and businesses on the other; in addition, is supportive of the allocation of the European Social Fund payments by the Commission to promote the development and matching of skills;

This employment initiative should include an early intervention at the time at which jobs are in fact lost, not least in order to reduce the risk of people becoming excluded from the labour market. Such interventions will require significant investment in training, including an increase in training providers while concentrating on the better coordination of training and labour reintegration programmes, and should use not only short-term measures but should also endeavour to make high-level qualifications possible in order to increase the overall skill levels within the European Union and to respond to the changing needs of the current economy.

The rapporteur believes that people are more likely to accept the efforts required of them if those efforts are perceived to be fair and on the one hand and to guarantee employment and social integration on the other. Therefore Member States need to invest in people by vigorously implementing Life Long Learning strategies and additional financial support. Thus social partners on European and national level need to support the investment in Life Long Learning strategies. A national target on the financial investment on Life Long Learning by governments and social partners helps to secure employment paths.

The rapporteur is convinced that within employment and social policies the active promotion of equal opportunities for women and men is needed.

Facts

The overall unemployment rate increased in 2009 in the EU-27 from 8 to 9.6% (for men from 7.8 to 9.8 and for women from 8.1 to 9.3).

In recent years the total amount of employed working part-time has remained high and stable, the share of it being higher in the EU-15 than in the newly acceded countries. The share of part-time workers has increased in the EU27 during 2009 compared to 2008 by around 0.5% points. This is a relatively large increase considering that between the 2006 and 2008 the overall increase was just 0.1 percentage points. In 2008 over 18% of the total employed in the EU-27 was working part-time (31% of the total employed women and almost 8% of the employed men) and of the total amount of employed working part-time, around 24% is doing this involuntarily (almost 30% of the men and more than 22% of the women). The main reason for the involuntary part-time work (24% of involuntary part-time employed) is that the persons were not able to find a full-time job.

Fixed term employees are more sensitive to the economic situation. The total number of employees in the EU27 on a temporary contract fell by 1.7 million between 2007 and 2009. This represents a drop of around 6.3%, which is much bigger than the 1.3% decrease in the number of employees with a permanent contract during the same period.

The amount of self-employed had declined since 2000, but remains stable over the last years. In 2007 more than 15% of the total employed in the EU-27 were self-employed (with a difference between men and women of around 6 percentage points), compared to around 7 % in the USA.

Of total employed around 14% is in temporary employment (2008). The main reasons are that the employed are in education and training or they could not find a permanent job.

Around 5% of the total employed is working from home (2008).

Flexicurity

Atypical work refers to employment relationships not conforming to the standard or 'typical' model of full-time, regular, open-ended employment with a single employer over a long time span. Flexible contracts are an instrument used in Member States as part of the employment policies and have helped unemployed to get a job. 'Very atypical' forms of employment have been emerging (i.e. employment contract shorter than six months, working hours less than 10 hours and non-written employment contracts). These forms of employment are most prevalent among young (19 - 29 years) and older (50+ years) workers, women and low-skilled. Workers with 'very atypical' forms of employment receive less training, have more limited career prospects and lower income compared with other categories of workers, thus having a more precarious employment profile.

The rapporteur is convinced that Member States should monitor and analyse the developments of all kind of contracts.

The rapporteur is convinced that the vigorous implementation of flexicurity strategies can help in fighting illicit employment and soften the precariousness of 'very atypical' forms of

work. Within the framework of the flexicurity strategy it is better to focus on qualitative good jobs transitions than on preserving jobs. Within this framework Member States should invest in active labour market policies and institution reforms. Furthermore, the rapporteur is convinced that Member States should analyse critically the Employment protection legislation as it explains major differences between Member States in the incidence of Long-term unemployment and in the duration of the employment.

The rapporteur is convinced that there is an important gender dimension to the debate on atypical work, as men are disproportionately represented in standard employment relationships and increasing numbers of women in the labour force work under atypical conditions.

Social Dialogue

The rapporteur believes that the formal recognition of the role of the social partners in the new Treaty constitutes progress, as it recognises their autonomy and reaffirms the support that the European Union is to give to the promotion of the social dialogue. The acknowledgment of the Tripartite Summit for Growth and Employment as an institutional body contributes to the involvement of the social partners to the economic policies of the European Union.

The contribution of the European and national social partners to achieving the EU2020 Strategy is particularly important for reaching the employment targets and implementing the flexicurity agenda. Therefore, social partners on a national level need to overcome the reservations against 'outsiders' (employees with atypical and 'very' atypical contracts) and balance their rights and social protections with the 'insiders'.

Sectoral bargaining is the main bargaining level in most western European countries and several central and eastern European countries.

The involvement of the social partners in formulating national crisis-response measures varies considerably, depending on countries' industrial relations traditions and structures, and on the nature of the measures taken. In several countries the social partners complained of a lack of involvement and consultation over the preparation of the government's measures.

Although there is this variation in the involvement of social partners in policymaking and policy implementation, generally there is a trend towards the use of a wider mix of instruments to pursue policy objectives. The quality of the social and institutional support that social partners enjoy is probably the major determinant of the quality of the social partners' contribution to the EU2020 Strategy.