

REGULATION OF TEMPORARY AGENCY WORK IN EUROPE

Temporary agency work (TAW) involves the supply of workers by firms for assignments with client organisations. It has expanded rapidly in almost all European countries. In 2004 temporary agency (TA) workers reached a proportion of the total workforce of between 0.3 per cent in Denmark and 2.5 (5.1) percent in the United Kingdom (Table 1).

Virtually all states have a specific regulatory framework for TAW based on national legislation. These regulations refer to the legal status of TA workers, the licensing and monitoring arrangements required of TAs and restrictions and requirements placed on TAs. In addition, there are certain common requirements for TAW, which basically refer to employment protection measures for individual employees. Perhaps the most significant of these protective requirements is a condition that TA workers enjoy the same pay, benefits and other conditions of employment as permanent employees of the user enterprise engaged in similar work. This measure is often linked to some collective agreement pertaining to the user firm.

The pattern of these restrictions and requirements varies between countries. Table 2 (p. 64) presents a summary of the four areas of greatest potential impact. This represents an approximate continuum running from the most regulated countries (in statutory terms) to the least. Nearly 75 percent of the countries stipulate that there should be equality of employment terms and conditions between TA workers and comparable permanent staff; nine countries define the reasons for which recourse may be made to TAW; nine limit the duration of TA contracting; and nine set limits to sector and occupation of usage (with a total of 22 countries).

Table 1

Temporary agency work in Europe, 2004

	Number of employees	Proportion of total workforce in %	Number of companies	Turnover in € million
Austria	44,125	1.4	380	n.a.
Belgium	75,131	2.2	127	3,089
Denmark	6,341	0.3	n.a.	440
Finland	14,000	0.6	n.a.	n.a.
France	569,314	2.1	1,000	18,400
Germany	399,789	1.2	4,526	n.a.
Greece	3,503	n.a.	n.a.	n.a.
Hungary	52,684	1.35	505	n.a.
Ireland	25,000	n.a.	366	1,300
Italy	153,000	0.6	75	4,000
Luxembourg	7,135	1.6	40	150
Netherlands	157,000	2.5	1,250	6,500
Norway	22,784	1.0	n.a.	654
Portugal	45,000	0.9	247	650
Slovakia	10,828	0.5	31	n.a.
Spain	150,000	0.8	341	2,450
Sweden	35,000	1.0	550	929
United Kingdom	600,000 ^{a)} 1,434,098 ^{b)}	2.6 ^{a)} 5.1 ^{b)}	6,500	34,693

n.a.: Not available.
 Note: Direct comparability of employee numbers and proportion of workforce is limited, as several figures may refer to absolute numbers, whereas NCs or employer organisations for 11 countries confirm that employment is expressed in terms of full-time equivalents. Furthermore, figures provided do not normally distinguish whether workers are working solely, primarily or otherwise on a TA basis.
^{a)} DTI estimate. – ^{b)} Employer organisation (REC).

Source: Arrowsmith (2006).

Reference

Arrowsmith, J. (2006), *Temporary Agency Work in an Enlarged European Union*, EIRO, Dublin.

Table 2

Main areas of statutory regulation, about 2004

	Equal treatment	Reasons for use	Limits on duration	Sector/occupation restrictions
Austria	✓	x	x	x
Belgium	✓	✓	✓	✓
Czech Republic	✓	x	✓	✓
Denmark	x	x	x	x
Finland	✓	x	x	x
France	✓	✓	✓	x
Germany	✓	x	x	(✓)
Greece	✓	x	✓	x
Hungary	x	x	x	✓
Ireland**	x	x	x	x
Italy	✓	✓	x	x
Luxembourg	✓	✓	✓	x
Netherlands*	✓	x	x	x
Norway	x	✓	x	x
Poland	✓	✓	✓	✓
Portugal	✓	✓	✓	✓
Romania	✓	✓	✓	✓
Slovakia	✓	x	x	x
Slovenia	✓	x	✓	✓
Spain	✓	✓	x	✓
Sweden	x	x	x	x
United Kingdom	x	x	x	x

Note: *NL: Agency work prohibited in shipping, but under treaty obligation.
 **IE: There is some provision for equal treatment under unfair dismissal and case law.

Source: NC reports, supplemented by input from social partners and author's research. Arrowsmith (2006).