

Reframing industrial relations

Young people, migrants
and low-wage workers

solidar

decent work

decent life



FOUNDATION FOR EUROPEAN
PROGRESSIVE STUDIES
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Contents

Foreword	03
Glossary	04
About the pilot studies	05
Recommendations	07
1. Young people	10
2. Migrant workers	16
3. Low-wage workers	20

Foreword

Europe is experiencing its worst financial crisis in decades with differences in overall economic performance being reflected in labour market and employment indicators. In addition, the intensification of competition has triggered companies to undertake cost-reduction strategies, which translate in most cases into pressure on working conditions and wages for workers.

Over the past years, we have slowly seen the erosion of the classical employer-employee relationship (represented by employers' associations and trade unions respectively) to a complex system involving three or more parties including temporary workers agencies, workers and companies. This situation has led to an increase in the number of people living and working under precarious conditions.

These groups, like migrant workers and young people, often face conditions of unequal treatment, indecent work, limited access to social protection, and insufficient representation in and by the traditional employer-employee relationship. How can we make sure that young workers do not become a lost generation? How can we support migrant workers in making their voices heard? How can we guarantee the working poor quality employment and a decent life?

This booklet brings together evidence of the indecent employment conditions workers face in different EU countries in three different groups – young people, migrant and low-wage workers. In order to guarantee the full implementation of employment legislation, ensure a legal control mechanism for the promotion of labour rights and guarantee the representation of workers at all levels, concrete recommendations are put forward to EU decision makers, social partners and national governments.

Creating an inclusive labour market and effective industrial relations are a necessity in order to make decent work a reality for all!



Conny Reuter
SOLIDAR Secretary General



Ernst Stetter
FEPS Secretary General

Glossary

Social Partners

Representatives of the two sides of the industry, management and labour, or those organisations representing employers and workers (employers' organisations and trade unions)¹. The term 'European social partners' specifically refers to those organisations at EU level which are engaged in the European social dialogue, as provided for under Article 154 and 155 of the Treaty on the functioning of the European Union (TFEU)².

Social Dialogue

Discussions, consultations, negotiations and joint actions undertaken by social partner organisations representing the two sides of the industry (social partners or management and labour). It is one of the instruments of governance in/for the employment and social area/standards (in the European Union)³.

Industrial Relations

There is no agreed definition of industrial relations either in the literature or in EU policy documents⁴. In this document the term industrial relations is used in a broad sense, covering not only the relations between workers and management or between the organisations representing them, and involving not only the regulation of wages and employment conditions, but also the relevant legal and institutional frameworks and public policies. There is wide diversity in industrial relations practices and processes across Member States: actors, processes, policies and frameworks operate at different levels: local or regional, national, European, even global and sectoral social dialogue can take place at all these levels⁵.

¹ Eurofound (2011). Management and labour. <http://www.eurofound.europa.eu/areas/industrialrelations/dictionary/definitions/managementandlabour.htm>

² Eurofound (2011). European social partners <http://www.eurofound.europa.eu/areas/industrialrelations/dictionary/definitions/european-socialpartners.htm>

³ European Commission (2008). Industrial Relations in Europe 2008 <http://ec.europa.eu/social/keyDocuments.jsp?type=0&policyArea=0&subCategory=0&country=0&year=0&advSearchKey=IRIE&mode=advancedSubmit&langId=en>

⁴ Eurofound (2005). Quality in industrial relations: Comparative indicators <http://www.eurofound.europa.eu/publications/htmlfiles/ef0461.htm>

⁵ European Commission (2002). Report of the high level group on industrial relations and change in the European Union. <http://ec.europa.eu/social/BIobServlet?docId=1617&langId=en>

About the pilot studies

Introduction

This booklet brings together evidence of the indecent employment conditions workers face in different EU countries in three different clusters – young people, migrant and low-wage workers.

It looks at young and migrant workers who often face conditions of unequal treatment, limited access to social protection, and insufficient representation in and by the traditional employer-employee relationship and social dialogue. It then looks at those sectors with a high share of non-standard employment and low-wage workers, such as cleaning and care.

Overview of Pilot Studies

1

Young people and the search for decent work

- **Denmark**

Being young and precarious
by Dijana Omerbasic, Fagligt Internationalt Center (FIC)

- **Lithuania**

Youth unemployment and the decent work deficit
by Kestutis Salavejus, Lietuvos Darbo Zmoniu Svetimo Draugija (LLES)

- **Estonia**

Young workers and the quest for decent work
by Heiki Järveveer, Johannes Mihkelsoni Keskus (JMK)

2

The quest for decent work for migrant workers

- **Romania**

Recruitment agencies and their impact on working conditions
by Rodica Novac, Asociatia pentru Dezvoltarea Organizatiei - SAH ROM (ADO SAH ROM), interviews with the Filipino workers and the recruitment agencies' representatives by Laura Ștefănuț

- **Italy**

Combating discrimination against migrant workers
by Emanuele Galossi, Salvo Leonardi, Francesca Carrera, Istituto Ricerche Economiche e Sociali (IRES)

3

Effective industrial relations for low-wage workers

- **The Netherlands**

Protecting low-wage workers
by Janna Besamusca, Amsterdams Instituut Voor Arbeids Studies (AIAS)

- **Italy**

Making industrial relations work for the working poor
by Paolo Pozzo, Marina Marchisio, Sandro d'Ambrosio, Istituto Sindacale per la Cooperazione allo Sviluppo del Piemonte (ISCOS-Piemonte)

Making Industrial Relations Work for Decent Work

“Making Industrial Relations Work for Decent Work” is a one-year project which aims to intensify the cooperation and mutual learning of relevant actors - employers, unions, NGOs, think tanks and workers - to identify the role of, and the tools and models for, effective industrial relations, with the ultimate aim to combat precarious employment and realise decent working conditions and quality jobs for all.

An Advisory Group, composed of representatives of relevant European and international organisations accompanies the project. Their role is to feed in their expertise at all relevant steps, focusing on cross-border/European issues and trends, helping to reach out to trade unions and employers' associations and channelling results into EU level policy processes.

- Chair: Jan Cremers from the Amsterdam Institute for Advanced Labour Studies
- Bertelsmann Foundation
- EuroCommerce
- Eurofound
- European Public Service Union
- European Trade Union Institute
- International Labour Organisation Brussels Office
- European Social Observatory
- UNISON
- UNI Europa

Recommendations



1

On Young People

To EU decision makers:

- Introduce a Europe-wide youth guarantee, where every young person has to be offered a quality job, additional (work-focused) education or training, not more than four months after he/she has left education/training or has become unemployed. This has to be framed in a quality charter in order to avoid poor or abusive proposals.
- Propose an initiative for a European quality charter on internships, setting minimum standards as an outline of job description, a compensation mirroring the tasks performed, a set of quality principles ensuring the internship is a valuable learning experience.
- Adopt a European Youth Employment Strategy, supported by funds that can be foreseen under a specific 'youth' heading under the next EU Financial Framework 2014-2020.
- Stop the European tendency for flexible reforms in labour markets, where standard contracts are being replaced and young people are disproportionately represented in precarious jobs, whereby temporary and fixed-term contracts do not ensure better access to employment but are rather a (circular) dead-end street.
- Improve labour market transition by an 'Individual Placement and Support Approach' for the inclusion of disadvantaged groups into the labour market, (i.e. 'place and train' method for young people) and ensure access to affordable, high-quality services supporting youth in bridging social and labour market transition phases (personal job counselling, support on campuses and within schools, workplace learning and classroom work).
- Officially recognise and validate skills, competences and knowledge acquired through prior learning (i.e. in the work place, during social and family life and volunteering) to provide better opportunities for integration into society and the labour market. It helps reduce the possibility of unemployment for those who have the skills but not the paper qualifications and avoids repetition of learning which has already been done.

To European Social Partners:

- Proactively represent young workers and protect their rights, such as involving young people in the negotiations of contracts/programmes/regulations, defending their particular interests in collective bargaining, launching a campaign to mobilise and empower them.
- Approach young adults earlier to make them aware of their rights before they enter traineeships and the labour market (i.e. provision of information, training and support in school and on campus).
- Cooperate with youth and civil society organisations that have an increasingly important role in giving young people a voice, representing their interests and providing them with support and services to get back into the labour market and social inclusion.



On Migrant workers

To EU decision makers:

- Set up an EU-level platform of labour inspections, enforcement bodies and relevant partners in industrial relations, with the aim of fostering effective cooperation, identifying common principles for inspections, coherent information exchange and sharing best practices.
- Call on Member States to provide sufficient financial means for effective labour inspections, and to ensure equal treatment and compliance with labour standards for EU citizens and migrant workers from third countries.
- Create an EU licensing system for recruitment agencies and gangmasters which sets clear rules and standards for recruitment agencies placing vulnerable groups (i.e. posted workers) to combat the erosion of clear responsibility-taking created by recruitment and temporary work agencies assigning their workers to user undertakings or natural lessees. Ensure Member States ratify the ILO Convention 181 on Private Employment Agencies.
- Revise the Posting of Workers Directive. The current Directive, as well as the proposal for an enforcement directive, do not close the existing loopholes regarding social minimum standards for posted workers and do not allow for more beneficial treatment for this vulnerable group of workers, particularly at risk of exploitation and dumping practices.
- Overcome the restriction on collective action on posted workers by guaranteeing the full respect of the right to strike as enshrined in Article 28 of the EU Charter of Fundamental Rights. The proportionality test for collective action suggested in the proposal for the Monti II regulation is undermining this fundamental right by treating economic freedom as an equal right.
- Ensure that all Member States do not only ratify but also implement the Directive on Temporary Agency Work, guaranteeing basic working and employment conditions laid down by legislation, collective agreements and/or other binding general provisions in force.
- Strengthen the enforceability of rights at work and the possibility to penalise employers who, especially in cross-border situations, are found guilty of discrimination, exploitation of their workers and violating labour law.

To European Social Partners:

- Advocate for and defend the rights of migrant workers, engaging them and ensuring their representation or self-organisation, especially in those sectors which are more exposed to strong invisibility (like domestic work), flexibility and precarious employment. Look at successful practices, develop new tools and strategies to approach them.
- Develop courses for trade union staff and membership about the challenges of labour migration and the safeguarding of rights at work; develop projects on how to better identify the needs of migrant workers, how to provide quality support and advice services to them; enhance the signing of cooperation agreements between trade unions sending and receiving countries.
- Take into consideration that in industrial relations there are many actors involved in ensuring decent working conditions: employers' organisations and trade unions, but also third parties (agencies), workers and NGOs.



3 On Low-wage workers

To EU decision makers:

- Call on all Member States to establish a national minimum wage set by law. This should be done in consultation with social partners, taking into consideration the level, coverage and indexation at the national level when setting any wage threshold.
- Create an EU licensing system for recruitment agencies and gangmasters which sets clear rules and standards for recruitment agencies to meet a set of minimum conditions including compliance with regulations on working hours and minimum wages, health and safety standards, social security contributions, immigration laws and the right to join a union.
- Set up an EU-level platform of labour inspections, enforcement bodies and relevant partners in industrial relations with the aim of fostering effective cooperation, identifying common principles for inspections, coherent information exchange and sharing best practices.
- Make sure that EU public procurement rules apply the principle of the “most economically advantageous tender (MEAT)” instead of “lowest cost” when contracting service provision out. MEAT criteria should include the full range of social and quality of work considerations, like decent work, collective bargaining, equal pay for equal work, fair trade, social integration of disadvantaged persons or vulnerable groups amongst the persons assigned to performing the contract.

To European Social Partners:

- Guarantee workers’ representation in industrial relations for all workers, particularly in those sectors which are more exposed to strong invisibility (ie. low-wage) and combat the erosion of clear responsibility-taking created by the tripartite (or more) mechanism between agency-worker-company which substitute the standard employer-employee relationship.
- Promote opening ranks to self-employed workers within trade unions. Although not being employees in the strict sense of the word, self-employed workers are a new type of employee who may experience poorer working conditions than his or her colleagues in salaried employment. These workers do not always deliberately choose the status of self-employment and often have no health or disability insurance and inadequate pension provisions.

Young people and the search for decent work

Context

According to the latest Eurostat figures, in January 2012, the youth unemployment rate reached 22.4%⁶, compared to 15.8%⁷ in 2008. In other words, 5.5 million of young people are currently unemployed in the EU27⁸. What is also alarming is the share of young people neither in employment nor in education and training (NEET) which makes up 12.8% of the 15 to 24-year-old population, which is approximately 7.5 million young people⁹.

Although during recessions youth unemployment always increases more than overall employment - as employer's tend to freeze new hires - currently labour market risks among young people are higher than in previous recessions as job creation for young adults before the crisis was concentrated in temporary contracts. The mass layoff of temporary workers has therefore considerably contributed to increasing youth unemployment.

Yet, the difficulty is not only unemployment. There is evidence of declining quality of employment available for young people. Job quality that entails equal pay for equal work, decent wages, career prospects, training opportunities, working time, sick leave, social protection as well as health and safety at work. Figures from several EU countries show that when young people are employed, they are more likely to be engaged in precarious work than their older counterparts.

Guy Standing describes this phenomenon as “a multitude of insecure people, living bits-and-pieces lives, in and out of short-term jobs, without a narrative of occupational development, including millions of frustrated youth”¹⁰.

Other issues which are affecting young workers are that they are being paid less than those in permanent positions and often have limited access to social security systems and less training on the job as both employees and employers do not have the incentives to invest in human resources. And with only one in five temporary workers each year becoming permanent¹¹, this has culminated in dual labour markets with strong employment protection provisions for permanent contracts on the one hand and weak ones for temporary workers on the other.

Another source of precariousness and exploitation are internships. Young people experiencing difficulties in finding employment often have no choice but to do multiple internships before gaining secure employment and full employment rights. Internships could have a positive impact on their access to employment and used as a valuable and quality learning experience. Yet, the lack of a regulatory framework for internships in several EU countries and at EU level leads to contracts with uncertain working hours, insufficient or no compensation, imprecise tasks and exploitation of interns who often replace regular employees.

Finally, self-employment and young entrepreneurship are not necessarily an opportunity for young people but can easily lead to situations where they are trapped. Self-employed persons are three times more likely to become working poor than employees: 18% compared with only 6%¹². This is why self-employment

⁶ Eurostat (2012). Euro area unemployment rate at 10.7%. Retrieved at: <http://europa.eu/rapid/pressReleasesAction.do?reference=STAT/12/31>

⁷ Eurostat (2012). File: Youth unemployment rates, 2008-2011Q3 (%) [http://epp.eurostat.ec.europa.eu/statistics_explained/index.php?title=File:Youth_unemployment_rates,_2008-2011Q3_\(%25\).png&filetimestamp=20120127135533](http://epp.eurostat.ec.europa.eu/statistics_explained/index.php?title=File:Youth_unemployment_rates,_2008-2011Q3_(%25).png&filetimestamp=20120127135533)

⁸ Eurostat (2012). Euro area unemployment rate at 10.7%. Retrieved at: <http://europa.eu/rapid/pressReleasesAction.do?reference=STAT/12/31>

⁹ Eurofound (2011). Young people and NEETs in Europe: first findings. Retrieved at: <http://www.eurofound.europa.eu/pubdocs/2011/72/en/1/EF1172EN.pdf>

¹⁰ Guy Standing (2011). The Precariat – The new dangerous class <http://www.policy-network.net/articles/4004/-The-Precariat-%E2%80%93-The-new-dangerous-class>

¹¹ Boeri, Tito (2011). Reducing Youth Unemployment and Dualism. Thematic Review Seminar on “the reduction of labour market segmentation: addressing the needs of young people”. http://www.mutual-learning-employment.net/uploads/ModuleXtender/Trscontent/52/Tito_Boeri_Discussion_paper.pdf

has to be promoted only with the provision of sufficient guidance, tools and instruments for investment, to prevent young people from falling into poor working conditions of permanent self-exploitation, insufficient social protection, debts and bankruptcy.

Social dialogue and industrial relations

To cope with the situation faced by young people, employers across the EU mainly call for creating more flexibility on the labour market in view of removing barriers to hiring young workers. Further, they demand education systems provide young people with the right labour market skills, specifically better and more apprenticeships and vocational education and training. Trade unions also promote a more extensive use of apprenticeships and training in order to integrate young workers, but rather call for a reform of education systems, demanding an assessment of the quality of employment opportunities for young workers either after initial education or apprenticeship¹³.

The crisis has prompted a breakdown in national tripartite and bipartite negotiations which is severely constraining the ability of governments and social partners to implement policies aimed to help young workers within the framework of industrial relations. This is particularly affecting young people employed in sectors with a low number of collective agreements. Further, even where bargaining coverage is strong, no specific agreements on the particular problem facing young people have been reported.

This is the reason why youth and civil society organisations have become a point of reference gaining an increasingly important role in representing young people outside of the traditional social partners' sphere. They are raising their voices, providing services to the unemployed, offering personal coaching, training courses and apprenticeships, while advocating for quality internships and employment at the same time, trying to fill the gap of young people's representation in industrial relations.

Denmark

The current situation - where unemployment is high for all age groups and where the young lack training opportunities - has an important impact on both the labour market and the education system in Denmark. Yet, "precarious work" is a phrase seldom used in Denmark, as part-time work, fixed-term work and temporary agency work are not considered precarious per se. However, recent cases of suspicious contracts (Abercrombie & Fitch, Agnes Cupcakes and Joe & The Juice) concerning young workers have triggered an important debate about the working conditions of youth. The cases¹⁴ have been reported in the media showing concern on health and safety standards, working time (including overtime), sick leave, pension rights etc¹⁵.

Denmark is known for its flexicurity system. During a crisis like the current one, some groups including young workers are more exposed to the demands of flexibility without proportional security safe nets. One of the characteristics of the flexicurity system is that it is easy to hire and fire employees and when a company must lay off workers it is usually on the "last in, first out" principle. As the current situation has turned to be rather static, companies cannot afford new employees, or young people are offered temporary short-term jobs or unsecured similar solutions.

¹² Eurofound, European Working Conditions Observatory, Doris Hanzl-Weiß/Hermine Vidovic: Working poor in Europe, April 2010, <http://www.eurofound.europa.eu/ewco/studies/tn0910026s/tn0910026s.htm>

¹³ Simms, Melanie (2011). Helping young workers during the crisis: contributions by social partners and public authorities. Dublin: Eurofound <http://www.eurofound.europa.eu/docs/eiro/tn1101019s/tn1101019s.pdf>

¹⁴ "Fashion store Abercrombie & Fitch withholds salaries": <http://politiken.dk/erhverv/ECE1496100/modebutik-laderansatte-staa-standby-uden-loen/>

¹⁵ A popular bakery Agnes Cupcakes threatens with 250,000 Danish Kroner fines, demands daily sick leave confirmation and offers variable working hours: <http://politiken.dk/erhverv/ECE1457659/kritikere-her-gaaragnes-cupcakes-over-stregen/>



Fortunately, the country has always had a strong tradition of social dialogue where employers' and employees' organisations negotiate working conditions (including wages, working time etc.) without interference from the state. Problem is that young people are strongly underrepresented in trade unions. As a result they are not familiar with their rights, ignoring if their work place was covered by collective agreements or if they were being paid during sick leave¹⁶. So far, one of the best ways to voice young people's interests has been through Job Patrol¹⁷, a task force established by the Danish Confederation of Trade Unions (LO) wages, working conditions and working environment on the ground. In the past, their reports often triggered social partners' reaction in case of employees' mistreatment.

Most importantly, the recent focus on youth work has not only being on new rules and regulations but about compliance with the existing ones. That is also the proclaimed purpose of the Job Patrol, checking and informing employers, employees and workers of the existing rights and duties on the labour market.

Recommendations:

- Include young people in social dialogue: times have changed, the labour dynamics are different and the challenges may be new for both the young and older workers. Trade unions, employers' organisations and national governments all have a responsibility to organise, employ and fully represent young workers.
- Focus on education and training as the key to (future) employment. Employers must not save on quality internships, apprenticeships and practical training. As the labour market demands highly skilled labour force, employers need to contribute to young peoples' education and training.
- Continue to raise awareness of health and safety for young workers. Young workers account for a large number of work related accidents. At the same time, they must discuss and question their working conditions with their parents, teachers, (older) colleagues, friends, unions, employers and so forth. The society as a whole need to know about young workers' experiences in order to take measures that guarantee decent working conditions.

¹⁶ Besides the direct practical impact on youths' working conditions the lack of youth engagement in the trade unions can lead to a lack of representation. As written on the webpage of the Ministry of Employment: "Strong labour market organisations with a high membership rate are a precondition for a system based on the social partners' self-regulation." This means that the employers can argue that a trade union is not representative for the young employees and demand that the collective agreements should not be valid for them.

¹⁷ Job Patrol Evaluation Report 2011: <http://www.jobpatruljen.dk/Viden/rapporterfraJP.aspx>

¹⁸ Eurostat (2012). Unemployment statistics http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Unemployment_statistics

Lithuania

Changes in labour relations and the introduction of the flexicurity model in Lithuania have worsened labour conditions and altered employers' attitude towards employees. Young persons, the least educated in workers' rights and the least represented by trade unions and works councils, were affected the most by these changes. Young workers are usually paid less because of their limited work experience and working skills, yet they have a higher workload and are hired on short-term contracts. This leads to a lack of stability in their personal and professional lives.

Youth unemployment in Lithuania grew rapidly during the crisis. In the third quarter of 2011, according to Eurostat, Lithuania had one of the highest unemployment rates in the EU for the under 25 year old (after Spain, Greece and Slovakia), reaching 31.1%¹⁸. The high level of youth unemployment is due also to the country's overall economic situation, retraction of services and industry sectors, inability to cope with technological changes, low investment and standards of living. Further, educational programmes do not take into account

the needs of the labour market. Each year, university graduates and thousands of new specialists hit the labour market, and many of them turn to the Employment offices for help to find a job.

The government's strategy is to motivate young people to look for jobs without providing them the necessary infrastructures, and to create self-employment opportunities instead of creating quality jobs. Authorities make young people responsible for finding a job with limited government assistance in terms of information and counselling services.

To support youth employment, the Lithuanian Labour Exchange has established branches called Youth Employment Centers. The main task of these centers is to promote young people's integration into the labour market, to assist them in gaining a better understanding of the social environment and the labour market. Its services are free of charge, and registration is optional. In brief, Youth Centers operating throughout Lithuania: provide information and counselling for young job seekers; organise informative events and practical training; assist in preparation for job interviews, how to be motivated in searching for a job; provide professional orientation tests; provide information about admission to higher education institutions.

Recommendations:

- Adjust active labour market policy to encourage youth employment by subsidizing retraining and securing potential job placements or encouraging employers to provide more training at their enterprises, matching vocational education programmes with the needs of the labour market.
- Provide youth counselling in Labour Exchange Offices in all 60 municipalities (not only 11) to increase youth participation in the decision making process, taking into account their needs and proposals for improving their working conditions.
- Improve the basis for collective bargaining and relax the requirements for taking strike action. The state authorities should promote social dialogue and social responsibility by encouraging trade unions and especially employers to start the bargaining process. Enterprises with collective agreements could get additional support or enterprises with no social dialogue could be given more restricted access to bidding for public procurement.
- Involve social partners and experts in developing training programmes, whereby employers' organisations make projections on what type of employees they need in the future, and then closely participate in the education and training process. Nevertheless, workers' rights and workers' representation issues should also be addressed in vocational education programmes.

"The government's strategy is to motivate young people to look for jobs without providing them the necessary infrastructures, and to create self-employment opportunities instead of creating quality jobs. Authorities make young people responsible for finding a job with limited government assistance in terms of information and counselling services."

Estonia

The last few years have proved that young workers are a vulnerable group in the labour market. The main challenges young people face in their working life seem to be related to a lack of experience and working skills, insufficient knowledge of labour laws and willingness to take unnecessary risks. Young people with little or no experience have difficulties in entering the labour market and as a consequence more keen to accept low-paid jobs, with neither insurance nor social security, little safety standards and no pension contributions. For example, 20-year-old Aiko interviewed by JMK said he was willing to work for € 3 per hour. When he had his first jobs a few years ago, he was willing to work even for much less, € 1.92 (the minimum wage in Estonia is equal to € 1.80 per hour, or € 180 per month).

This reflects the problems encountered by young people in their transition from education to work, namely: quality issues of vocational training and higher education (e.g. in some specialties it is hard to find a job after graduation, even if there are a lot of vacancies); vocational training as a “dead end” for those who aim at higher education; withdrawal and drop out from education being relatively high (for socio-economic reasons); insufficient career counselling.

Some public institutions are making an effort to improve the situation of young workers: the Labour Inspectorate has started an education programme in schools to inform pupils about their rights and obligations in their future working life. Vocational schools are trying to improve their training in order to match the demands of the labour market. As the quality of vocational training is a common concern for all the social partners, cooperation between centers and social partners in developing training standards and curriculum takes place at different levels. One good example of effective industrial relations is the creation and work of Kutsekoda (Estonian Qualifications Authority), which develops the vocational qualifications system and links the education system with the labour market. All the most important Labour Market institutions are involved in the work of Kutsekoda.

However, it has to be stated that decent work for young workers is not on the agenda of trade unions and employers' organisations. Probably the main reason is the weakness of trade unions, representing only a small part of workers. According to data from Statistics of Estonia (Eesti Statistikaamet) almost no workers in the 15-24 age group belong to trade unions and they don't feel that unions are representing their interests well.

Recommendations:

- Continue the development of vocational training in cooperation with the social partners. Vocational schools and basic schools should pay more attention to introducing a basic knowledge of labour law. Pupils need a thorough knowledge of what decent working conditions are, to understand what quality jobs mean and to advocate for their rights.
- Trade unions should take responsibility and defend young workers' interests. For example the Estonian trade union confederation should hire youth experts to increase know-how about the specificity of young workers and youngsters entering working life. These people can support the tripartite social dialogue on youth issues, participate in other forms of industrial relations, and have a counselling role.

“Young people with little or no experience have difficulties in entering the labour market and as a consequence more keen to accept low-paid jobs, with neither insurance nor social security, little safety standards and no pension contributions.”



- Industrial relations' stakeholders need to use modern communication channels to inform young people about different aspects of working life (working skills descriptions, available training programmes, trade union activities, good and bad examples of working relations, etc.). The labour market institutions (especially the Labour Inspectorate and Trade Unions) should think about web-based guidance/counselling systems to give reliable information about crucial topics of working life.
- Raise awareness among society about the wages and working conditions of young workers - as the current younger generation will probably work longer, their well-being and health has to be preserved. In other words, social partners, youth and civil society organisations, together with the State, have to guarantee decent work for a decent life.

“Vocational schools are trying to improve their training in order to match the demands of the labour market. As the quality of vocational training is a common concern for all the social partners, cooperation between centers and social partners in developing training standards and curriculum takes place at different levels.”

The quest for decent work for migrant workers

¹⁹ ILO (2009). Private employment agencies, temporary agency workers and their contribution to the labour market http://www.ciett.org/fileadmin/templates/ciett/docs/Public_Affairs/ILO_C181__WPrEA_2009.pdf

²⁰ Global Union Principles on Temporary Work Agencies, 14 June 2010 <http://www.icem.org/en/73-Contract-and-Agency-Labour/3861-Global-Union-Principles-on-Temporary-Work-Agencies>

²¹ Council of Europe Parliamentary Assembly. 15 December 2006. The situation of migrant workers in temporary employment agencies (TEAs). Report Committee on Migration, Refugees and Population. Rapporteur: Mr Doug HENDERSON, United Kingdom, Socialist Group. <http://assembly.coe.int/Documents/WorkingDocs/Doc06/EDOC11109.pdf>

²² The UK's new Europeans, supra note 17, at 18 (citing Fitzgerald, Working in the UK: Polish Migrant Worker Routes into Employment in the North East and North West Construction and Food Processing Sectors, 2007); Ben Rogaly, Intensification of Workplace Regimes in British Horticulture: The Role of Migrant Workers, 14 Population, Space, and Place 497, 502-04 (2008)

²³ ETUC (2007). Temporary agency workers in the European Union. <http://www.etuc.org/a/501>

²⁴ Directive 2008/104/EC of the European Parliament and of the Council 19 November 2008 on temporary agency work <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:327:0009:0014:EN:PDF>

²⁵ Wiebke Warneck (2011). Temporary agency work - guide for transposition at national level. Brussels: ETUI <http://www.etui.org/fr/Publications2/Rapports/Temporary-agency-work-guide-for-transposition-at-national-level>

²⁶ A gangmaster supplies workers to an individual or business, such as a farmer or packhouse. A person also acts as a gangmaster if he/she uses a worker to do work in connection with services provided by him to another person.

Context

Increasing mobility through international migration is an intrinsic feature of the European Union. All countries are affected by migration patterns, whether as receiving, transit or sending countries, or simply a combination of all three. To guarantee decent work and non-discrimination and to avoid social dumping, migrant workers must be granted equal treatment and freedom of association, legal health and safety standard at the workplace, training and skilling, continuous social protection, career prospects and representation.

Today, labour migration from third-countries and free movement of EU-citizens are the principle drivers of migration flows, many of whom make use of recruitment or employment agencies of some kind. There are various reasons for migrants to use recruitment or private employment agencies as a means to look for a job.

As these agencies have increased their importance and contribution in the EU labour market¹⁹, concern has risen on the conditions under which employees engaged through such agencies perform work²⁰. There are increasing reports of recruitment agencies exploiting and abusing migrant workers' rights²¹ by paying lower wages than they usually do in the host country, lowering benefits like holidays and sick-leave, and cutting social security and longer working hours.

In some EU countries, employers of specific sectors, like large food processing firms, have started hiring entirely through agencies recruiting migrants.²² According to the European Trade Union Confederation (ETUC) "compared to all other forms of employment, temporary agency work has the worst record for working conditions, judged on a number of indicators, including repetitive labour, and the supply of information to employees about workplace risks"²³.

The EU's Temporary Agency Work Directive²⁴ was adopted with the aims of protecting temporary agency workers, improving the quality of work by ensuring equal treatment, fostering job creation and flexible forms of work only through the provision of a suitable legal framework²⁵. The Directive grants national social partners the flexibility to set specific aspects related to temporary employment, such as equal pay and a negotiated time frame of the temporary period and is important in view of increased intra-European mobility of workers and services.

Yet, the most important aspect of migrant work force and private employment agencies is the transformation of recruitment practices with a growing number of bogus gangmasters²⁶ and letterbox companies, which jeopardise even more the employment conditions of their workers. Further, it is also the use of recruitment agencies as intermediaries between 'lessees'²⁷ and workers which creates a tripartite mechanism that may lead to bypassing social/legal responsibilities in cross-border situations: (1) an agency set up in an EU country to hire cross-border workers but where the EU Posting of Workers Directive²⁸ is not

applied or (2) user undertakings which act as employers but send invoices to contracted letterbox agencies in a sending country. In terms of labour law, user undertakings in the hosting country and the recruitment agency in the sending country have a mere commercial relationship, trapping workers in a triangle of bouncing responsibilities in case of mistreatment.

²⁷ A lessee is a natural/legal person (i.e. individual or company) to which a temporary worker is supplied. Being the lessor, the recruitment agency concludes contracts of employment with workers in order to assign them to lessees and user undertakings to work there temporarily under their supervision and direction.

²⁸ Directive 96/71/EC of the European Parliament and of the Council of 16 December 1996 concerning the posting of workers in the framework of the provision of services <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31996L0071:en:HTML>.

²⁹ Case C-438/05 *International Transport Workers' Federation v Viking Line ABP* [2007] ECR I-10779; Case C-341/05 *Laval un Partneri Ltf v Svenska Byggnadsarbetareförbundet* [2007] ECR I-11767; Case C-346/06 *Rüffert v Land Niedersachsen* [2008] IRLR 467 (ECJ); Case C-319/06 *Commission v Luxembourg* [2008] IRLR 388 (ECJ).

³⁰ Eurofound (2010). *Posted workers in the European Union*, p.2 <http://www.eurofound.europa.eu/docs/eiro/tn0908038s/tn0908038s.pdf>

³¹ Report on joint work of the European social partners – BusinessEurope, CEEP, UEAPME and the ETUC – on the ECJ rulings in the *Viking*, *Laval*, *Rüffert* and *Luxembourg* cases (March 2010) <http://www.etuc.org/a/7110>; for more info see Part "EU level initiatives and pending policy files", Section "Posted workers" and footnote 26

³² Implementation report on Directive 96/71/EC concerning the posting of workers in the framework of the provision of services, 2003: <http://ec.europa.eu/social/BlobServlet?docId=4621&langId=en>, and 2007 (new Member States): <http://ec.europa.eu/social/BlobServlet?docId=4622&langId=en>

³³ Proposal for a Directive of the European Parliament and of the Council on the enforcement of Directive 96/71/EC concerning the posting of workers in the framework of the provision of services 21.3.2012 COM(2012) 131 final <http://ec.europa.eu/social/main.jsp?catId=471>

³⁴ SOLIDAR: Building decent jobs for posted workers from non-EU countries, February 2010, Brussels. http://cms.horus.be/files/99931/MediaArchive/16_Solidar_BrochRomania.pdf

³⁵ SOLIDAR news: Issued: Commission proposal on posting of workers (23/03/2012) http://www.solidar.org/Page_Generale.asp?DocId=13958&langue=EN&thebloc=29638

Within this context, the Posting of Workers Directive indicates that the rules in force in the host country are to be applied to posted workers, establishing a set of employment conditions to be respected. It aims at guaranteeing certain protective norms to posted workers such as minimum rates of pay, health and safety standards, maximum work and minimum rest periods. Nevertheless, issues of posted workers have received a lot of political attention.

Following a number of European Court of Justice rulings (*Viking*, *Laval*, *Rüffert* and *Luxembourg*²⁹), certain problematic aspects for clarification emerged, such as "the relationship between legislation and collective bargaining in defining the employment conditions of posted workers; and the universal applicability of collective agreements and the selection of the collective agreement to be applied, if more than one bargaining level exists"³⁰ (i.e., national, local, and sectoral agreements).

As a consequence of the debate between European social partners³¹ and after evaluating³² the implementation and application of the directive, the European Commission issued a proposal on the enforcement of the Directive. It aims at resolving the problems with the existing rules concerning workers' protection, fair competition, monitoring and compliance³³ by setting more ambitious standards regarding information for workers and companies about rights and obligations, establishing rules for cooperation between national authorities in charge of posting; defining control competences of national inspections and improving enforcement of rights and complaints handling.

Given the observations from the Romanian case study in this project and earlier project findings³⁴, there is urgent need for an overall revision of the Posting of Workers Directive in order to properly tackle existing issues regarding equal treatment and rights at work. Further, an enhanced administrative cooperation through the Internal Market Information System (IMI) does not replace mandatory registrations in the Member States, strengthened cooperation between European labour inspectorates and the provision of standardised documents and information³⁵.

Social dialogue and industrial relations

The standard employer-employee relationships for migrant workers have long since been substituted by a complex tripartite (or more) mechanism of hiring between agencies-workers-companies. There are many variables to take into consideration in order to clarify who is responsible for the indecent employment conditions of workers: the country where the work is performed, the country of origin of workers, the country where agencies or letterbox companies are registered, the country where workers' contracts are signed, does the principle of free movement of services or free movement of workers apply etc.

A lack of trade union representation supporting these workers can be observed. Often, they either lack the staff resources, the members that are aware of migrant workers' needs or the financial means to organise campaigns, legal advice and workers' education. Even when there are no restrictions for migrant workers to join trade unions and where collective agreements do not make a distinction between local and migrant workers, there is no real capacity to

communicate with them. In several cases, this has given rise to trainings and language courses as a means to approach them.

Insufficient support from public labour inspections in guaranteeing the correct implementation of universal rights, labour law compliance and the respect of collective agreements for migrant workers is another source of ineffective industrial relations. As a matter of fact, the lack of effective sanctioning actions implemented by the competent national/European institutions and the absence of sufficient labour inspections hamper the achievement of decent work and quality employment in Europe. No effective enforcement mechanism (such as an equipped, educated and staffed labour inspections cooperating EU-wide) and the lack of an EU licensing system for recruitment agencies creates fertile ground for the exploitation of migrant workers and criminal practices.

Romania

The pilot study tries to draw attention to the situation in Romania (and abroad) created by the private or public, domestic or foreign recruitment agencies as a cause of precarious and indecent working conditions. This is done through the eyes of Romanian workers emigrating abroad and of foreign workers immigrating in Romania.

The main official channels used by Romanians when moving in a foreign country are the National Employment Agency (NEA) and private recruitment agencies.

In reality, many Romanians have fallen victim to this type of companies and common recruitment malpractices such as fake offers, mediation activities by individuals and extra fees. Further, workers employed in foreign companies denounced lack of social protection, separation from society at large in restricted housing areas, unpaid/very low salaries, long working hours, six/seven working days a week and lack of holidays. The problem is that its relationship with foreign companies, employers, both NEA and private recruitment agencies act like service providers, without making any efforts to ensure decent working conditions for Romanian workers.

Immigrant workers in Romania have recounted similar experiences. This is particularly the case for specific jobs such as baby sitters, nannies and maids, considering that specialised recruitment agencies bring in the country labour force coming from the Philippines, Thailand, Nepal and Bangladesh.

Recommendations:

- Improve international cooperation to harmonise recruitment practices. Bilateral agreements between countries on labour issues, cooperation between consular officials, labour inspectorates, social partners in the country of origin and the country of destination can play an important role in monitoring the application of contracts and informing the relevant authorities of any problems.
- Forge proper regulations governing employment and recruiting agencies in Romania. These include regulations stipulating sanctions, including the exclusion of labour agencies that use illicit practices in the private sector, and the creation of procedures involving the most representative employers' and trade unions' organisations to investigate complaints, alleged abuses and illicit practices.

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- Consolidate the monitoring capacity of public institutions. Granting licenses and registering employers in the private sector and private recruitment agencies is an efficient manner of providing compliance with labour legislation. The rules on Labour Inspectorate must be strengthened so that labour inspectors are able to monitor the conditions under which third country nationals are recruited and employed.
- Increase social partners and non-governmental organisations' capacity. Trade unions and the NGOs should increase their capacity to inform migrant workers, protect and promote their rights, through providing knowledge and information on legal recruitment, legal framework and access to the labour market in the host country.

Italy

It is well known that the Italian labour market continuously absorbs and needs new migrant labour, especially in some sectors. The real working conditions of these migrants are less well known, however. Discrimination and racism against migrant workers, who are often silent victims of these phenomena, are even more hidden and only known if they have made the news headlines or have been part of someone's direct experience.

Both "direct" and "indirect" discrimination are widespread. The most common forms of discrimination concern recognition of qualifications and job level; compliance with contracts and working conditions; termination of employment contracts; training and safety; career development. Besides simple discrimination, multiple discrimination occurs when different factors are combined: nationality, gender and length of stay in Italy, age, religion and so on.

What social partners need to improve in order to guarantee less discrimination and more decent working conditions among migrant workers are their 'europeanisation' and their transnational cooperation. For instance, a good practise to follow is the cooperation instituted between the CGIL and the Tunisian Trade Union Confederation, organising training courses in Italy and Tunisia with two main objectives: to transfer knowledge and skills in the field of industrial relations in the construction sector favouring the development of collective bargaining in Tunisia; to inform and train groups of workers willing to move to Italy in order to find a job in the construction sector.

Recommendations:

- Integration. Social, cultural and civil inclusion is crucial. Rights and responsibilities where local authorities play a key role within the framework of national legislation that ensures welfare, education, housing, family reunification, health and pensions.
- Regularisation. Pursue those mechanisms that lead to the legal entry of foreign workers in Italy in order to allow supply to match demand, removing the clause whereby an employment contract can be given only if the worker has a residence permit.



Effective industrial relations in the low-wage sectors

Context

The intensification of competition in European labour markets has triggered companies to undertake strategies of cost-reduction, which translated in most cases into pressure on working conditions and wages.

According to Crettaz³⁶, low wages are one of the three main sources of in-work poverty, together with low work intensity (part-time and temporary work) and family composition. It can be deduced that many low-wage workers live in poverty, but not all, as the interaction of these three factors determine the outcome for the household and the individual as a whole. Working poor are in a hybrid position at the intersection of work and poverty and can therefore be approached following two separate but complementary angles: workers who are poor but also poor people who are working.

The overall risk of poverty in the EU was 16% in 2009, with a risk of in-work poverty being a little over half that rate, 8.4%³⁷. On average, the number of working poor increased both in share and absolute terms over the last decade³⁸. As poverty is much lower among those who work compared with those who are unemployed (45%) or inactive (26%), it is clear that having a job is the best way to avoid poverty. However, having any type of job is not enough. In other words, this means that creating jobs is not enough to decrease poverty and more targeted policies are needed in order to fight poverty and in-work poverty.

Policies ensuring decent incomes such as minimum wages, social and fiscal benefits can contribute to income security. Especially the adoption of a national minimum wage has positive outcomes with higher minimum wages and lower levels of in-work poverty. In other cases, where no national minimum wage has been concluded, unrepresentative unions can easily hamper the agreement of living wages. Further, in Germany the creation of the “mini-jobs sector” may have helped to get people out of unemployment but has led to a dramatic increase of low-wage earners. In contradiction to this, French national minimum wage, although being close to the low wage threshold, provides workers with better job opportunities.

The effectiveness of minimum wages varies across Member States and depends on several factors, among which the coverage, the level and the indexation – or level of workers’ qualifications and experience, occupation, age and region, with some countries applying lower minimum wage rates to low-qualified, less experienced or young workers. In addition, they do not apply to working poor falling outside of their scope (e.g. self-employed, part-time or casual jobs). Where they apply, issues can arise from the low degree of compliance and control over the correct application of minimum wage, as the probability for an employer/agency to be subjected to labour inspectors is equal to once every twenty-five years.

What has to be reported is the range of abuses that low-wage workers typically suffer at work. First of all, their jobs are often precarious, with low health and safety standards, long hours of work for low compensation, under threat of dismissal in case of complaints. Employers also frequently subject them to illegal deductions

³⁶ Crettaz, E. (2011), *Fighting Working Poverty in Postindustrial Economies. Causes, Trade-offs and Policy Solutions*, Edward Elgar Publishing, Cheltenham (UK).

³⁷ “In defining in-work (monetary) poverty, the income for people who are employed is calculated for households, but the poverty status is assigned to the individual. This means that in-work poverty, when measured, is influenced by both the total disposable income (including non-wage income) and the household composition (with the assumption of equal sharing of resources within households, meaning that economic well-being of individuals depends on the total resources contributed by all members of the households). The risk of in-work poverty measure counts the number of employed people whose disposable income is below 60 % of the median equivalised income of their country.” Source: European Commission (2011), *Employment and Social Developments in Europe 2011*. <http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=6176&type=2&furtherPubs=no>

³⁸ Eurofound (2010), *Working poor in Europe* [authors: Hanzl-Weiß, Doris/Vidovic, Hermine] <http://www.eurofound.europa.eu/docs/ewco/tn0910026s/tn0910026s.pdf>

from their pay, such as the money for transportation and housing and to problems if demanding sick leave. Further, they face constant deskilling, limited access to training, almost no career perspectives and lack information about workers' rights, reporting and enforcement procedures. Among the sectors falling into low paid jobs are cleaning and care, agriculture, construction, food processing and touristy.

Social dialogue and industrial relations

According to Keese et al.³⁹ low-wage workers are better off where union movements are strong, especially in those countries where collective bargaining is extended beyond those who are actually represented. In this way collective agreements can extend to workers who may fall into low-wage or low-quality employment. On the contrary, in countries where trade unions are powerful but only cover certain workers' categories, or having decentralised collective bargaining coverage, this may contribute to high earnings dispersion and a stronger segmentation.

Moreover, the problem within the low-wage sectors is the abuse of temporary work agencies. Employers often use them in order to avoid their legal obligations leading to social dumping and precarious working conditions. Workers are not entitled to the same employment rights they would be otherwise, with lower social protection, retirement provisions, unemployment compensation and sickness benefits. Further, recruitment agencies are used to reduce the number of workers covered by collective bargaining or to prevent unorganised sections of the workforce from seeking union representation⁴⁰.

Another tendency to outline is the tripartite (or more) mechanism created in industrial relations to bypass social/legal responsibilities in substitution of the standard employers-employees relationship. A classical example in the cleaning sector is a company that contracts an external agency for hiring workers to clean its offices. Because of increased competition and to secure the largest amount of contracts possible, agencies bid on the lowest price in the market, jeopardising the working conditions of those who carry out the job. In other terms, an area that 20 workers cleaned five years ago for €20,000 is now being cleaned, through an agency, by 15 workers for a lot less money. As a result, agencies and companies play a vicious blame-game for this 'race to the bottom' and the indecent conditions workers face, withdrawing themselves from any type responsibility.

In order to cope with recruitment agency abuses, labour inspections ought to be strengthened in their actions and role. Yet, according to a few observations from a Syndex – Labour Inspection Services Study, that was carried out for the European Federation of Public Service Unions (EPSU), an insufficient number of labour inspections is carried out. This is the result of staff shortage and cuts in their available resources. For this reason, there is the need to provide adequate financing and level of training to labour inspectors, forging a high-qualified staff, and to clarify the basis for inspections to take place (for instance, not only on the basis of complaints). Their enforcement function and scope of competence should also be guaranteed not only when minimum wage standards are breached but in relation with working conditions in a broad sense, in dealing with social security payments and illegal labour (often involving migrants).

Finally, all EU Member States have ratified⁴¹ the ILO Labour Inspection Convention 81⁴², which was set to maintain a system of labour inspection for workplaces in industry and commerce. It clearly states a series of principles respecting the determination of the fields of legislation covered by labour inspection, the functions and organisation of the system of inspection, recruitment criteria, the status and terms and conditions of service of labour inspectors, and their powers and obligations.

³⁹ Keese, M., A. Puymoyen, and P. Swaim (1998), 'The incidence and dynamics of low-paid employment in OECD countries' in R. Asplund, P. Sloane, I. Theodosiou (1998), *Low Pay and Earnings Mobility in Europe*, Edward Elgar

⁴⁰ Global Union Principles on Temporary Work Agencies, 14 June 2010 <http://www.icem.org/en/73-Contract-and-Agency-Labour/3861-Global-Union-Principles-on-Temporary-Work-Agencies>

⁴¹ Ratifications de C081 - Convention (n° 81) sur l'inspection du travail, 1947. Date d'entrée en vigueur : 07 avr. 1950 http://www.ilo.org/dyn/normlex/fr/?p=1000:11300:3515325456206757::NO:11300:P11300_INSTRUMENT_ID:312226

⁴² C81 Labour Inspection Convention, 1947 <http://www.ilo.org/ilolex/cgi-lex/convde.pl?C081>

The Netherlands

In the Netherlands, trade unions and employers organisations alike have signalled increasing social problems due to so-called triangular labour relations: the employee works for one employer, but performs her or his tasks on the work floor of a third company. The employers are dependent on the client companies for jobs, yet employees remain legally tied only to their direct employer. The resulting race to the bottom caused by public tendering and private contracting processes has greatly increased the pressure to cut costs and resulted in worse working conditions.

The sectors that fall victim to these new market dynamics are mainly low paid, low skill sectors. In the case of the two sector studies in this report, cleaning and domestic care, workers additionally tend to work part time and on flexible contracts, which makes them even more vulnerable. Sector-wide collective agreements are declared nationally binding and therefore official coverage is virtually universal.

Both the cleaning and care collective agreements are sober covenants with the lowest wage scales hovering just above the minimum wage. Using an American-based model of organising, the trade union movement managed to mobilise a highly activist group of previously out-of-reach cleaners in a campaign called Schoon Genoeg (a wordplay, meaning both “clean enough” as well as “fed up”) that targeted client companies as well as employers. The cleaners protested against the lack of wage increases, decreasing personnel numbers for a constant workload, lack of proper facilities like toilets and canteens for the cleaners, the lack of respect, and intimidation on the work floor.

The result was a new collective agreement as well as the establishment of a Commission for responsible market behaviour, in which both cleaning and client companies committed themselves to more sustainable market relations. The members of the commission subscribe to a code in which they pledge to avoid a race to the bottom and engage in procurements that are based on price, quality and decent working conditions, rather than solely on price.

Recommendations:

- Invest in organising, a proven method in through which unions mobilise those workers that were previously out of reach and give both voice and face to disadvantaged workers.
- Target all stakeholders involved. In triangular labour relations, targeting not only the employers but also their client companies, can yield more results because it concerns all partners involved and because it connects the plight of the disadvantaged worker to the image of the client company or institution.

Italy

The study maps out the ‘at risk categories’ involved in non-decent work and in low-income settings. First group being migrant workers, working in care giving occupations, or in the construction sector, often illegally. Second group being young workers (under 35), who cannot access standard work contracts, and who are then forced to enter the labour market through the flexible mechanisms established by the law (non-standard contracts, or independent work contracts masking hired employment-like contracts). Last but not least, women, working in



general business support services (cleaning) and in the social and health care sector, with low hourly wages, limited timetables, and a high demand for flexibility on the part of the employer.

Many are the critical issues, which currently prevent the definition of an effective industrial relations framework. To begin with, an improper use of current legislation, particularly as regards non-standard contracts. The legislative decree 276/2003, based on a parliamentary enabling act, reformed the existing employment relations by introducing new forms of more flexible employment contracts, which are cheaper for the employers. For example, it introduced a «register of private employment agencies», private companies which, following the completion of accreditation procedures, are then authorised to carry out employment related activities based on outsourcing, headhunting, recruitment, and outplacement.

The problem is an Italian labour market in which the differences are so great that it can be defined as a “dual” market. On the one hand, there is a progressively diminishing share of “standard” workers who are fully protected by the national collective agreements and by a consolidated system of industrial relations. On the other hand, a fast growing group of workers who, thanks to more lenient legislation and to a substantial acceptance of such flexible tools in everyday practice, have much more limited protection, if at all, as in the case of freelance professionals, or project workers.

As a consequence, trade unions have difficulties in establishing contacts with the two groups of non-standard hired workers and non-hired workers, whose members are physically more difficult to reach, to organise and to represent. All social partners ought to promote a proactive process of change at the cultural level, whereby investment policies are directed at the professional growth of workers, investing again in human resource management, which in turn will have a long term positive effect on working conditions, companies and the economy.

Recommendations:

- Improve the tender contract procedures to move away from the prevailing criterion favouring the lowest bid, especially for those cases where this practice puts at risk the overall quality of the services delivered to the citizen, together with the working conditions of the employees, as often happens in the construction business, or in the social and health care sector.
- Increase inspection checks aimed at disclosing illegal work (especially on construction sites); situations where workers are not fully granted their rights (with special reference to protection and social security issues); and cases where non-hired workers are in practice on a hired employment-like contract, though masked as an independent job (freelance professionals with one single client, project workers forced to abide by a definite workload and to a timetable).
- Contact the workers who do not recognise the trade unions as their representatives, devising new ways to make themselves available, and investing in new technologies (e.g.: the web and social networks).

“The problem is an Italian labour market in which the differences are so great that it can be defined as a “dual” market. On the one hand, there is a progressively diminishing share of “standard” workers who are fully protected by the national collective agreements and by a consolidated system of industrial relations. On the other hand, a fast growing group of workers who, thanks to more lenient legislation and to a substantial acceptance of such flexible tools in everyday practice, have much more limited protection, if at all, as in the case of freelance professionals, or project workers”

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