

# Non-standard employment relations or the erosion of workers rights

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# Starting point and overview

- Research on undeclared labour
- Main findings
- The invisible workforce
- The labour contract versus the provision of services
- EU policy
- The trade union agenda

# Research on undeclared labour

After the examination of 10 country reports (in East and West) we found two fundamental developments that “create” the environment for dubious practices:

- Practices of extensive subcontracting.
- Bogus types of self-employment often combined with the hiring in and out through questionable agencies.

# Findings about size and nature

## Three features:

- work carried out by workers (and self-employed) next to a regular job
- bogus practices with unregistered self-employment (both national and foreign)
- dubious agencies and traffickers supplying cheap illegal labour.

# Outsourcing and externalisation of the workforce

Direct employees are replaced with all kinds of 'new' employment relations

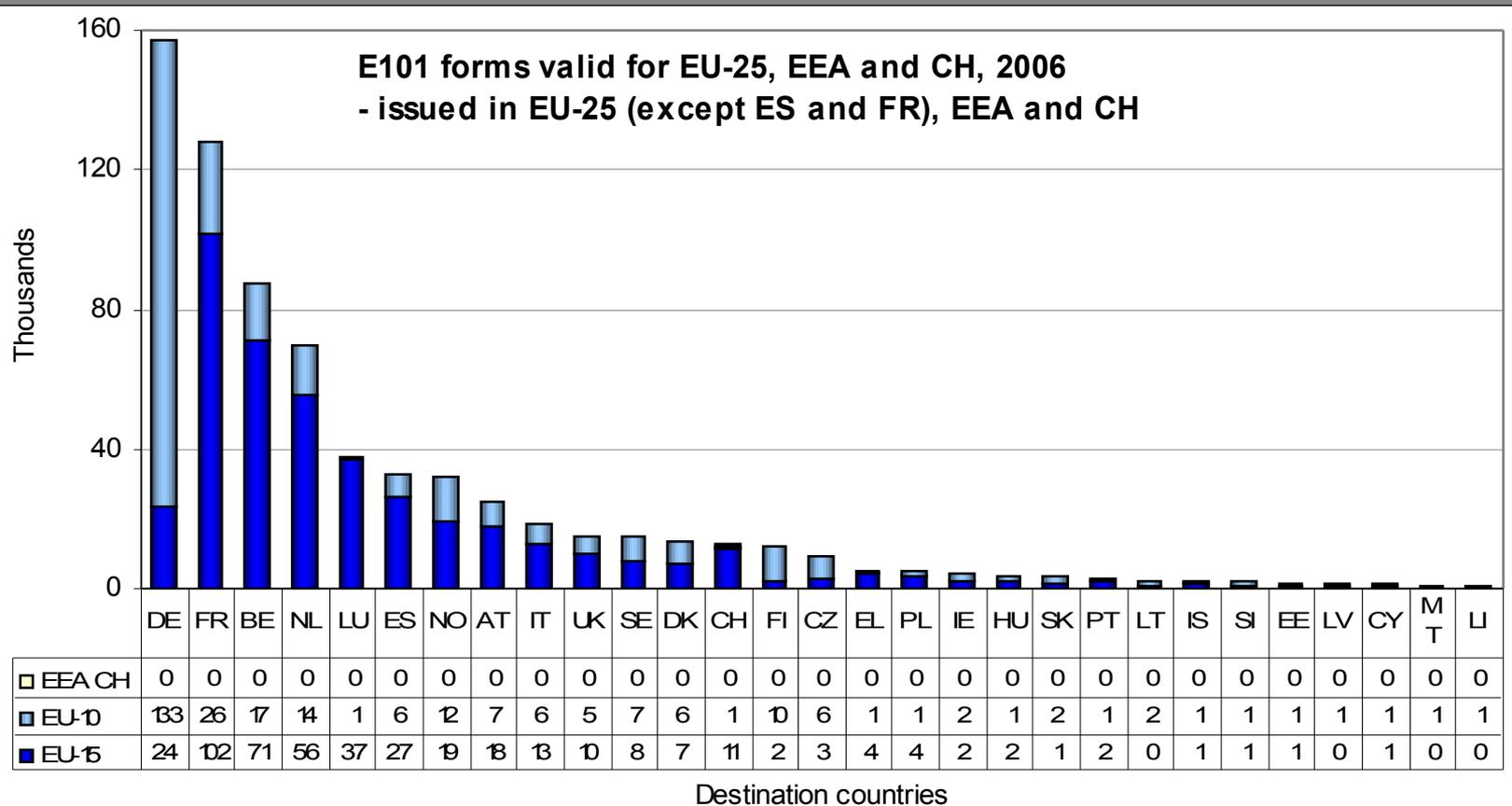
- Temporary agency work
- Self-employed workers
- Bypasses of collective agreements
- Casualisation
- The invisible workforce
- The unrepresented workforce

# Circumvention adapts to the existing regulatory frame

## Examples:

- France after ban was abolished agency workers increased
- UK: self-employed
- Germany: Tarifflucht and service providers (with posted workers)

# Free movement and official posting of workers (Number of E101 forms by destination country)



Source: Administrative data from EU Member States, CH, IS, LI and NO. Data for 2006 not received from BG, ES, FR, and RO. BG and RO are excluded as destination countries, because most MS did not supply figures.

Notes: "." Data not available. Sending countries exclude BG, ES, FR and RO. Sending countries exclude also CH, CY for Nov-Dec 2006, and some figures for EL. Figures from CZ estimated. Figures from UK relate to April 2006 to March 2007.

# The labour relationship

- We found casualisation and job insecurity, low income, limited (or no) social benefits or statutory entitlements and low societal participation. These negative effects are often higher than average for women.
- It is necessary to distinguish between a contract of service (the labour relationship) and a contract for (the provision of) services

# The EU policy

- Growth of atypical employment contracts is signalled; conclusion is not that it is wrong to lower employment protection
- EC regards job security and job protection as economically dysfunctional
- EU sticks to a reform agenda

# The decent work agenda

- Improvement of the regulatory frame (labour law and collective bargaining) as the fundament for our labour relations
- Labour is not a commodity
- Growth in terms of quality of jobs, improvement of working and living conditions and fair distribution of wealth and welfare
- A social costs tag.....

# The regulatory frame of labour law and bargaining

- A common set of basic rights with minimum standards attached to the status of employee, in particular statutory minimum wages and maximum working times
- Make sure that all employees are covered by social security rights, allowing for a living standard related to prevailing levels
- Establish procedures by which employees can take action to claim their rights

# New perspectives after Lisbon?

Article 2.3 of treaty says that the European Union shall: “work for the sustainable development of Europe based on balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the quality of the environment”.