

## Agency workers directive - government postpones inevitable for contractors

The Government, in a last ditch lobbying effort, was able to prevent the passage of the Agency Workers Directive at a Council of Ministers meeting in Brussels last night.

### Back Again Soon

But the directive will be on the table again within a year in its current form, unless the Government makes working changes in it a priority.

Observers cited concerns, on the part of the Council, for the effect that passage would have in the UK on acceptance of the controversial EU reform treaty -- the reworking of the popularly rejected EU Constitution. This equally unpopular treaty could be the subject of referendum in this country, and rejection would spell a major loss of influence for the European Commission.

### Raises Labour Costs

John Hutton, business and enterprise secretary, insisted that the UK would continue to work to change the draft directive. "This is a litmus test of Europe's ability to balance the legitimate need for employment security - which we clearly accept - with the compelling case for Europe to be as efficient and competitive as we can be," Hutton insisted.

Contractor Calculator has shown that the measure would raise labour costs for UK business from 10-20% if passed. Please see our [Agency Workers Directive Impact Calculator](#) on this site to view the effect on costs.

### Stay of Execution

Contractors should be grateful that this lobbying effort succeeded given the enormous pressure that the Government has suffered from trade unions in favour of this measure. But the Government has only won a stay of execution.

Says EU law expert Alasdair Geater: "There is still enormous pressure from the rest of the Council to pass both this measure and the Work Time Directive which cuts the work week to 48 hours. This lobbying effort was impressive, but it may only postpone the inevitable; some ministers on the Council are already calling for another hearing within a few weeks. We can expect one within the year without fail.

The view from the Continent is unchanging. "If you are hired by a temporary work agency, why should you have a lower salary or worse working conditions than in another company which is not using temporary workers," said Jesús Caldera, the Employment and Social Affairs minister of Spain. "It is not fair." In the UK, Brendan Barber, general secretary of the London-based union group Trade Union Confederation, called it a bad day for workers rights across Europe.

Britain has support from only Malta, Ireland, and Germany on this issue.

But this delay was well received by British business. John Cridland, deputy director-general of the London-based employers organisation Confederation of British Industry, announced satisfaction: "Hundreds of thousands of people prefer to work on a project-by-project basis while employers depend on access to this pool of flexible labour so they can respond to the ebbs and flows of the economy."

### Link To Work Time

One other aspect of the measure that Hutton failed to stop was the linking of the the Agency Workers Directive to the Work Time directive which, along with cutting the work week to 48 hours, imposes a series of restrictions not current in UK law. It is notable that Hutton refused a deal from the Portuguese presidency of the Council to link the two measures, and to provide the UK with an opt-out from the Work Time Directive. That Hutton did not agree to this is, at least, a show of support for contractors by a Government which has been no friend to us.

The presidency will pass next month to the government of Slovenia, and it is possible that these measures will come up again.

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“ This lobbying effort may only postpone the inevitable as Britain is in a small minority on this issue ”

Alasdair Geater - EU Law Expert

“ Employers depend on access to this pool of flexible labour ”

John Cridland - CBI

Service.

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