

Contractors face continued european threat, PCG says

The London-based Trade Union Congress, the largest trade union in the UK, is, once again, thinking inside the box. It has issued yet another call for "the improvement of the lot of temporary workers in the UK, and for the terms of the proposed European Directive on Temporary Workers to be accepted by the Government."

Thinking Inside The Box

The TUC has in fact not altered its strategy on contractors and temporary workers since the Wilson era.

For the TUC, temporary workers and contractors are to become as much like employees as possible. Yet it is obvious even to the Government that increased flexibility is what our industry needs, and the continued growth of contracting here surely proves that beyond a shadow of a doubt. Yes, we've all read about the cases where imported temporary labour was being shamefully exploited, and it's up to the Government to put a stop to these unacceptable practices. But there is a whole industry honestly and legally at work, one that is a fundamental part of the UK economy, that deserves better thinking than this.

The Dangerous Directive

The various drafts of the Temporary Workers Directive that the European Commission is pondering, and that could become law in the UK if adopted by the Commission, more or less supports the TUC approach. This is sad, because there is another current of thought at the Commission which is seeking 'flexicurity' instead: that is an attempt to combine security for contractors with flexibility, and it is a truly forward-looking approach.

Fortunately, the Temporary Workers directive is stalled. According to the Portuguese Presidency of the European Union, there is so much debate over the this directive--and not just opposition from the UK, but a whole slew of points of view from around the European Union-- that they will be lucky to even get out a decent draft in the next six months. "There will be no directive during this presidency," as Portuguese Minister of State for Finance Fernando Teixeira dos Santos said in an interview on September 10.

Certainly that is good news as it gives our major lobbying organisations like the London-based [Professional Contractors Group](#) a chance to weigh in about what will go in the directive.

A Missed Opportunity?

As PCG has repeatedly pointed out, the TUC's call for "equal rights" for "agency workers" misses the real point and that the real priority is to clarify employment status. Who is a temporary worker? What is a contractor? Under UK law, neither of these terms is clearly defined. The courts apply tests based on case law, but it's all salad of different qualifications and characteristics.

"The real problem is not that certain workers don't have appropriate rights, but that workers' status remains fundamentally unclear," explains PCG's chairman David Ramsden. "The definition of when someone is employed needs to be simplified in new legislation. That way, vulnerable workers that the TUC is rightly concerned about will be able to access their rights, and freelance workers, who choose not to be employees, will no longer fall under suspicion from the tax authorities and others."

"We would welcome the opportunity to discuss this further with the TUC," Ramsden added. We note that no discussions are currently taking place, and that the TUC ought to work more closely with PCG so that both organisations could lobby for a useful definition of worker status, one which could be applied throughout Europe and which would limit painful controversy in the UK.

Published: Wednesday, September 12, 2007

[Tweet](#)

“ The Temporary Workers Directive will not be completed for six months at least ”

Portuguese Finance Minister
Fernando Teixeira dos Santos

“ The real problem is not that certain workers do not have appropriate rights but that workers status remains fundamentally unclear ”

David Ramsden-PCG

© 2011 All rights reserved. Reproduction in whole or in part without permission is prohibited. Please see our [copyright notice](#). If you want to use any content you have seen on this site then please [request our media pack](#) and ask for details of our Content Licencing Service.

Readers Comments...

 Be the first to comment on this article

Also of interest...

Related Guides:

- [What is IR35?](#)

Related Calculators:

- [IR35 Calculator](#)

Related Internet Links:

- [Professional Contractors Group](#)



ABCe verified website - last audit confirmed **130,682 monthly unique visitors**

© Copyright 2011 Byte-Vision Limited UK. All rights reserved [Copyright notice](#)