

## Could Europe learn to love contractors?

For contractors in the UK, little good news seems to come from Brussels. The legislators in the European Commission and Parliament always seem to be at work to restrict what employers can do, particularly in terms of a flexible labour force.

Now there is perhaps a new current of thought coming from Brussels. Recognition that a flexible labour force is necessary seems to have dawned on the Commissioners. Perhaps it is the force of statistics: about four out of every ten workers in the European Union today is a contractor in one form or another (some simply have non-standard contracts, but many others are contractors in the best sense of the word).

### Reality Is Catching Up

Whether or not reality is catching up to the people in Brussels, they have published a new paper which would seem to express a desire to come to terms with life as most people in business know it.

This is the "[Green Book](#)" (a publication stating a position and inviting comment which the Commission often makes public before enacting legislation) called "Modernising labour law to meet the challenges of the 21st century." With this publication, the Commission takes a real step forward, as it seeks to provide what it calls "flexicurity"—a flexible, but secure labour force.

The Commission asks Member States, employers and workers' representatives how labour law at EU and national level can help the job market become more flexible while improving security for workers (the 'flexicurity' approach). The consultation is an important part of the EU's Social Agenda 2005-2010 and dovetails with several other Commission initiatives on the wider topic of flexicurity.

### Contractors Are Not So Bad

Vladimir Spidla, EU commissioner for Employment, Social affairs and Equal Opportunities, said: "These more flexible arrangements are vital to confronting the effects of globalisation and ageing in our labour markets. We cannot keep to the rigid policies of the past."

All of this would be good to hear, but the Green Paper displays an almost morbid interest in workers with 'triangular relationships,' that is, people who work for people who work for people, or agencies and umbrella companies and all that. Needless to say the folks on the Continent are terribly concerned about whether or not companies are obeying all the rules for these workers.

“ We cannot keep to the rigid policies of the past ”

Vladimir Spidla - EU Commissioner

"In a way," comments Alasdair Geater, a lawyer specialising in EU affairs with Geater & Co. in Brussels, it is remarkable that the Commission has finally taken a step forward and realised that workers don't always have to have standard employment contracts. Just this much understanding is a great move ahead from their position only three years ago."

### Brussels Still Wants To Make Rules

Nonetheless, the Green Book raises the concern again that Brussels will come up with more specific regulations to limit contractors. Bowing to union demands for restrictions on flexibility ignores the fact that more and more workers are finding value in the options that flexible working offers.

The [Recruitment and Employment Confederation \(REC\)](#), which represents the UK recruitment industry, called for the EC to 'get real' and recognise the diversity of employment law in Europe.

Marcia Roberts, REC chief executive, said: "On the one hand, this paper recognises the valuable contribution of flexible labour markets to job creation. On the other, it insists on criticising the very contractual arrangements that make this flexibility possible. Rather than praising our dynamic labour market, the EC continues to pick away at a system that works, rather than assisting countries with high unemployment."

“ It is possible that this Green Book heralds a change ”

Alasdair Geater - consultant

### Reasons to Be Suspicious

As Geater points out, the suspicious attitude of contractor industry leaders in the UK is only natural. "The industry has had to resist attacks from Brussels in the past, and some of these have sought to make the UK less competitive. But it is possible that this Green Book heralds a change, in which the Commission will begin to try to adapt the restrictive legacy of Common Market labour law into concepts that work in the 21st century. Any change is for the better in this regard."

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