

MEMORANDUM OF UNDERSTANDING

BETWEEN



CIETT CORPORATE MEMBERS

&

UNI GLOBAL UNION



ON TEMPORARY AGENCY WORK

**MEMORANDUM OF UNDERSTANDING
BETWEEN CIETT CORPORATE MEMBERS AND UNI GLOBAL UNION
ON TEMPORARY AGENCY WORK**

Goals and purpose

This Memorandum of Understanding (MoU) aims at creating a partnership between UNI Global Union¹ and Ciett Corporate Members² in order to achieve fair conditions for the temporary agency work industry and temporary agency workers through global social dialogue.

The signatories to this MoU recognise:

- That the ILO Convention 181 on private employment agencies and its accompanying Recommendation 188 provide a framework that allows for the improved functioning of private employment agencies;
- The ILO Declaration on Fundamental Principles and Rights at Work, namely freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labour, the effective abolition of child labour, and the elimination of discrimination in respect of employment and occupation as a means to ensure decent working conditions for temporary agency workers;
- That temporary agency work contributes to improve the functioning of labour markets and fulfils specific needs for both companies and workers and aims at complementing other forms of employment;
- The need for further discussion and elaboration on a large number of issues. They shall seek to develop joint actions falling within the framework of their respective areas of responsibility.

1. UNI and Ciett Corporate Members recognise that temporary agency work can, to different degrees, contribute to:

- Facilitating fluctuations in the labour market, e.g. the matching of supply and demand.
- Implementing active labour market policies and creating pathways between unemployment and employment by:
 - Helping jobseekers entering or re-entering the labour market.
 - Helping disadvantaged people entering into the labour market.
 - Providing more work opportunities for more people.
- Facilitating the transition between education and work, e.g. by providing students and young workers with their first access to professional life and an opportunity to gain work experience.

¹ UNI Global Union industries covered by the agreement : Agency Staff, Commerce, Electricity, Finance, Gaming, Hair&Beauty, Graphical, IT&Business Services, Media&Entertainment, Postal, Property Services, Social Insurance, Telecom

² Ciett Corporate Members Committee : Adecco, Kelly Services, Manpower, Olympia Flexgroup AG, Randstad, USG People

- Facilitating the transition between assignments and jobs by providing agency workers with vocational training.
- Promoting conversion between different types of work contracts, e.g. by assisting in a transition from a temporary agency contract to fixed-term or open-ended contracts.
- Improving life work balance, e.g. by providing flexible working time arrangements such as part-time work and flexible working hours.
- Helping fight undeclared work.

2. UNI and Ciett Corporate Members agree that an appropriate regulatory framework for the operation of temporary work agencies needs to:

- Guarantee that temporary work agencies do not compete to the detriment of workers' rights and working conditions.
- Clarify the role, obligations and rights of the temporary work agency as the employer of the temporary agency workers.
- Combine adequate protection, decent working and employment conditions for temporary agency workers and proper conditions for the operation of temporary work agencies in a well functioning labour market.
- Ensure that legislation regulating the use of temporary agency work is proportionate, non-discriminatory and objective; promotes decent forms of temporary agency work and effectively prevents potential abuses, such as undermining of employment conditions of workers.
- Promote quality standards within the industry and prevent unfair competition by fraudulent agencies and/or user companies, counter abuses and illegal practices and fight human trafficking.

3. UNI and Ciett Corporate Members agree that a regulatory framework on temporary agency work must include and promote:

- Principles as guaranteed by ILO Convention 181 and Recommendation 188 on private employment agencies, with a particular focus on the implementation of the no-fee charging rule for jobseekers for temporary assignments and permanent placement services provided by the temporary work agency.
- Fair treatment for temporary agency workers with regard to their basic working and employment conditions based on the principle of non-discrimination (for instance equitable, objective and transparent principles for the calculation of agency workers' wages and benefits, considering national legislation and practices).
- Respect for freedom of association and the right to collective bargaining as guaranteed by ILO conventions 87 and 98.

- Sectoral social dialogue at national and company level for which collective labour bargaining is one appropriate means.
- Prohibition of the replacement of striking workers by temporary agency workers without prejudice to national legislation or practices.
- Attention to and clarity of benefits (i.e. salary, social insurance, pension, vocational training).

4. Actions to be taken jointly by the signatories

On national level:

- Identify and review obstacles of a legal or administrative nature which may limit the opportunities for temporary agency work to operate, and, where appropriate, work with the national governments to eliminate them.
- Review the need for systems of licensing and inspection and when relevant, work with the national governments for the introduction of such systems (which can include financial guarantees), which will contribute to the development of good industry standards, provided that such systems are proportional, non-discriminatory and objective and do not aim at hampering the development of temporary agency work.
- Work with the national governments to provide adequate and continuous social protection for temporary agency workers as well as subsistence payments provided for by safety nets after assignments.
- Promote sectoral social dialogue as the appropriate platform to negotiate working conditions of temporary agency workers as well as the conditions of use of temporary agency work.

On global level:

- Work with the ILO to promote ratification of ILO Convention 181 and the application of Recommendation 188
- Cooperate with the ILO, IOM and other organisations to promote international instruments and actions to eliminate human trafficking (e.g. promotion of ratification and effective implementation of relevant ILO Conventions on forced labour and migration, Athens Ethical Principles, UN.GIFT).
- Continue to research the industry and further elaborate on perceptions and conditions for both workers and employers (e.g. on job creation, precarious work etc)
- Promote the establishment of a global sectoral dialogue forum on temporary agency work.

5. Implementation of this Memorandum of Understanding

- UNI and Ciett Corporate Members commit to publicise this Memorandum of Understanding throughout their membership and corporate structures respectively.
- In order to assess implementation and address any disputes which may arise concerning the application of this Memorandum of Understanding, UNI and Ciett Corporate Members will meet twice yearly. This meeting will amongst other things review mutual respect for and implementation of this Memorandum of Understanding.
- The secretariats of both organisations will maintain ongoing communications between those meetings.

San Diego, 24 October 2008

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