

Very initial UK views on draft Labour Law Green Paper

What is positive:

- Some good analysis – e.g.: recognition that greater flexibility and adaptability is needed for growth and jobs and to promote the EU's competitiveness in a globalised world (e.g.: second paragraph, page 1).
- Recognition (in some parts of the document before other bits contradict it) that workers do sometimes choose to work flexibly (e.g. part-time) because it suits them (e.g.: they want more time to care for children), and not because they can't find a full-time permanent job (section 3).
- Recognition that you need a mix of policies to tackle unemployment and vulnerable workers and not just more labour legislation. Yes, you need to ensure minimum rights for the worker but you also need active labour market policies and policies that make work pay for example (section 2a).
- Ideas at the end of the document (section f) on EU cooperation on the enforcement of labour law are good: they are consistent with the Barroso delivery agenda and encouraging MSs to work together to solve problems (e.g.: undeclared work) is better than new legislation.
- Positive too that in most parts of the document, the emphasis is on minimum standards of security for all (important it's not equal rights for all workers (e.g.: section 1)).
- The call for a debate.

What is less positive:

- Some sections seem to pre-empt the results of the consultation, and many of the questions are not "open". They should be pitched more neutrally – e.g.: "Is the overall framework of labour law in need of review and adaptation" rather than "Do you agree the overall framework is in need for review" (section 3).
- Underlying assumption that the answer must be more legislation. Should be made clearer that any new legislation would need to be consistent with the better regulation agenda. We'd argue that much of the analysis potentially points to wholesale reform of labour law – including permanent contracts – rather than the need for more legislation to cover new forms of contractual relations. (This will never happen as too many MSs will not dare touch

permanent contracts but that does not mean the alternative should be a raft of new legislation to cover 'atypical' forms of employment).

- Text does not recognise the big differences between Member States. Most of the statistics used are EU averages. As MS have such different approaches to labour law (and very different outcomes), such averages are often meaningless. In section 3, the text says that most women for e.g. don't want to be working part-time, they only do so because they can find a full-time job. This is not true in the UK where only 1.5% of employees who work PT could not find a FT job (as opposed to 14% in Portugal and 8% in France).
- Some of the ideas put forward would involve new EU definitions and rights – which don't appeal because the labour market models are so different across the EU and it would be far too complicated. The calls for an "alternative model of contractual relations" (section 2a) or universal definitions of forms of employment status are worrying: we'd prefer the Green Paper to draw away from a single model for the sake of bureaucratic tidiness i.e.: work with flexibility not against it. And we think that more legislation to cover new types of employment contracts would make the situation of "outsiders" only worse – by creating more tiers to the labour market.
- Although some parts of the text support the need for more flexible forms of contracts, other parts of the text (as if written by someone else...) imply that new contractual relationships are wrong: for example, the assertion that flexible forms of working are only used by those "on the margins" (section 2a and section 3) or that such jobs are "precarious" (prejudicial term). Many of these new employment relationships exist for a reason – including in many cases because they suit the employee. The UK's increase in so-called "atypical employment" is one of our "Lisbon success" stories: there are now many more women and older people in the labour market than in 1997 because these workers have been able to choose to work flexibly. And there is a lot of good evidence which shows that when the employment legislation framework is looser, not only are more jobs created but there are also more transitions between different types of work contract and more permanent contract jobs in the long run.

17 Sep. 06