

Temporary Agency Work: A review of its implementation in Greece

Nasios Georgios

Ph.D., Panteion University of Social
& Political Sciences, Piraeus, Greece

Abstract:- Temporary Agency Work (TAW) is a flexible form of employment, which has been introduced recently in the Greek legal order. Gradually, its role in the labor market is strengthened as an important factor in tackling unemployment and meeting the demands of employers for increased flexibility in the modern workplace. As a result, the state has provided for the institutionalization of a relevant legal framework and industrial relations have been transformed by the use of this new form of employment, leading to wider implications for the labor market, the businesses and the economy. This article presents the concept and the legislation of TAW in Greece and investigates the transformation of industrial relations in light of its wider impact assessment. It is evident from the research literature that especially the content of industrial relations and the working environment have changed significantly and it is of crucial importance to develop policies that will protect basic employees' rights, as adapted to the new conditions.

Keywords:- Temporary Agency Works, industrial relations, Greece.

I. INTRODUCTION

TAW concerns a triangular relationship that involves the temporary agency worker, the temporary agency and the user undertaking (ETUC, n.d.). The use of TAW has increased significantly, especially in Europe and its countries have experienced an increase in the number of temporary agency workers and temporary agency companies. As a result, the European Union (EU) has established a regulatory framework and more specifically the EU Directive 2008/104, although there is heterogeneity and diversity across the EU Members (Voss et al., 2013). Greece is an EU Member and a Euro-area Member State that has faced deterioration in its financing conditions since 2010. As a result, the financial support through Economic Adjustment Programmes was accompanied by a request of the lending institutions to implement reforms to improve the competitiveness of the economy, among which reforms that will foster compliance with labor laws according to EU legislation and best practices. The legislation and the best practices include the use of temporary employment and temporary employment agencies (Countouris, Deakin, Freedland, Koukiadaki & Prassl, 2016). TAW emerged in Greece, as a flexible employment form, and has spectacularly expanded during the last decade and particularly after the crisis (Petroula & Tsampra, 2017).

As a result, it is of particular importance to review the implementation of TAW, as a flexible form of employment, in a context of a complex frame of intensive reforms in many

sectors of the economy, labor and society, as is the case in Greece. The purpose of this article is to present the regulation of TAW in Greece and critically examine its implications, especially on industrial relations in the light of the different and contradictory views that have been expressed in this regard. To this end, the literature review and the examination of the institutional framework is a method that will help us not only critically assess the impacts of the implementation but also produce proposals for policy measures.

II. TAW IN GREECE

A. Conceptual definitions and extent of implementation

TAW can be considered as a flexible (or non-standard) form of employment, which is in contradistinction with full-time and open-ended employment as it is surrounded by the relevant legal framework (Lampousaki, 2010). The core of TAW is located in temporary employment. TAW is described as the work, provided to another employer (indirect employer) for a limited time by an employee who is affiliated with the employer (direct employer) by contract or relationship of dependent work of indefinite or definite time. TAW requires the operation of temporary employment companies, whose activity consists of providing work by its employees to another employer (indirect employer) in the form of temporary employment (Skandalis, 2015). Related forms of employment consist the forms of genuine borrowing, project contract and labor brokerage.

In contrast to most European states, the implementation of TAW in Greece has attracted little attention from the unemployed citizens and until recently the private employment agencies had a limited role in job-seeking methods. However, its implementation has increased in recent years, especially in the activities of commercial cleaning, public transport and the banking sector (Maroukis, 2016). Belgium and Greece are the only European countries where TAW is practically banned from the public sector (Eichhorst et al., 2013). According to the Statista Research Department (2021), it is projected that the revenue of temporary employment agency activities in Greece will amount to approximately 310.31 million U.S. Dollars by 2025, while the revenue in 2012 was 21,47 million U.S. Dollars and in 2018 the revenue was 283,44 million U.S. Dollars.

B. The reasons for the increase in the implementation

It is widely believed that the expansion of temporary agency work is due to various factors, concerning employees, employers and the governments. First of all, several benefits for employees have been reported. TAW offers an experience for low-skilled employees and contact with potential employers as a step to regular employment. In other words, it

allows employees to demonstrate their ability and improves employment prospects and earnings in the short term. Furthermore, employers use TAW to meet short-term staffing needs, as they hire employees only when they need them, and especially when they are uncertain about future economic conditions. It is worth mentioning that employers save on wage and benefit costs, as wages and benefits are usually lower for temporary agency workers and they have greater external numerical flexibility regarding the labor costs. There are also advantages in terms of the immediate and reliable finding of flexible human resources with the appropriate professional qualifications and skills, the ability provided to employers to monitor and evaluate the performance of "hired" employees in short periods, the exemption from the obligations related to labor management (recruitment, announcement to the public authority, payment of salary, withholding of contributions and return to the insurance bodies, etc.) that belong to the responsibilities of the direct employers (Houseman, 2014; Rompoti & Ioannidis, 2019).

Moreover, TAW is an effective way for the governments to face the problem of unemployment and help the unemployed move off public benefits and out of poverty (Houseman, 2014). Moreover, the main reasons mentioned for the use of TAW are that the latter is useful to replace a temporarily absent employee, to meet a temporary increase in activity or complete urgent work, to facilitate the integration of the unemployed, to meet the demands of the seasonal work or to perform specialized types of work (Eurofound, 2008).

Regarding the case of Greece, the increase in the implementation for TAW cannot be explained only by legal compliance with European directives. On the contrary, the understanding of the phenomenon should be done in a broader context regarding the labor law reforms during the period of memoranda. These reforms were unique in Europe and aimed at transforming the labor market and labor law regime of Greece to address the debt crisis, reduce unemployment and restore competitiveness. To achieve this, Greece needed to give more emphasis to flexibility than security in labor law and TAW is a form of employment that promotes flexibility (Clauwaert, Rasnača & Liakopoulou, 2017; Papadopoulos, 2019).

III. THE REGULATION OF TAW

A. *The supranational regulation*

An important regulatory framework of paramount importance regarding TAW is The Private Employment Agencies Convention, 1997 (No. 181) of the International Labour Organization. One of the purposes of the Convention is to allow the operation of private employment agencies and the protection of the workers using their services, within the framework of its provisions (ILO, n.d.). In addition, Convention No. 181 ensures adequate protection of the employees, as the ratifying States are required to allocate the respective responsibilities of private employment agencies and user enterprises regarding rights and principles. In addition, the Employment Relationship Recommendation, 2006 (No. 198) ensures that standards apply to contractual arrangements that involve multiple parties (Countouris, Deakin, Freedland, Koukiadaki & Prassl, 2016).

Furthermore, the World Trade Organization General Agreement on Trade in Services (GATS) binds its Member States under international law in several schedules as it contains specific commitments for each member. As a result, the EU has to comply with international obligations when enacting or modifying its legislation (Eichhorst et al., 2013). Especially for EU countries, Directive 2008/104 is the core of the EU regulation of TAW. It is a major step in the regulation of TAW at the EU level as TAW is a major challenge for Community law and temporary agency workers remain in a precarious situation in the EU economic context. Apart from the protection of the agency workers, the Directive intends to the development of the sector, as a tool for job creation (Schömann & Guedes, 2012). Furthermore, although the European Social Charter doesn't contain provisions addressed explicitly to TAW, Article 3 of the Charter that refers to the Right to Safe and Healthy Working Conditions is applied to all workers, including temporary workers, temporary agency workers and fixed-term workers, ensures that there is no discrimination in health and safety of employees regardless of the employment status (Countouris, Deakin, Freedland, Koukiadaki & Prassl, 2016).

B. *The national regulation in Greece*

The main national legislative framework in Greece consists of Law 4052/2012 (Official Government Gazette, Issue A' 41) and Ministerial Decisions that set terms, conditions and procedures concerning temporary employment companies, such as Ministerial Decisions 1517/34/2013, 23863/506/2012 and οκ. 45675/1393/2020 (Official Government Gazette, Issue B' 155/2013, 2963/2012 and 5039/2020 respectively) (Karantinos, 2013; Ministry of Labour and Social Affairs, n.d.; OECD, 2019). The key features of the legislative framework relate to the definitions of key concepts, the terms and conditions for setting up and operating a temporary employment company, the activities that these companies can carry out, the restrictions and prohibitions in their operation, ensuring the rights of the temporary employees within the company and under the indirect business (contracts, terms, wages, collective agreements, social dialogue, collective bargaining etc.), ensuring principle of equal treatment (e.g. regarding social services, facilities, medical treatment, career development, professional mobility), the occupational safety and health for temporary workers, the collective labor law rights of the temporarily employed, the workplace access, the collective facilities and vocational training, the conversion of the contract to an indefinite contract, the insurance of temporary employees, the liability and responsibilities of temporary employment companies and the indirect employer and the penalties, the administrative and criminal sanctions and the legal consequences for any violation of the provisions (Skandalis, 2015).

It is worth mentioning that the legislation on temporary employment companies did not appear in 2012 in Greece, as it existed in the past. Law 2956/2001 set the operating framework for temporary employment companies. More specifically, this Law set an institutional framework for temporary employment, the terms and conditions for setting up and operating temporary employment companies, the role of government, key restrictions and prohibitions on the use of

TAW, the rights of the temporary employees, the relationship between a temporary employment company and a temporary employee, the contractual forms through which temporary work through an agency can be provided and the tripartite relationship between the temporary employment company, the temporary employee and the indirect employer (Agrapidas, 2006). Regarding the evolution of the legislative framework in Greece in general, we should keep in mind the obligation of the state to comply with the EU Directives. The EU Directives are legislative acts that set out a goal that all EU countries must achieve, leaving room for choice for the countries to devise the laws on how to reach the goals set (European Union, n.d.).

IV. THE OUTCOMES OF TAW

A. Labor market and industrial relations

Various definitions of industrial relations have been given from time to time. A representative definition of industrial relations is the one stating that they constitute the set of individual relations and conditions that govern and shape the content of wage employment, reflecting the result of the distribution of wealth produced between capital and labor and capturing the correlation of forces between them (Kouzis, 2001). Industrial relations are not a separate scientific field, but a wider dynamically evolving field of study (Edwards, 2003). There is a debate about the meaning of the term industrial relations and their definition is constantly expanding, as employment relationships include not only the regulation of labor but the whole framework that defines the employment relationship (Abbott, 2006).

TAW is an evolution in the new organization of labor as a new form of employment. This evolution can be characterized as an institutional reform as a multi-party employment relationship exists. More specifically, the tripartite relationship between the temporary employment company, the temporary employee and the indirect employer and the concession agreement raise particular legal concerns regarding the transfer of management rights, the distribution of rights and obligations between the three parties, the insurance obligation, the responsibility for salary rights and the payment of insurance contributions, the application of the provisions of the Civil Code and the illegal staff hire (Kiosse-Pavlidou, L.).

The new concepts that have been introduced by TAW have created a new framework in the labor market. Reference is made to a transition in the labor market, as the legal framework of TAW and the profile of the temporary agency workers that have emerged have changed working and employment conditions (Voss et al., 2013). As a result, significant variables in the content of employment relationships have changed substantially, such as workplace practice, arrangement of working time, overtime, pay, training, social security rules, enforcement, participation in trade unions and strikes, trade union organization and representation, social dialogue, collective agreements, collective bargaining, union representation, information dissemination, the relationship between temporary employment companies and temporary employees, collective agreements, care, hygiene and safety, the exercise of the

managerial right and disciplinary authority, liabilities and obligations from direct and indirect employers and individual and collective rights of the temporarily employed (Agrapidas, 2006; Countouris, Deakin, Freedland, Koukiadaki & Prassl, 2016; Eurofound, 2008).

B. TAW and unemployment

The prevention of unemployment and the promotion of social justice are one of the outcomes mentioned. The intended goal of the government is to face the high unemployment rates and the use of TAW is one of the ways to achieve this. There is a positive effect for temporary agency workers, previously unemployed, as they remain in TAW. Moreover, in labor markets with low unemployment rates TAW can be used to screen potential workers (Eichhorst et al., 2013), while it is also mentioned that it can smooth transitions from unemployment to work, lead to longer-term employment and help improve work-life balance (Eurofound, 2008). Indeed, TAW facilitates the re-engagement of the long-term unemployed into work, especially for people like women and students, and can help these people develop their work skills and experience, offering them pathways into more secure employment (Eurofound, 2008).

Yet, what is particularly important is the contribution of TAW to the reduction of structural unemployment (Agrapidas, 2006). After all, one of the aims of the relevant EU Directive is the creation of new jobs by indirect employers. Nevertheless, there is a lack of reliable and comparable statistics on the extent of the phenomenon of "hiring" workers at the EU level. Indicatively, according to Eurostat data, in the EU-28 for the year 2016, the percentage of "hired" employees reached 1.7% of total employment, while in the EU-15 1.9% (Rompoti & Ioannidis, 2019).

However, the contribution of TAW is disputed in some cases, as is the case in labor markets with unemployment benefits (Eichhorst et al., 2013). It is also considered a "trap", given that it fosters low-wage, unstable employment and provides little experience and few contacts. Also, it does not improve employment rates in the medium and long-term as it prevents workers' ability to make the transition to a regular job (Houseman, 2014).

C. Critical evaluation of the implementation of TAW in Greece

TAW was formally recognized in Greece by law in 2001, but there was a significant time lag compared to other European countries, mainly due to the persistent refusal of the workers' unions. However, TAW employees have not formed business associations to represent them, making any attempt at negotiation between employees and employers impossible. The frequent changes in the workplace and the fragmentation of employer status contribute to this phenomenon and bring employees insecurity and fear of claiming their legal rights. Also, in practice there is an extension of the duration of the concession of the employees compared to the initial duration (violation of the maximum legal duration of the concession), while the strict legal framework for the protection of "hired" workers leads employers to shift the demand for services from temporary

agency companies to contractors. The national legislator in Greece tends to remove the nature of temporary employment with the continuous extension of the duration and the use of temporary employment to cover permanent and permanent needs. The goal of some employers is to avoid the restrictions set by Laws 4052/2012 and 4254/2014, as well as to avoid equal pay and other rights between "hired" and regular employees provided by laws 4052/2012 and 4093/2012 for temporary employment (Rompoti & Ioannidis, 2019).

It is also referred to that TAW produces a gray and cloudy situation, which surrounds the real employer to protect him from the legal consequences that the employers' liability brings. In other words, a total transfer of employer responsibilities is attempted (Kiosse-Pavlidou, 2021). Research in Greece suggests that agency employees may receive lower pay than permanent employees, notwithstanding the requirement of equal treatment under Law 2956/2001. Agency workers also reported that they were excluded from bonuses and benefits awarded to other employees, had less involvement in decision making and had higher levels of work stress (Eurofound, 2008). In this respect, Greece is similar to some other EU Member States that have understood the spirit of the Directive as amounting to a quid pro quo between the improvement of the working conditions of TAW and the progressive liberalization of its provision (Countouris, Deakin, Freedland, Koukiadaki & Prassl, 2016).

V. INDICATIVE PROPOSALS FOR POLICY MEASURES

The problems that have been observed in the implementation of TAW can be addressed satisfactorily. A common practice that can address these problems is the assignment of the proper legal characterization, by appealing to the provisions for employment contracts according to the Civil Code. Moreover, the case law, which contributes substantially to the shaping and advancement of labor law, can offer protection to thousands of employees engaged in non-genuine work contracts, which are disguised as illegal staff hires (Kiosse-Pavlidou, 2021). It is also very important to enforce the law regarding the same level of protection for temporary agency workers as permanent staff in terms of health and safety and equal treatment in pay and social security. The principle of equal treatment, as shown above, has to be the general rule (Eurofound, 2008). Also, the role of collective agreements should be strengthened in the regulation of TAW in Greece, as well as equal treatment and adequate protection (Countouris, Deakin, Freedland, Koukiadaki & Prassl, 2016).

Nevertheless, the EU Directive deals with the arrangement of TAW in a very broad sense. It leaves room for exemptions and space for the Member States to regulate the conditions for employees in the national labor market on their own. This does not mean that the full implementation of the Directive and the reporting and monitoring competencies of the Member States are not ensured. But it is worth noting that there is a lack of comparable data and empirical evidence regarding the practice of TAW and its impacts on the labor market, which prevents an in-depth assessment. Therefore,

further research could contribute to the development of further policy proposals (Eichhorst et al., 2013).

VI. CONCLUSIONS

The role of TAW has significantly been strengthened in the labor market where the flexible forms of employment are enhanced. Its implementation in Greece is of particular interest as the country has recently gone through a long period of economic crisis, where productivity growth through the strengthening of flexible forms of employment has been one of the prerequisites. The Greek government was seeking this period to support and develop the economy and sought to do so, inter alia, by liberalizing further the activities of temporary work agencies. Supranational institutions, such as the International Monetary Fund, the European Central Bank and the European Commission encouraged labor market reforms in Greece in the context of the financial support provided to the country. The idea of "flexicurity" in industrial relations emerged and as a result, TAW had to be strengthened (Countouris, Deakin, Freedland, Koukiadaki & Prassl, 2016). Reasons concerning employees, employers and the government boosted its implementation and supranational regulation formed the relevant national institutional framework. The implementation of TAW affected the labor market, industrial relations, unemployment as well as the wider economic and business environment.

The implementation of temporary employment to date has highlighted that specific protections for temporary agency workers may address the insecurities inherent in this flexible form of employment. Decent work and adequate protection have to be established along with the need for flexicurity (Countouris, Deakin, Freedland, Koukiadaki & Prassl, 2016). The need for protection arises from the main feature of TAW, which is employer dualism and the concern that the "hired" employees are used for the replacement of permanent employees (Rompoti & Ioannidis, 2019). In any case, the question arises as to whether TAW is a stepping stone or a trap to permanent employment. However, there is little evidence that the temporary employment agencies help employees gain regular employment, although it may sometimes lead to good jobs, and TAW as a broad strategy to reduce unemployment does not stand as a viable option (Houseman, 2014). There is room for improvement in social partner involvement and the emergence of frameworks of social dialogue and collective bargaining (Voss et al., 2013). In this way, temporary agency workers will be treated equally as if employed directly by the user undertaking (ETUC, n.d.).

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