

Sectoral Brief

Temporary agency work

EMPLOYMENT

Temporary agency employment is where a worker is employed by the temporary work agency, and then hired out to perform his/her work at (and under the supervision of) the user company. There is considered to be no employment relationship between the temporary agency worker and the user company, although there could be legal obligations of the user company towards the temporary agency worker, especially with respect to health and safety. The relevant labour contract is of limited or unspecified duration with no guarantee of continuation. The hiring firm pays fees to the agency, and the agency pays the wages (even if the hiring company has not yet paid the agency). Flexibility for both worker and employer is a key feature of agency work.



Temporary agency employment -- across a range of European economies plus Argentina, Brazil, Japan, Republic of Korea, Mexico, South Africa and United States -- more than doubled from around 4.5 million in 1997 to 9.5 million in 2007, according to data from CIETT, but declined in 2008–09. Temporary employment levels grew in absolute terms in most countries for which data was available over the decade. By far the biggest growth was in Japan (+750,000 temporary workers), but also in Germany (+440,000) and the United Kingdom (+300,000). In South Africa, temporary staffing has developed rapidly in recent years, notably in 2007–09 and especially in finance, call centres, IT and professional services. In percentage terms, temporary staffing levels trebled in Austria, Germany and Japan, and grew strongly in Italy, Sweden and Switzerland, while, unsurprisingly, the increases were lower in the mature markets of the United Kingdom, United States, France and the Netherlands. Growth was strongest in the second half of the period – 76 percent from 2002–07 – compared to the first half – 20 percent from 1997 to 2002.