

1) What would you consider to be priorities for a meaningful labour law reform agenda?

The priority of the agenda of the reform of labour law could be the improvement of regulation of the so called non-standard employment contracts for the purpose of development and creating an individual approach to every employee. Another important issue is related to the elimination of the undeclared work, because this aspect has negative impact upon the overall economic situation in the country and the social guarantees of every employee involved in such employment. The development of the role of collective labour agreements also could be set as a priority at the same time.

2) Can the adaptation of labour law and collective agreements contribute to improved flexibility and employment security and a reduction in labour market segmentation? If yes, then how?

The improvement of the regulatory acts regulating the legal labour relationships and the development of collective agreements could promote the improvement of the situation in the area of the flexicurity. Both the regulatory acts and the collective agreements are an essential tool not only for setting the employment terms and work conditions. Now they are becoming an important tool also for promoting fair competition. The circle of matters that can be set upon the agreement between employers and employees should be maintained and possibly extended in the legal regulation of employment relationship. That would increase the social partners' responsibility for providing favourable work environment.

3) Do existing regulations, whether in the form of law and/or collective agreements, hinder or stimulate enterprises and employees seeking to avail of opportunities to increase productivity and adjust to the introduction of new technologies and changes linked to international competition? How can improvements be made in the quality of regulations affecting SMEs, while preserving their objectives?

Currently valid legal regulation in some cases permits flexibility in relation to setting the employment terms and work conditions. At the same time more options should be given to employers and employees' representatives to decide on the improvement of employment terms, work conditions and social security within a framework of a social dialogue, thus ensuring efficient and fast adaptation to the current changes in the labour market – promoting training of employees and regulated mobility of the employed persons.

What refers to different details, employers and employees/ employees' representatives may agree on everything within a framework of a social dialogue, by concluding collective agreements.

4) How might recruitment under permanent and temporary contracts be facilitated, whether by law or collective agreement, so as to allow for more flexibility within the framework of these contracts while ensuring adequate standards of employment security and social protection at the same time?

It is necessary to provide freedom to both employers and employees to select the employment or other contractual relationship model most suitable to them, at the same time providing complete information on the advantages and disadvantages of every such a model to ensure that the lack of information by employers and mainly employees is not misused for reducing the employees' labour rights and social guarantees.

5) Would it be useful to consider a combination of more flexible employment protection legislation and well-designed assistance to the unemployed, both in the form of income compensation (i.e. passive labour market policies) and active labour market policies?

The Danish model when a flexible employment protection regulation is combined with active labour market measures, investments in training and high unemployment guarantees with strict conditions complies with the current labour market needs in many EU countries. Therefore it should be assessed as a possible solution for the further development of the EU employment relationship and employment regulation. Taking into account changes in the principles of formation of people's working life, when there are less and less people who work at a single place of work for their total employment life, and the number of people who change several places of work during their active labour life increases, it is necessary to reflect this changes correspondingly also in the regulation of the employment relationship. Within the framework of the present employment relationship model it was important to guarantee an employee's rights to have a job by setting strict terms for the employment and firing employees, now it is more essential to create appropriate conditions to ensure employees' efficient transfer from one status to another. Stipulation of different restrictions in the legal regulation of employment and firing employees is mostly based upon employees' fear not to find a new job. A possibility to change jobs, to change profession and to be flexible on the labour market should be provided for an employee. It is possible to achieve the above goal by promoting life-time learning, improving the adaptation abilities, as well as by implementing an active employment policy.

6) What role might law and/or collective agreements negotiated between the social partners play in promoting access to training and transitions between different contractual forms for upward mobility over the course of a fully active working life?

A collective agreement provides a possibility to plan the professional and career development of a company and industry employees. In agreement it is possible to mention employees' possibilities and defined requirements in relation to the career development, based upon the agreement reached between the employer and employee during the annual interviews. Collective agreements may provide for the support to not only strategically important training establishments, where a company employees may obtain knowledge and skills required for the career development, but also to receive financial support and more flexible working time conditions during the training process. Still, the basic terms in relation to the access to training should be included in the regulatory acts.

7. Is greater clarity needed in Member States' legal definitions of employment and selfemployment to facilitate *bona fide* transitions from employment to self-employment and *vice versa*?

Separation of the employment relationship from other legal relationship often causes problems for both employers and employees and also state supervisory institutions. It causes wrong application of legal norms, increases the risk of reduction of employees' employment rights and social guarantees, as well as the possibility of labour disputes. The Civil Code of Latvia exactly defines employment relationship and separates it from other relationship, and the above referred problems are based just on the lack of information and understanding on separation of employment relationship from other legal relationship.

At the same time we understand that in other EU countries this border could be not so strictly defined taking into account the different national legal regulations of employment relationship. We consider, that it is necessary to encourage a clear definition of employment relationship, however, the solution of this issue should be left under the competence of each individual country in compliance to the national tradition and practice of employment relationship.

8. Is there a need for a “floor of rights” dealing with the working conditions of all workers regardless of the form of their work contract? What, in your view, would be the impact of such minimum requirements on job creation as well as on the protection of workers?

We consider that in this matter a balance should be maintained between the minimum regulation requirement and efficiency of the result to be achieved, i.e. the popularity of the relevant employment form among both employers and employees. Besides that, it is important to ensure that an employee is informed on his/her rights to avoid possible disputes and malice, irrespective of the legal relationship mode.

9. Do you think the responsibilities of the various parties within multiple employment relationships should be clarified to determine who is accountable for compliance with employment rights? Would subsidiary liability be an effective and feasible way to establish that responsibility in the case of sub-contractors? If not, do you see other ways to ensure adequate protection of workers in "three-way relationships"?

For the purpose of ensuring adequate work environment for every employee regulations are required and these shall be known by all the parties involved in this "three-way relationships". However, this regulation should not create a complicated legal regulation and impose too big responsibility and burden upon state institutions and entrepreneurs.

10. Is there a need to clarify the employment status of temporary agency workers?

Taking into account the high number of employees employed via temporary work agencies and a possible increase of this number of employees in the nearest future, as well as understanding that this is an efficient way to involve and maintain employees

in the labour market, we consider that the definition of the status of temporary agency workers could encourage the development of this employment form and serve as a support for solving the issues related to availability of labour force.

In this case it is important to pay attention to the issues related to non-discrimination, equal treatment and labour protection, however, at the same time too strict regulation should not be imposed, thus reducing the interest in the utilisation of temporary work.

11. How could minimum requirements concerning the organization of working time be modified in order to provide greater flexibility for both employers and employees, while ensuring a high standard of protection of workers' health and safety? What aspects of the organization of working time should be tackled as a matter of priority by the Community?

What refers to the working time and its organisation possibilities Latvia has already earlier supported a possibility for social partners to agree on the maximum permitted number of working hours complying with the health and safety protection considerations. The main task in this respect is to achieve the situation when both employers and employees have a possibility to react flexibly upon the market requirements by defining corresponding working time and at the same time remembering that employees present the main value of every employer. However, a balance should be observed also in relation to the organisation of the work time, so that both employees and employers are winners in this situation. It is essential to maintain the possibility not to apply the maximum work time (“opt- out”) (at least for a certain transition period), which is important for defining the regulation of flexible working time and solving the problem of lack of labour force in some industries in many EU countries, including Latvia, for example, in relation to the health care sector.

We consider that in cases when an employee works with more than one employment contract (at one or several employers), every employee's working time should be registered with every particular employer individually. Thus the flexibility of the labour market will be promoted, as well as the extent of undeclared work will be reduced.

Attention should also be paid to the issues of employment of young people with the intention to encourage reconciliation of working, educational and family life among young people.

12. How can the employment rights of workers operating in a transnational context, including in particular frontier workers, be assured throughout the Community? Do you see a need for more convergent definitions of 'worker' in EU Directives in the interests of ensuring that these workers can exercise their employment rights, regardless of the Member State where they work? Or do you believe that Member States should retain their discretion in this matter?

Stipulation of a single “worker” definition in the EU could be difficult, taking into account different national legal systems and practice that have got formed during a period of many years and are based upon the relevant national culture traditions. However, in different directives the term “worker” should be used with a single meaning as far as possible.

Guaranteeing employment rights for employees performing job in several EU Member States could be promoted by providing information on the differences in the legal regulation of employment relationship among different EU Member States.

13. Do you think it is necessary to reinforce administrative co-operation between the relevant authorities to boost their effectiveness in enforcing Community labour law? Do you see a role for social partners in such cooperation?

At the present moment special attention is focused on the prevention and fighting undeclared work. Based upon experience, it can be concluded that a lot of attention should be focused on the establishment of an efficient mutual cooperation, information and consultation mechanism between state institutions responsible for tax administration, supervision of regulatory acts on legal employment relationship and immigration and social partners. As the globalisation brings certain corrections in the spread of undeclared work, it is also necessary to establish a successful cooperation model on the level of the EU Member States.

Social partners have an important role in the development of the national employment, labour rights and migration policies and in the definition of operational priorities. The mutual cooperation between state institutions ensures efficient information exchange, prevents overlapping of competencies and promotes efficient use of the national resources.

14. Do you consider that further initiatives are needed at an EU level to support action by the Member States to combat undeclared work?

Possibly, some initiatives would be required to invite and encourage cooperation of the EU Member States in the prevention and reduction of undeclared work.