



CECOP
CICOPA Europe

**European Confederation of
Worker Cooperatives,
Social cooperatives and
social and participative enterprises**

**Green Paper:
“Modernising labour law to meet the challenges of the 21st century”
European Consultation**

CECOP - CICOPA EUROPE’s response to the consultation

CECOP - CICOPA Europe is an international non profit association according to Belgian law and based in Brussels. Its members include 29 national federations of co-operative and participative enterprises representing around 65 000 enterprises, mainly in industry and services, employing 1,3 million workers, plus 7 organisations promoting this type of enterprises.

Among the main sectors of activity of our enterprises, we find metal industries, mechanical industries, construction and public work, wood industry and furniture, white goods, textiles and garments, transport, media-related activities, social services, education and culture, environmental activities, etc. Most of them are characterised by the fact that the employees in their majority are members-owners; some of them are second-degree enterprises for SMEs. Furthermore, a substantial part of those enterprises (around 3500 of them across Europe) are specialised in the reintegration of disadvantaged and marginalised workers (disabled, long-term unemployed, ex prisoners, addicts, etc).

General considerations

CECOP - CICOPA EUROPE wishes to contribute to the debate opened by the Green Paper by focusing first and foremost on the concrete model provided by cooperatives in this field. We consider that cooperatives are a particularly important model to be studied in the ongoing debate on labour flexibility and security, because, to a large extent, **it is through flexibility that those enterprises build security.**

Indeed:

1. **Cooperatives** are first and foremost member-based enterprises, the members being, ultimately, physical persons rooted in their community, and taking their entrepreneurial decisions in a democratic way. Because of their member-based characteristics, they **do not normally delocalise**, thus providing an important component of labour security to their workforce. **At the same time**, this basic security level is further enhanced by the fact that **cooperatives generally require a high level of flexibility** in order to both serve the needs of their members and their communities, and compete in the globalised economy.
2. In most EU countries, **cooperatives, most of which are SMEs, have established joint entrepreneurial instruments** that reproduce the same horizontal governance system that exists at the grassroots enterprise level, and are a way for them to mutualise entrepreneurial risks. They include financial tools, consultancy services, joint purchase consortia, groupings to compete for public tenders, as well as full-fledged horizontal groups, in which, in some cases, a system of workers' redeployment from one enterprise of the group to another concretely provides security through flexibility when one enterprise of the group experiences economic difficulties.
3. **Among the seven operational principles that are part of the cooperative standards** enshrined in the Statement on the Cooperative Identity (approved by the general assembly of the International Cooperative Alliance in 1995), **one is on education and training:** *“Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives”* (ILO Recommendation 193 on the Promotion of Cooperatives, annex). In fact, cooperatives dedicate a substantial part of their resources to education and training to their members and staff, and have gained a substantial experience in this field over decades, not only in formal training but also in on-the-job practical experience. Workers thus enjoy a high level of job security because their skills are less likely to become obsolete and are more transferable within the business. **This makes life long learning an important component in the capacity of cooperatives to combine flexibility with security.**
4. In the industrial and service cooperatives which are known as “worker cooperatives”, **the specific labour relation experienced by the workers-owners of an enterprise, called “worker ownership” and characterised by democratic management among workers, is a**

strong additional element by which labour flexibility and security can be fully combined¹. Workers are sovereign in their entrepreneurial decisions and **fully responsible** for the choices they make. At the same time, the labour standards which they enjoy are generally similar or higher than in other types of enterprises, and their jobs are generally safer². Thus worker ownership as practiced in worker and social cooperatives, and other types of employee-owned businesses, offers a solution enabling a gain on both sides of the security / flexibility equation. Indeed, it is known that the increase in productivity and competitiveness, which are necessary for sustainable employment, can also derive from the level in which workers, who are not interested in a mere financial participation, can really participate in the decision-making process of the enterprise³.

5. Worker cooperatives can generate additional security and flexibility through three specific skills which they have been able to develop:
 - Their **capacity to modernise their products, services or production processes**, including in sectors that are not considered to be “high-tech”. For example, many Italian cooperatives in the handling field began to work in fruit and vegetable markets by simply loading and unloading boxes: when the flux of distribution of fruits and vegetable became more complex, they transformed themselves into enterprises specialised in logistics, with big warehouses of their own property, and with management softwares able to receive the orders from the customers just-in-time and to deliver the products at once. Similar examples could be given in other sectors, such as transports, cleaning, social services, etc.
 - Their **capacity to substantially modify their production line or service**, or even their sector of activity. For example, some cooperatives specialised in the construction field have evolved towards the design and execution of public works (bridges, tunnels etc); a number of fisheries cooperatives in Italy have added tourism activities to fishing proper.
 - Their **capacity to save economic activities through the transfer of enterprises to their workers**. For example, a specialised financial cooperative in Italy, called CFI, regulated by an Italian law, helped over 6000 workers to save their own jobs by re-converting 160 enterprises in crisis (most of them industrial) into worker co-operatives between 1987 and 1998. Only a handful of projects failed.

¹ In order to ensure the specific standards through which worker and social cooperatives can provide secure jobs through their intrinsic flexibility, a World Declaration on Worker Cooperatives was approved at the 2005 general assembly of the International Cooperative Alliance. It formally states that worker ownership is a third type of labour relation, alongside wage-based labour and self-employed labour

² Even in manufacturing sectors where they are faced with particularly fierce international competition, worker cooperatives have generally given the best results in maintaining their workforce. In case of conjunctural difficulties, the jobs are usually maintained until it is possible to remunerate the factors of production (labour cost, raw materials, inputs etc.).

³ Prof Linda Gratton, Dean of the London Business School in her book « Democratic Capitalism » and Prof Thomas Malone, Prof. of management at MIT in his book « Building the 21st Century Corporation » both suggest that the democratisation of enterprises will become inevitable as a result of a) the increasing power of and access to communications technology, and b) the increasing need for businesses in dynamic global markets to learn and respond to changing market opportunities ever more quickly and the corresponding need for employees to behave pro-actively towards business needs.

6. **Cooperatives providing employment to disadvantaged workers⁴** such as disabled, long-term unemployed, socially marginalised persons, etc, **are also characterised by** worker ownership and **a high level of flexibility** in management and a total exposure to market competition. At the same time, they **provide sustainable jobs** to persons who would otherwise find it extremely difficult (and in some cases virtually impossible) to find one. This is, in our view, fundamental because the modern production system tends to exclude a certain fringe of the population who ends up having no access to the labour market. There is a fundamental need to rethink employment as an instrument of social well-being.
7. The capacity of cooperatives to provide decent and sustainable jobs in the globalised world is one of the main reasons why over 100 states, together with trade unions and employers' organisations from all over the world, elaborated a world wide instrument on cooperatives within the framework of the International Labour Organisation. ***ILO Recommendation 193 on the Promotion of Cooperatives was approved in 2002 with almost total unanimity*** (including employment organisation and trade unions from all over the world), **and with a positive vote by all EU member states** (including all the countries that have joined the EU since then), as mentioned within the European Commission's 2004 *Communication on Cooperative Societies in Europe*. **It contains** all the cooperative standards previously agreed upon among cooperatives throughout the world, as well as **all the fundamental ILO labour standards**. It recognises the importance of cooperatives in job creation, and proposes a number of concrete policy measures aimed to improve their productivity, strengthen their competitiveness, and develop their business potential.
8. Cooperatives and the social economy have been gradually included into the European employment strategy, and their capacity to create sustainable and high-quality jobs is being increasingly recognised.

Consequently, within the framework of the Green Paper, we strongly invite the Commission to examine the solutions which cooperatives in general and worker / social cooperatives in particular have implemented successfully to tackle the problems of employment, because several of the key questions posed by the Green Paper can find concrete solutions inspired by the business model of those enterprises. In this sense, those enterprises can provide more than simply best practice: they can provide good instruments of active labour policies and important inputs for labour law.

For this reason, we also invite the Commission to formally recognise that enterprises characterised by worker ownership represent a distinctive type of labour relations, beyond the diverse national legal frameworks in which it is configured.

⁴ known in Italy as B type social cooperatives

General problems faced by the text of the Green Paper

1. Many proposals drafted in the 2003 Task force report are not taken into account in the Green Paper.
2. Even though labour issues such as the modernisation of work organisation and temporary workers, which are mentioned in the Green Paper, have been the object of studies carried out by the Commission, there are no EU directives on those issues to this day.
3. Whereas in the introduction text, it is specified that « *The focus is mainly on the personal scope of labour law rather than on issues of collective labour law* », questions 2, 3 , 4 and 6 are about collective labour law.
4. Many questions require political answers rather that juridical ones.
5. The text does not make any reference to the International Labour Organisation (ILO) conventions or recommendations that the different EU member states adhere to and, in most cases, directly approved.
6. Whereas the Green Paper seems to deplore the excess of atypical work contracts, the European Council, in the integrated Guidelines for Growth and Jobs 2005-2008 proposed by the Commission, considers that the issue is to improve the adaptability of workers and enterprises and the flexibility of labour markets thanks to the diversity of work contract.
7. The drafting of the questions raises problems of coherence and partial incompatibilities between the English and the French versions.

Questions :

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

A first priority at the EU level should be to **aim at general and basic principles that should be enforced across the EU, but by leading the convergence process towards the countries where the labour standards are the highest, not the lowest.** Harmonisation cannot be a medium point between various legislations, but should aim at reaching gradually the best conditions existing in the socially most advanced countries (balance between security and regulated flexibility). Furthermore, competition between different national legal statuses should be avoided: complementariness should be encouraged.

On the other hand, **a proper balance should be found between a) favouring different labour contracts in the various sectors, and b) avoiding the multiplication of various contracts** which make it increasingly difficult for the worker to understand the legal status which he/she is entering in, and contribute to creating big disparities even inside the same enterprise.

Harmonisation should take into consideration the specificity of certain labour statuses, such as the one of worker-member of a cooperative, which is not in competition with the one of conventional wage-earner: its difference has to do with a different level of commitment and responsibilities, thence also of rights. Similarly, the specific status of **disadvantaged workers in social cooperatives** should be valued and encouraged. The fact that specific legislation on worker-members and on the disadvantaged worker in a social cooperative exist in different EU countries should be taken into consideration; the absence of worker-member legislation has, in turn, created problems in some other EU countries.

Among the recommendations of the 2003 Wim Kok Task force report, around three central topics namely invest in the human capital, increase the adaptability capacity, and make of employment an option for everyone, we consider the first one, namely **investment in human capital, as being the most important one.** Indeed, the combination of business flexibility and labour security can be partly solved through training. The flexibility of labour relations and the mobility of workers need to be accompanied by a supply in terms of training and re-skilling that really responds to the demand of the enterprises. Proper training policies should, in turn, be based on surveys of the economic tendencies. For example, the loss of jobs in industry can be largely compensated by jobs in services, and in particular social services, but the exact tendencies need to be carefully studied. The large experience of cooperatives in this field should be properly valued (see paragraph 3 of the general considerations above, and the response to question 6 below).

Labour law reform should also **promote clear and active policy measures aimed at encouraging the creation of enterprises and jobs,** especially in the most disadvantaged regions and segments of the population, that are furthest from the Lisbon objectives. Those measures are presently largely lacking in the EU. In particular, labour law should look at how the **information systems**

on **how to create or find employment** are managed. In this respect, there is a general lack of information in government labour offices across the EU concerning the employment and job creation possibilities in cooperatives, which however, as mentioned above, create long-term employment characterized by participation in processes and responsibilities and the absence of delocalisation.

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?

In order to obtain a fine combination of improved flexibility and employment security while at the same time reducing labour market segmentation, the following introductory considerations should be taken into account:

- On the one hand, flexibility is a demand to face competition in as much as it does not derive towards precariousness, namely abuses deriving from the utilisation of a non-ending succession of short term contracts. What has sometimes been done under the name of “flexibility” is in fact precariousness.
- On the other hand, the security principle should not end up by focusing exclusively on the security seen from the point of view of the enterprise, rather than of the worker.

The rest of the response will be found in the second part of response to question 3 below.

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?

a) To respond to the first part of the question, here are a few national examples.

In Poland, none of the previous changes made in labour law as well as law about collective agreements has had any impact on labour market flexibility or security. On the contrary, non – registered employment is growing. The main reason is a lack of motivation of employers to create new jobs because of a lack of assistance from state in this matter, as well as high costs for employers. Trade unions so far have not had a substantial influence on creating new employment.

Over the last few years, **in Spain**, there have been various labour reforms, with the aim to improve the labour market and enterprise competitiveness. However, those reforms have not attained their stated objectives. Some of them generated more employment precariousness, given the increase of temporary contracts, and even though, through two successive reforms,

those temporary contracts have been transformed into long term ones through social security procedures. From this point of view, Spain is an example showing that the problems of employment precariousness and lack of competitiveness are not only related to labour law, but also to the type of growth model proposed.

In Italy, with the legislative decrees for part time work and the “Biaggi” law 30 of 2003, many new types of contracts have been introduced, resulting in an improvement of labour market flexibility and efficiency and increasing enterprise competitiveness, thus favouring a decrease in unemployment rate. This confirms that a good regulation can be useful to the enterprises and to the workers. It is also a good example of a satisfactory level of cooperation between norms and collective agreements, although the trade unions should be more open to correct some rigidity of the latter. However, the labour market is still excessively segmented, and not yet endowed of a proper combination of flexibility and security. The present regulation does not sufficiently stimulate the adaptation of the productive system and of the workers’ skills to the changes coming from new technologies and international competition. It would be necessary to harmonise the regulations and the costs for the various categories of labour relations, and to have a more rapid judiciary labour system than it is at present.

b) This is the response to the second part of the question.

It is doubtful whether an inflation of juridical norms will deliver measures aimed at developing the productivity and innovation of SMEs, considering that, unlike for large enterprise which can afford entire legal departments, it is often very difficult for them to come to grips with the already existing complexity in the field of labour legislation.

The **focus** should in turn be strongly on **collective agreements**, including for cooperatives, and more specifically:

- Collective agreements should be able to **adapt to the reality of SMEs**, finding solutions that do not copy the practice of the large enterprises, but instead can encourage the growth and employment potential of the SME’s.
- The **diversification** of collective agreements **in the various sectors** should be encouraged. The existence of a diversity of collective agreements for the regulation of various sectors is a good indicator of a society which has reached a satisfactory level of evolution and sophistication in terms of dialogue between the social partners. It also represents a guarantee for a good level of security and flexibility.

However, in order to ensure that the social partners succeed in providing guarantees for employment security, and, at the same time, increase productivity, it would be necessary that collective agreements be more inspired by the cooperative logic and practice, and that cooperative organisations be more fully involved in them.

The extention of the norms that **encourage regroupings and consortia**, like those which cooperative SMEs practice in a number of EU countries, could also give good results. SMEs often do not have adapted instruments on the side of security and on the side of services and training, which mutualised instruments can provide.

The legislation should encourage the enterprises that **commit themselves to developing stable and long term jobs**, like cooperatives often do, without considering the corresponding support measures as being state aid, thus incompatible with the European state aid regulation.

Finally, at the European level, **best practice in the area of improvement of regulations affecting SMEs** (which are the real backbone of European entrepreneurship) and in particular of collective agreements should be promoted. There are, in particular, a number of national best practices in the field of collective agreement involving the organisations of cooperatives.

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?

Referring back to our response to question 3, the level of employment flexibility and security is linked both to an efficient legislation that incorporates the inalienable social standards, and a proper system of work contracts within the framework of collective agreements, taking into consideration that an international effort is needed to foster a process of just and inclusive globalisation, with tangible opportunities in all countries. The collective agreement system should also be able to generate a general feeling that the employee is safe, which is not the rule, especially in central-eastern Europe.

As far as permanent contracts are concerned, the testing period should be sufficiently long so as not to discourage its utilisation. Concerning temporary work contract, the incessant repeat of contracts should be avoided, so as to avoid long term precarity. The perceived lack of flexibility of some temporary work contracts is due to the fact that the latter have been designed with the aim to combat proven abuses.

There should be an analysis of the sectors and activities where temporary work contracts should be encouraged. The rule should be permanent contracts, temporary contracts should be for temporary activities.

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?

A first remark is that, when reading the Green Paper, most of the work contracts seen as “atypical” are most of the time proposed by the employers in order to give more flexibility for them in terms of worker protection arrangements (reduction of the notice period, calculation of indemnities, false self-employed, etc...).

Increased flexibility in labour relations and higher and a more efficient state tutelage and guardianship in the labour market encourage the competitiveness of enterprises and encourage the mobility and re-skilling of workers.

States should focus on preventing long-term unemployment, which leads to a vicious circle of which many workers never get out: for this, the security of unemployment benefit is not sufficient, active training and re-skilling are also essential. The homogenisation of direct and indirect taxes, linked to various labour relations, appear to be necessary in order to avoid that such flexibility be utilised as an instrument of reduction of the labour costs, and not only as an instrument to face production demands.

A Spanish active labour market policy measure which has proved to be very efficient, is the capitalisation for unemployed persons: it is the payment of a one-time lump sum to unemployed persons who plan to create a worker cooperative or an employee-owned enterprise, equivalent to two years' unemployment benefit, and to be invested in the new enterprise. This made it possible to create many worker cooperatives and employee-owned enterprises since 1980. Another important example is given by the Italian system, regulated by law, which helps workers from enterprises in crisis to operate business transfers under the cooperative form (see above general considerations, paragraph 5, third bullet point).

If the real challenge for the future of the European labour market is the so-called flexicurity, it is essential to value the instruments able to provide more security to the workers, such as the active labour policies, which help the unemployed or inactive persons to be reintegrated in this market, as cooperatives have shown successfully in several EU countries.

Furthermore, given the alarming problem of ageing of the European population, it would be important to define wide ranging “active strategies on ageing”, through the implementation of measures aimed at facilitating the integration of elderly people and avoid social exclusion, which would support the opportunities offered by cooperatives for this social strata in terms of self-employment and self-organisation.

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?

The following priorities emerge in this respect.

Life long learning (LLL). In a “social state” aiming at social inclusion, the state must spend very substantially in training and should accompany the worker towards new work opportunities. Only through constant training, both theoretical and practical, and constant upgrading, can the worker improve and develop opportunities of personal growth. The training programmes are at the root of workers' dignity and create development and growth for the enterprise as well. For this reason, it is necessary to make sure that training is adapted to each specific job

and give its full potential to the person's skills, so that he/she can develop his/her job in the best conditions both for him/herself and for the enterprise.

Legal support to LLL. Life long learning must be guaranteed by legislation, which should also provide specific support for social economy enterprises, including cooperatives, to do life long learning (see below). Workers, at a certain moment of their working life, can not only be trained within a cooperative, but even become a member of the latter.

Financial incentives to LLL. Legislation can also have an impact if it encourages investments in training, both through fiscal measures and through subsidies for periods in which the worker is absent from work in order to get trained.

LLL and collective agreements. More attention should be paid to the question of life long learning in the collective agreement. Inside the collective agreements, possibilities of self-education as well as carrier path should be included. There should be clauses on LLL in collective agreements in all enterprises.

Enterprise practice and LLL. The forms of organisational learning and on the job training which characterises the enterprises with a high participatory contents and high variability of the production process, such as cooperatives, should be identified, recognised and valued. Indeed, beyond formal training, one should underline the importance of informal learning, based on day-to-day experience and participation in the enterprise management and production process. Within this framework, the capacity of worker cooperatives to provide diversified skills to their staff is a constructive response to international competition and the need for rapid business development and a more entrepreneurial culture within businesses.

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

Yes, a high level of clarity is needed in order to avoid hybrids. Legal clarity is a necessary basis for a correct legal tutelage of the labour relations. Given the complexity of the European picture in this field, it would be very important that the Commission produce a comparative survey.

In the specific field of cooperatives, there is a need for a better understanding of the figures of the worker-member and the non-member-worker, and the relation between both. Those figures are clarified in different fashions in the various national legislations and collective agreements, but there is a need for a better understanding at the European level. In Italy, where the cooperative legislation is one of the most complete ones in the EU, a law on worker-members of cooperatives was voted (law 142 of 2001, modified by law 30 of 2003), in order to fill in the legal void concerning the figure of the worker-member. One of the

important effects of the law has been to generate visibility and sharing of the organizational and functional norms of cooperatives on the part of the worker-members.

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?

A “floor of rights” would be necessary to reach a minimum legal protection of the fundamental workers’ rights (association, trade union activities, strike, maternity, notice, sickness, accident and maternity leave, workers’ information, consultation and participation etc), taking into consideration, however, that collective agreements must produce a further definition of such rights, according to the various sectors, markets, contexts, and professional profiles. It should also include the ratios of taxes corresponding to the various forms of labour contract.

Such basic floor of rights is particularly important for the new EU member states from Central and Eastern Europe which have a totally different background in terms of recent history: the difference between the situation in those countries and those of the EU-15 should be formally recognised by the Commission, and the Commission should take it into account in the implementation of the common floor of rights in those countries. In the same way, the concrete situation of those countries should be fully taken into account in the framework of such regulation and in its implementation measures.

A basic package of worker’s rights already exists for cooperatives: it is formulated in ILO Recommendation 193 for the Promotion of Cooperatives. Although an ILO recommendation is not as compulsory as a convention (which has the juridical status of an international treaty after ratification by a state), it is nevertheless an important document which should be taken into account and which the ILO member states are obliged to report on. Furthermore, all 27 EU member states formerly approved the Recommendation in Geneva in June 2002.

It should be added that, whereas no one could possibly oppose the idea to build a common floor of labour rights with national peculiarities, the definition of this common floor at the community level should not be characterised by:

- Minimalist definitions of rights aligned on the lower common denominator (downwards harmonisation)
- The refusal to take into account specific regimes (such as worker cooperatives).

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"?

Yes. The responsibility for the working place and for the enterprise in co-operatives is obvious, given their member-based and participatory nature.

Recently, in Italy, a series of legal instruments have been approved (Law 30/2003, Decree of application n. 276/03, Legislative Decree 223/06 transformed into Law 248/06, Financial law 2007) which define the responsibility for irregularities in the fields of wage and tax compensations for all the production chain.

In Spain, the concept of contracting and subcontracting is regulated by law. Nevertheless, there are scenarios that can escape legislation. Thus, it is necessary to establish a proper legal regulation that defines the respective responsibilities, bringing about more legal security of the workers and avoiding fraudulent practices on the part of the enterprises, thus generating more clarity in the contracting and subcontracting relations, and allowing for job creation.

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

Yes. The European institutions have started to discuss the problem, but the procedure seems to be at a standstill. It appears to be properly clarified in some EU countries.

As for worker cooperatives, they rarely resort to employ agency workers because, despite their lower level of capitalisation, they tend to compete on the basis of quality rather than primarily on price. Furthermore, being the promoters of a work model based on enhanced levels of security, it would be incoherent if they made a massive use of this type of workers, who are generally paid less than enterprise workers.

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?

This should be done first of all through the development of various collective agreements relative to the various sectors and their characteristics, the working time being one of the elements that are most linked to each production sector and to its productive process. Therefore, a good application of diversified collective contracts allow a transparent management of the labour relations including the organisation of working time, as well as a proper compliance with labour rights.

A modification of the present European directive on working time could offer more flexibility while maintaining proper levels of occupational health and safety, by extending to 12 months (against the present 4 months) the period which national laws can use as a time reference to implement the weekly timetable as an average between high and low levels of presence at work, leaving to collective agreements the task to define the concrete implementation

modalities. It is essential that a given compensation always correspond to a number of working hours, but it is essential to allow for flexibility in the management and concertation between the worker and the enterprise concerning the working timetable. In this way it is possible to combine the demands of production with those of the workers, and in particular in the fields of health and the family.

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?

A gradual harmonisation of the labour rights could be put in place at the EU level, through collective agreements, with the purpose of reaching situations of excellence. In this respect, the method of open coordination can provide satisfactory results, but convergence could also take place through the community method. Meanwhile, it is understood that, when a worker coming from a country with a higher level of labour rights goes to work in a country where those rights are lower, within the framework of his/her enterprise, his/her labour rights remain unchanged.

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?

Yes, control is a key measure in the concrete implementation of security with flexibility. Cooperation between the different member states' administrations, including the sharing of databases, is indeed a very relevant element in controlling the compliance to the labour legislation.

This being said, the social partners can work in the same direction, thanks to the direct knowledge which they have of the terrain. The representative organisations of cooperatives, which employ more than 5 million workers in Europe, and notably those representing worker and social cooperatives and worker-owned enterprises, which employ around 1,3 million workers, are ready to cooperate fully in this, both the ones working at the European level (such as CECOP - CICOPA EUROPE) and at the national level.

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

Yes. However, such initiatives should not only focus on only undeclared work, but also on declared work with reduced work guaranties similar to the undeclared work, through a distortion of the existing legal models.

On the other hand, monitoring activities, which are essential, are not sufficient. It is necessary to design and implement incentives that create competitive advantages only to enterprises that can demonstrate that they operate in full compliance with legislation. It would also be useful to define a common EU information protocol on the enterprises that have been the object of severe sanctions for the violation of labour standards. It would also be useful to combat, through the open coordination method, phenomena that distort the labour market and are already present in various EU countries. Good practices should also be encouraged. The role of the social partners in this work is also fundamental.