

#### **EUROPEAN COMMISSION**

Employment, Social Affairs and Inclusion DG

Employment and Social Legislation, Social Dialogue **Social dialogue, Industrial Relations** 

# Sectoral Social Dialogue Committee on Personal Services Working group meeting on 10 March 2011, Brussels Minutes

The meeting was chaired by Poul Monggaard (UNI europa). He welcomed the new participants from Germany and Austria and gave an overview of the agenda.

# 1. Health and Safety

Mr Röhr (Coiffure EU) provided an update on the state of play of the draft agreement, which has attracted attention, also nationally in Germany. Coiffure EU is looking forward to the results of the study and hopes that this will permit the implementation of the agreement.

Mr Laurent (UNI europa) agreed and expressed his hope that the short study would not take longer than necessary.

Ms Marti (UNI europa) drafted a joint statement that should be signed at the same time as the agreement itself. The draft was sent to Coiffure EU (Mr Röhr) for comments.

Ms Weber (GHK Consulting) presented the interim results of the study.



The Chair asked who would take the decision whether a second study phase would be needed to collect more data. The Commission answered that this decision would be taken by the Commission, in consultation with the social partners.

Mr Röhr (Coiffure EU) welcomed the study, since it showed that its implementation would not cost much but achieve great benefits.

In response to a question by the Chair, the consultant said that a focus would need to place on the situation in those countries where health and safety legislation is not binding for the self-employed. This is the case in the Netherlands, Hungary and to a certain extent the UK.

Mr Hofmann (Coiffure EU) raised the problems related to enforcement, since the smallest businesses would escape the controls and supervision. Undeclared work would not be a decisive factor in his opinion.

Mr Laurent (UNI europa) asked the consultant to identify the interviewees in the final report. He also pointed out that the conditions between the self-employed and workers/employers differ due to many factors, not primarily health and safety provisions. Regardless of whether there is an agreement, this situation will remain. He recommended therefore coming to a conclusion, to validate the study and to go forward with the agreement's signature and implementation.

Mr Scarnati (UNI europa) offered to provide more data on the situation in Italy, together with the national employers organisation. He also bemoaned the lack of labour law enforcement in Italy, but believed that the agreement would make a difference in this respect.

Mr Vos (Coiffure EU) asked to not discuss a report that is not finalised yet, since reasonable comments can't be given on this basis. He appealed for patience.

Mr Marino (Coiffure EU) reminded participants of the energy that had been invested into negotiating the agreement. The benefits should be for everyone, and not simply exclude 30 to 50% of the sector. An agreement that excluded the self-employed would not be signed.

Ms Van Iperen (UNI europa) asked the consultant to make clearer in the report what is based on facts and hard data, and what is based on the opinion of interviewees.

Mr Hofmann (Coiffure EU) reiterated that enforcement is a problem for very small businesses, but that there existed positive examples that should be built upon.

In response to a question, the Commission confirmed that social partners would receive a copy of the final report before the plenary meeting on 21 June.

### 2. European Hairdressing Certificates

The Chair gave a presentation on the discussions that had taken place at the secretariat level since the last meeting.



A final proposal will be presented on 21 June. The system should not create costs in the long run.

Mr Hofmann (Coiffure EU) strongly regretted not being consulted on this proposal. The Chair assured him that this would be different for the final proposal on 21 June.

# 3. Discussion on different types of establishment in hairdressing

The Chair introduced the aim of the discussion, which had the objective of finding out what the problems were in the different countries and finding solutions that could be beneficial to the sector in the EU as a whole. UNI europa has undertaken a small research project, which will soon be finished. The discussion will be continued at the June plenary meeting.

The Chair described the situation in Denmark, where there is an agreement between the social partners that self-employed without workers would belong to the employers' organisation. The same health and safety rules apply to everyone, including mobile hairdressers and the self-employed. Chair renting is expressly forbidden in the national collective agreement, so that it is a very limited phenomenon.

Ms Mikkelsen (Coiffure EU) agreed, but added that chair renting is still a growing problem.

Mr Röhr (Coiffure EU) estimated that 10% of hairdressers in Germany are chair-renters, which in his opinion is not a sustainable way of running the business, notably by escaping training and VAT responsibilities. He called for a joint statement of the social dialogue committee denouncing the practice of renting chairs.

Mr Marino (Coiffure EU) reported that chair renting is also growing in Italy. 40% of hairdressers are single-person businesses. There are certain qualifications required to set up a business, and it would be interesting to exchange information on what those requirements and the cost are like in other countries.

Mr Vos (Coiffure EU) pointed out that the sector is going through fundamental changes, whether the social partners like it or not. Since the 1990s, there are now all sorts of different forms of self-employment, requirements to open a salon have been eased, businesses are being set up at home to supplement the income, so the traditional market is under pressure – yet the vast amount of employment is in this traditional segment. The social partners should ask themselves whether they can find a way to improve the professionalism in hairdressing in this environment. A second factor for pressure comes from the growth of chains and franchise salons. Many salons do not have an answer on how to confront these challenges, so the social dialogue committee should discuss possible solutions.

Mr Scarnati (UNI europa) reported that the Italian trade union was not in favour of permitting chair renting, but a draft collective agreement will for the first time allow this practice within limits. There are still open questions, for example about liability in case of accidents. The agreement specifies that a chair renter cannot be a former employee of the salon, and that no salon can rent out chairs if it has lain off employees in the past 2 years. One chair can be rented if the salon has 3 employees, and 3 chairs can be rented if the salon has 10 employees.

Ms Schröding (UNI europa) informed the meeting that after some search, one salon that rents out chairs was identified in Austria, but the phenomenon is not yet widespread. The topic of self-employment is a vast one and it needs to be clearly defined what will be discussed.

Mr Sander (UNI europa) agreed on the need to define self-employment. While chair renting in core hairdressing is not yet a widespread practice in Berlin, it is for ancillary activities such as cosmetics treatment in a salon. The German trade union is against chair renting.

Ms Richter (UNI europa) highlighted the fact that in her region, the key challenge is to even find trainees for the job of hairdresser. She supported the fact that the "Meister" qualification had been retained as a requirement.

Ms Salonen (UNI europa) reported that in Finland, there is no separate status for the selfemployed and no social security, leading to an insecure "entrepreneur" situation.

Mr Hulgaard (Coiffure EU) pointed out that in Sweden, one third of the members of the employers organisations are chair renters. He did not see a problem with this, since renting a chair gives flexibility with respect to opening hours etc. The chair renting concept was invented in Sweden and is well controlled by the tax authorities, so that recently there has been a decline again in renting chairs.

Mr Coray (Coiffure EU) agreed with this assessment and did not see chair renting as unfair competition. In the UK, where there is no trade union representation and no collective bargaining in the sector, chair-renting allows hairdressers to progress from dependent employment to the status of self-employed and eventually to salon owner. Restrictions do not appear to be necessary.

Ms Van Iperen (UNI europa) recalled that the discussion also needs to keep in mind the health and safety of all persons that are active in the sector.

Mr Hulgaard (Coiffure EU) assured that all people in the sector should be subject to the same rules, since leaving some out would cause a huge social cost.

The Chair closed the discussion by reiterating that professionalism is about quality in skills and in management, and that the social partners have to grapple with the question of how to maintain and improve this quality. The discussion will be summarised, structured and continued at the June plenary meeting. If a convergence of views cannot be achieved, at least a better understanding will result.

#### 4. Commission information points

The Commission reminded participants of the conference on industrial relations in Europe on 17 and 18 March. Current staff shortages in the unit for social dialogue and industrial relations were also brought to the attention of the meeting participants.

### 5. Any other business

The Chair reported that there was no news to announce regarding the beauty sector.

He thanked the participants and the interpreters and closed the meeting.