



Study on social policy effects resulting from the scope of application
of the European framework agreement on the prevention of health
risks in the hairdressing sector

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1 Introduction

This report is the final report for the study on 'Social policy effects resulting from the scope of application of the European framework agreement on the prevention of health risks in the hairdressing sector', VC/2010/1032. This study covers eight Member States: Denmark, France, Germany, Hungary, Italy, the Netherlands, Slovenia and the UK.

The report is the final deliverable for this study and incorporates and responds to points raised during the discussion at:

- The kick off meeting, held 19 October 2010;
- Social dialogue committee meeting, held 7 December 2010;
- Steering committee meeting, held 22 February 2011 and comments on draft interim report subsequently received;
- Social dialogue committee meeting, held 10 March 2011;
- Draft final meeting, held 3 May 2012

The report is organised as follows:

- Chapter 2 presents the policy background to the study;
- Chapter 3 presents the methodology and provides an overview of the interviews carried out;
- Chapter 4 presents the current situation and recent trends in the hairdressing sector including economic and labour market trends, health and safety legislation and the incidence of occupational accidents and work related illnesses in the sector, the regulation of occupational health insurance as well as interest representation in the sector (the baseline situation);
- Chapter 5 presents the assessment of the impact of different options for the scope of the implementation of the European framework agreement on the economic, labour market and health and safety situation in the sector;
- Chapter 6 presents conclusions of the study.

2 Policy background

The study relates to the implementation of a draft framework agreement negotiated by the European social partners in the personal services sectoral committee, Coiffure EU and Uni Europa regarding the “Prevention of Health Risk in the Hairdressing sector”.

Social dialogue and “law via collective agreements” is one of the pillars of the European regulatory system in the area of employment policy. The possibility for European social partners to reach framework agreements with the possibility of being transposed into EU legislation via Council Directive, or autonomous agreements to be implemented at national level in line with procedures and practices specific to management and labour and the Member States was first introduced in Article 118b (EEC) (now Art. 154 TFEU), and was formally institutionalised in the social policy agreement of the Maastricht Treaty (now Art. 155 TFEU)¹.

Today, Article 151 of the Treaty on the Functioning of the European Union (TFEU) sets out the general social policy objectives of the European Union, including the promotion of employment, proper social protection and dialogue between management and labour. Articles 152-155 of the TFEU recognise the role of social partners at European Union level and facilitate dialogue among them. According to Article 154 of the TFEU, the Commission, before submitting proposals in the social policy field, should consult management and labour on the possible direction of EU action. Moreover, if, after such consultation, the Commission considers EU action advisable, it should consult management and labour on the content of the envisaged proposal. During the consultation, the social partners should inform the Commission whether they wish to initiate the process provided for in Article 155 of the TFEU – bipartite negotiations – which may lead to contractual relations, including framework or autonomous agreements. According to Article 155(2) of the TFEU agreements between social partners can take several forms. They can either be implemented as autonomous agreements or they can take the form of a Council Directive. A Council Directive has to be transposed into legislation at the Member State level whereas an autonomous agreement is implemented at Member State level “in accordance with the procedures and practices specific to management and labour and the Member States”.

It was on the basis of Article 155 TFEU that the social partners in the personal services (hairdressing) sector negotiated the draft framework agreement which is the subject of this study. The negotiation of this agreement follows many years of discussions and the adoption of other joint texts partly or wholly dedicated to improving health and safety in the sector. These include the **Code of Conduct “How to get along”**, the **Covenant on health and safety, in particular the use and handling of cosmetic products and their chemical agents** and more recently the **Dresden Declaration** which focuses on the prevention of skin conditions in the sector. The focus on health and safety risks in the sector stems from the relatively high incidence of occupational illnesses, in particular skin and respiratory complaints as well as MSDs which result from the specificities of the working environment in the sector and exposure to a number of potentially harmful chemicals. All of these factors can contribute to absences from work, as well as causing some workers to leave the sector early.

In Part 3, Clause 1 on the implementation of the agreement, the social partners call on the European Commission “*to present the framework agreement to the Council for a decision, so that the agreement becomes binding in the Member States of the European Union*”. The agreement was negotiated under the assumption that it would be binding throughout the EU and apply to all hairdressers. Finalisation and ratification of the agreement is still pending.

In order to assess the various options for the implementation of the agreement, the European Commission wished to obtain additional in-depth information about the hairdressing sector, due to the complex nature of this activity in the Member States

¹ Consolidated Version of the Treaty on the Functioning of the European Union (TFEU), 9.5.2008; see <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2008:115:0047:0199:EN:PDF>

(particularly in relation to the diverse structure of self-employment in the sector). The aim of the study is to assess the social policy consequences of different options for the scope of the social partner agreement and its implementation, in particular regarding the inclusion/coverage of self-employed hairdressers. Options being considered include:

- The agreement covers only employers and their (dependent) workers in the sector;
- The agreement covers in addition self-employed hairdressers working together with (dependent) workers and/or employers in the same workplace;
- It additionally covers self-employed hairdressers operating their own salons from a fixed location that do not have dependent employees;
- It also additionally covers mobile hairdressers (however, in this case, part of the agreement relating to fixed infrastructure and furnishings of a hairdressing salon would not apply).

This study therefore aims to inform the social partners' and the Commission's evaluation of whether it is necessary to include self-employed persons in the scope of the agreement, and which types of self-employed persons should be included.

This study also has wider relevance in relation to the EU Treaties and wider EU employment legislation. The main concerns are as follows:

- The provision relating to the improvement of the working environment to protect workers' health and safety, which the EU (and the social partners) can make according to the Treaty (Article 153) specifically refers to "workers", which would appear not to include self-employed individuals².
- In other pieces of EU legislation adopted by the Council, though, which affect workers in the maritime transport and construction sectors, self-employed workers working alongside employees in the same place of work are, to various extents, covered by the same regulations in order to ensure the effective implementation of the legislation and its health and safety objectives. It could therefore be argued that this also applies to certain workers in the hairdressing sector (e.g. so called "chair renters" who are self-employed workers working in salons alongside employers and their dependent employees).

From an economic perspective not including self-employed hairdressers could raise the following problems:

- It could have an impact on the overall social policy goals of the EU – for example, the question could be asked whether it would crowd people out from the employment into less protected forms of self-employment or indeed into the undeclared economy with potential social consequences?
- It could distort competition in the hairdressing sector and it could therefore be asked whether it would lead to an increase in the number of accidents and in ill-health absences in the sectors not covered by the agreement which would not be matched by improvements in the other sectors with attendant effects on occupational health and social security systems?

Additional problems that are related to the inclusion (or otherwise) of self-employed hairdressers are:

- The issue of representativeness of EU social partners for self-employed individuals: In some countries self-employed hairdressers are members of employers' organisations, in others they are members of trade unions, or they may be members of other

² Article 153 of TFEU refers to "workers" except in relation to Art 153(b) on working conditions.

organisations. Is it therefore “legitimate” for these EU level social partners to legislate on their behalf?³

- Would the exclusion of self-employed salon owners without employees mean that the threshold towards becoming an employer (even for a limited time, for example, while taking on a trainee) would be raised, as they would then have to comply with additional health and safety regulations (thus potentially discouraging employment creation)?
- What would be the impact on consumer perception of (for example) hairdressers in certain sub-segments of the sectors having to wear gloves when colouring or washing hair, when this is not the case for other segments of the sector?

On the whole, nearly 1.5 million individuals in the EU work in the personal services sector, which includes the hairdressing and beauty industry, making this a relatively sizable sector of the EU economy whose (health and safety) standards touch the lives of most EU citizens.

³ In 1996, the European Court of Justice (case T-135/96) ruled that the parental leave agreement negotiated between BusinessEurope (then UNICE), ETUC and CEEP was binding despite the fact that UEAPME, the representative organisation of small businesses at EU level, was not involved in the negotiations.

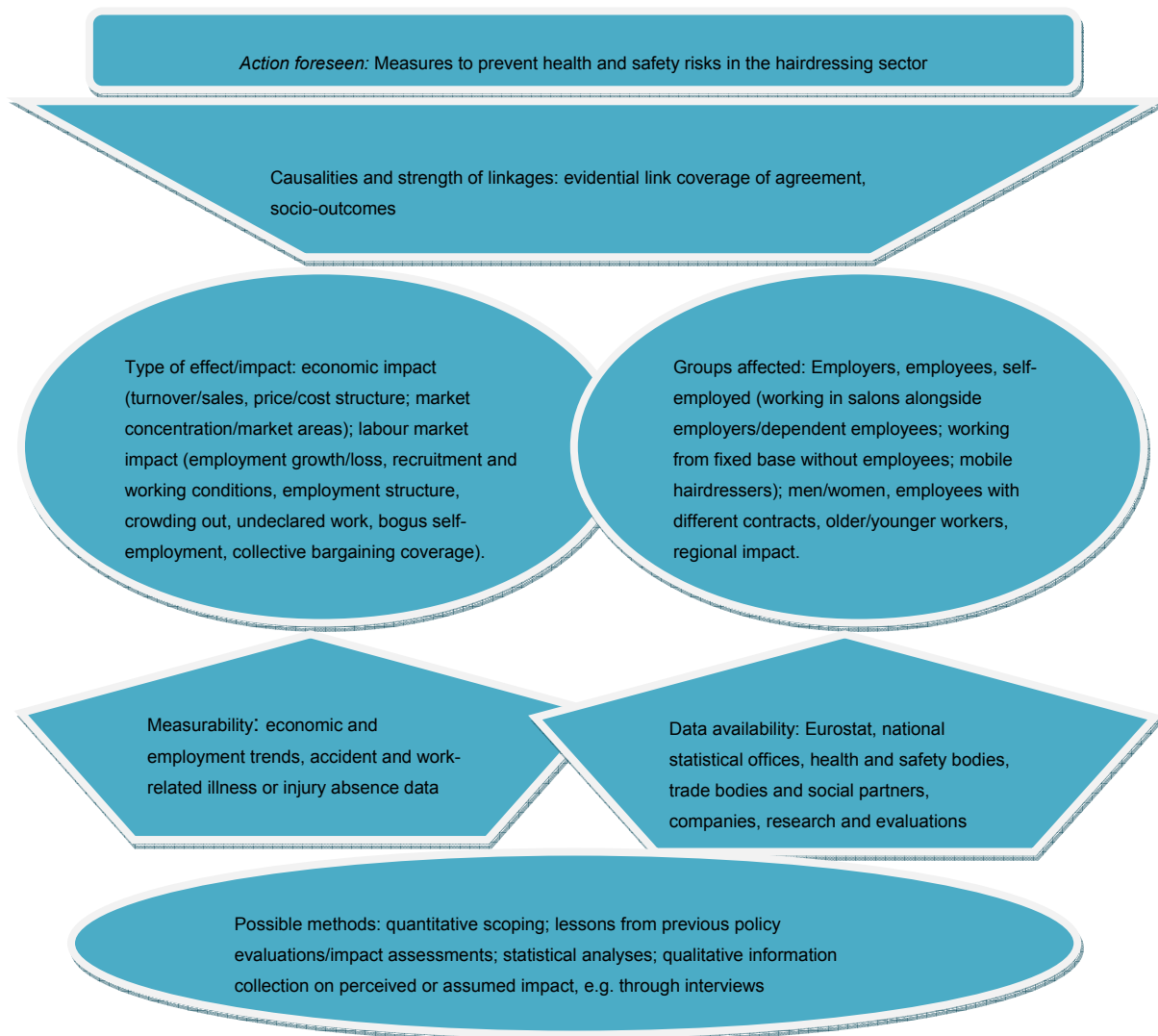
3 Methodology and approach

This section presents the methodological approach to this study and the key sources used. It presents details of the interviews carried out and statistical evidence utilised. Finally, it also contains a glossary of key terms used to ensure a common understanding the concepts introduced in this report.

3.1 Methodological approach

Although social partner agreements and legislation implementing them according to Article 155 (2) of the TFEU are not subject to the full impact assessment procedure, this study adopted a method based on key elements of the European Commission's Impact Assessment Guidelines⁴, in particular those aimed at assessing social impacts in relation to employment and the labour market, standards and rights related to job quality, social inclusion and protection of particular groups, equal treatment and opportunities and non-discrimination, social protection, health, social security and educational systems and public health and safety. 0 below sets out the key steps for social impact analysis adopted by the study.

Figure 3.1 Key steps for social impact analysis



⁴ Commission Impact Assessment Guidelines (January 2009), [Guidance for Assessing Social Impacts within the Commission Impact Assessment System](#)

Quantitative as well as qualitative information was gathered for this study, as it was clear from the inception phase of the study that quantitative data sources on the sector quickly come up against their limitations. Information collection included a review of national and transnational data and literature, as well as interviews with key stakeholders at Member State level (for details see Figure 3.2 below). This information collection was based on a standard scoping fiche and interview tools and guidance used by all national experts, which were agreed by the European Commission as part of the inception report. Interviews were subsequently followed up with an electronic survey of social partner organisations in all study countries.

It is important to note that significantly more statistical information regarding the economic structure, employment and health and safety situation in the sector is available for some countries and therefore it is not possible to present the same level/quality of information for all countries. France, Germany, the Netherlands, Denmark, Slovenia and the UK are considered to have a good baseline of information on the economic and employment structure of the sector, whereas this is less so in Italy and Hungary. In Italy, the significant regionalisation of information collection is a significant issue, as reliable data collection would require information gathering at regional or indeed local level, which was outside the scope of this project.

For most countries (with the exception of France and to some extent the Netherlands), the level of information available regarding the breakdown of different kinds of self-employment, so critical to this study, is unfortunately very poor, with most countries not holding official statistics (or even unofficial estimations) of the number of chair renters or mobile hairdressers in particular. Maybe not surprisingly, the quality of information on the level of undeclared work in the sector is also relatively poor and often anecdotal. These shortcomings in the data influenced the level analysis which was possible, particularly with regard to the impact of health and safety legislation on different types of employment in the sector.

The most significant challenge was the absence of comparable data on accidents and work related ill-health, and in particular the complete lack of disaggregated data for different segments of the sector (e.g. employees, different types of self-employed workers). In relation to this, key stakeholders were not even able to provide anecdotal evidence in most countries.

3.2 Interviews carried out

For the purposes of the completion of the national baseline situation, country experts undertook 60 interviews in the Member States that are the subject of this study. These included interviews with social partner representatives, health and safety agencies, national ministries, health inspection bodies, occupational health insurance bodies, trade bodies, national statistical offices, trade press and large companies operating in the sector.

Some difficulties were experienced in Italy where over 20 stakeholders and experts have been contacted but it was ultimately only possible to interview only five stakeholders who could discuss the national situation. A real dearth of national research / statistics (only one piece of national level research has been conducted by ISPESL in 1999) meant that many stakeholders have not been inclined to take part as they felt unable to respond to questions concerning their country as a whole. As explained above, the regional approach was also tested by the national expert but the interviewees confirmed that to obtain meaningful primary data would require visits in person to local health and labour authorities, which was beyond the scope of this study.

At the same time a small number of interviews with highly specialised experts from social partner organisations in countries like Germany and France have yielded a significant amount of relevant information.

Figure 3.2 offers an overview of the types of interviews carried out. The highest number of interviews was carried out among social partner representatives, followed by labour inspection bodies and trade bodies. Figure 3.3 presents a list of all interviewees. Interviews

among social partners were subsequently followed up with an additional questionnaire to gather highly relevant information on the labour market and health and safety situation among different types of workers in the sector (dependent employees, self-employed without employees, chair renters, mobile hairdressers). Five of these questionnaires to social partner organisation were returned. Although replies confirmed information already gathered, they failed to yield significant additional information, reflecting the dearth of disaggregated data available in the sector.

Figure 3.2 Interviews undertaken by the category of interviewees

| Type of organisation | Number of interviews |
|---------------------------------|----------------------|
| Employers organisations | 13 |
| Trade unions | 11 |
| Labour inspection bodies | 10 |
| Large companies in the sector | 4 |
| Trade bodies | 5 |
| Organisations representing SMEs | 3 |
| National statistics office | 5 |
| Academic or other experts | 7 |
| Trade press | 1 |
| Social insurance institution | 1 |
| TOTAL | 60 |

Figure 3.3 Interviews carried out

| Organisation | Interviewees |
|-------------------------|--|
| Employers organisations | <p>Denmark</p> <p>Connie Mikkelsen and John Pedersen representing the Danish Hairdressing Federation</p> <p>Italy</p> <p>Pierluigi Casadei and Camilo Garone representing</p> <ul style="list-style-type: none"> • Confartigianato • Confederazione Nazionale dell'Artigianato e della Piccola e Media Impresa – Benessere e Sanità / National Confederation of Italian Handicrafts and Small and Medium Enterprises operating in the Health and Wellness sector (CNA Benessere e Sanità) • Camera Italiana dell'Acconciatura / Italian Chamber of Hairdressing • Italian Small Business in Europe (ISB) <p>France</p> <p>Mrs Elena LACROIX / FNC - Fédération Nationale de la Coiffure Française</p> <p>Anne DELANNOY / FNC - Fédération Nationale de la Coiffure Française</p> <p>Michele DUVAL / CNEC - Conseil National des Entreprises de Coiffure</p> <p>Germany</p> <p>Rainer Röhr / Zentralverband des Deutschen Friseurhandwerks</p> <p>Hungary</p> |

| Organisation | Interviewees |
|---------------------------|---|
| | <p>Mr. László Berendi, president / Hungarian National Corporation of Craftsmen – National Corporation of Hairdressers (Magyar Országos Szakmai Ipartestület - Országos Fodrász Ipartestület)</p> <p>Ms Nauszika Papp, international affairs / Hungarian National Corporation of Craftsmen – National Corporation of Hairdressers (Magyar Országos Szakmai Ipartestület - Országos Fodrász Ipartestület)</p> <p>Netherlands</p> <p>Mr Robert Vos / ANKO</p> <p>Slovenia</p> <p>Ms Vlasta Markoja / The Slovenian Chamber of Craft and Small Business</p> <p>United Kingdom</p> <p>Eileen Lawson, NHF</p> |
| Trade unions ⁵ | <p>Denmark</p> <p>Poul Monggaard and Anne-Lise Pedersen/ the Danish Hairdressing and Beauticians Union (Dansk Frisør & Kosmetiker Forbund). Niels-Erik Muldvad/ Christian Union (Kristelig Fagforbund)</p> <p>Italy</p> <p>Luigi Scarnati / Federazione Italiana Lavoratori Commercio Turismo e Servizi / Italian Federation of Workers of Trade, Tourism and Services (FILCAMS)</p> <p>Marco De Murtas / Federazione Italiana Sindacati Addetti Servizi Commerciali Affini e del Turismo / Italian Federation of Workers of Trade and Tourism (FISASCAT)</p> <p>France</p> <p>Guy MARIN / Federation of Agricultural, Food, Tobacco and Associated Services Workers (Fédération générale des travailleurs de l'agriculture, de l'alimentation, des tabacs et des services annexes - Force ouvrière (FGTA-FO)</p> <p>Germany</p> <p>Roland Ehrhard / Ver.di</p> <p>Hungary</p> <p>Károly Ress / Hungarian Public Society of Hairdressers-Cosmeticians (Magyar Fodrász Kozmetikus Közhasznú Egyesület)</p> <p>Netherlands</p> <p>Patijn / FNV Mooi</p> <p>Hoff / CNV Kappers</p> |

⁵ Please note that two UK trade unions were contacted in November 2010: GMB and Usdaw. A representative of GMB confirmed that there was not significant membership in the hairdressing sector so the union would not be able to contribute to the study. A representative of Usdaw responded via email and said that they have no longer have membership in sector and therefore will not take part in the study.

| Organisation | Interviewees |
|--|---|
| | <p>Slovenia</p> <p>Ms Alenka Gajski / Trade Union of Craft Employees</p> |
| Labour inspection bodies/health and safety agencies/ministries | <p>Denmark</p> <p>Sonja Ploug Jensen/ The Danish Working Environment Authority (Arbejdstilsynet) Leif Rasmussen/ The National Board of Industrial Injuries in Denmark (Arbejdsskadestyrelsen) Rikke Harhoff/ Danish Ministry of Labour</p> <p>France</p> <p>Patrick LAINE / INRS - Institut National de la Recherche et de sécurité pour la prévention des accidents du travail et maladies professionnelles Direction du centre de Paris</p> <p>Pascale MERDIECA / ANACT - Agence Nationale pour l'Amélioration des Conditions de Travail</p> <p>Hungary</p> <p>Hungarian Labour Inspectorate (Országos Munkavédelmi és Munkaügyi Főfelügyelőség)</p> <p>Netherlands</p> <p>Ms van Vlerken and Ms Gondstra/ Arbeidsinspectie</p> <p>Slovenia</p> <p>Mr Mladen Markota / National Labour Inspection Office</p> <p>United Kingdom</p> <p>Simon Brownlee, HSE</p> |
| Large companies in the sector | <p>France</p> <p>Vanessa Loosveldt / PRO VALLIANCE</p> <p>Netherlands</p> <p>Ms Vernooij / Wave International (grouping Team Kapsalon, HAIRMAXX and Cosmo Hairstyling)</p> <p>Slovenia</p> <p>Ms Karin Jurman / Lassana</p> <p>Mr Mitja Soyer / Mič Styling</p> |
| Trade bodies | <p>Netherlands</p> <p>HBA (exchange of data via email)</p> <p>Brancheplatform (exchange of data via email)</p> |

| Organisation | Interviewees |
|---------------------------------|--|
| | <p>Slovenia</p> <p>Mr Pavle Vrhovec / Free Trade Union of Slovenia</p> <p>United Kingdom</p> <p>Wendy Nixon, Habia</p> <p>Sally Styles, Hairdressing Council</p> |
| Organisations representing SMEs | <p>Slovenia</p> <p>Mr Milan Škapin / Association of Employers in Craft and Small Business of Slovenia</p> <p>United Kingdom</p> <p>Richard Hyslop, FSB</p> <p>Sara Lee, FSB</p> |
| National statistics office | <p>Denmark</p> <p>Zusanne Tileska/ Denmark's Statistic (Danmarks Statistik)</p> <p>Italy</p> <p>Antonella Baldassarini / Istituto Nazionale di Statistica / Italian National Institute of Statistics (ISTAT)</p> <p>Netherlands</p> <p>CBS (Central Bureau of Statistics)</p> <p>Slovenia</p> <p>Ms Iris Rošker / National statistical office</p> <p>United Kingdom</p> <p>Jo Green, ONS</p> |
| Academic or other experts | <p>Denmark</p> <p>Mette Louise Pedersen/ <i>newinsight</i>, Copenhagen</p> <p>Susan Hovmand/ The Knowledge Centre for Hairdressers and Beuticians (Videnscenter for Frisører og Kosmetikere)</p> <p>Hungary</p> <p>József Nánási</p> <p>Netherlands</p> <p>Ms Douwens/Mr Osinga / TNO</p> <p>Slovenia</p> <p>Dr. Samo Pavlin</p> |

| Organisation | Interviewees |
|----------------------------|---|
| | Dr. Bogumila Plachtej Pavlin United Kingdom Thomas Prosser, Trinity College |
| Trade press | Netherlands Ms Femke van Soest / Le Salon magazines |
| Social insurance institute | Germany Helmut Ertel (BGW) |

3.3 Brief statistical overview

The aim of this section is to shed some light on the data sources used for the economic and labour market overview presented in this report.

Data have been collected through three primary channels, with national sources (national statistic office and sectoral studies) being the most commonly used in this report. These data sources together with their strengths and weaknesses are discussed briefly in the table below.

Figure 3.4 Statistical data sources on the hairdressing sector; strengths and weaknesses

| DATA SOURCE | AVAILABLE INFORMATION | STRENGTHS AND WEAKNESSES |
|---|---|---|
| Eurostat Labour Force Survey (LFS) | Eurostat LFS data for the sector 5141 (ISCO) are available for Hungary, the Netherlands, Slovenia and the UK. This is based on special extraction and covers "hairdressers, barbers, beauticians and related workers". The following information is available through this source: total employment in the sector and employment in the sector broken down by gender, education level, type of employment (part / full-time) and type of contract (permanent / temporary). | According to Eurostat, this data is based on the following assumptions: <i>"the LFS data are estimates based on probabilistic sampling. This means that the responses from a sample are grossed up to the total population, the sample is around 1% of the total. There are two types of errors involved in this process: sampling errors and non-sampling errors. The sampling errors occur because not all the population is interviewed but only a fraction, i.e. the sample. The implicit assumption is that the sample is representative of the population, which in turn relies on the assumption that the frame, or listing of individuals/households used to draw the sample, is correct, complete and has no duplicates, i.e. that it perfectly reflects the population under study. Sampling errors can be quantified with measures from standard survey sampling, e.g. CVs."</i> We have found these data to differ rather substantially from data collected from national sources. The main reason is that this sector also covers the beauty sector, but also the fact that many of the national studies are more specific, based for example on surveys or information from national business registers. |
| Information from the national statistics office | Depending on the country, economic and labour market information is available from the national statistical office either for | Such data are more commonly used than Eurostat LFS data by national stakeholders. |

| | |
|--|---|
| or other national bodies | the hairdressing or hairdressing and beauty sectors. |
| Information based on national studies focussing on the hairdressing sector | Such studies are typically commissioned and/or carried out by industry bodies and/or social partners. They are usually based on surveys among businesses / members in the sector or include a more detailed analysis of the national business register. These are often seen as most reliable sources of information on the sector as they provide the most detailed breakdown of information and have been analysed together with experts from the sector. Such studies have been carried out, for example, in France, the Netherlands and the UK. |

In this study, whenever possible and relevant, we have sought to compare the hairdressing sector with the situation in the whole economy (i.e. comparison of employment and self-employment in the hairdressing sector against total employment in the country). This has been done by utilising the Eurostat Labour Force Survey (LFS) and Eurostat Structural Business Statistics (SBS) data.

3.4 Glossary

Below is a short glossary of relevant terminology (in alphabetical order) to ensure a common understanding of the terms used.

Bogus self-employment

'Bogus self-employment', i.e. formal self-employment which is fraudulently used to disguise relationships which should be properly registered as dependent employment, in order to avoid the protection and costs (both wage and social contributions) connected with the latter⁶.

Chair renter(s)

The practice of renting a chair in a salon is fairly commonplace in the hairdressing sector in some countries, such as the UK. This involves, typically, a self-employed hairdresser renting a single chair, or sometimes a room, at a salon owned by someone else who is often also employing other dependent employees on the same site. Some salons charge a flat weekly rent from chair renters while others share the takings with the hairdresser or a combination of both. Chair renters are self-employed hairdressers and they are not employees of the salons in which they work and are therefore not in receipt of employee benefits (such as employee social insurance)⁷. They do not have a contract of employment with the salon but a contract based on services provided. Some salons have a small number of chair renters to extend the services they are able to provide while other salons are 100% occupied by self-employed hairdressers renting a chair.

Hairdressing sector

This study is focussed on the hairdressing sector, covering employees and self-employed individuals engaged in hairdressing and barbering services.

Home-based / domestic hairdressers

Home-based / domestic hairdressers are typically self-employed hairdressers who have set up a salon in their home. They may operate their business from one of the rooms in their house.

Mobile hairdressers

A mobile hairdresser is a hairdresser who does not operate from a fixed hair salon; instead, they visit clients in their homes or place of work, or any another agreed location such as a care or elderly people's home, fashion show, wedding venue, etc. Many mobile hairdressers

⁶ Eurofound definition

⁷ David Wright at Hairdressers Journal

are self-employed, though there are also mobile hairdressers who work as employees for larger companies.

Personal service sector

The personal service sector is typically understood as the sector covering hair and beauty services, though it can also include services such as laundries and spas. It is not possible to provide a clear breakdown of the size of these two sub-sectors, though the statistics of the British industry body for the hair and beauty sector, Habia, suggest that around 71% of businesses in the hair and beauty sector are hairdressing businesses, with the remaining 29% of businesses operating in the nail, beauty salon, beauty therapist and spa sectors.

Self-employed hairdressers

There is no one unified definition of a self-employed hairdresser. Self-employed persons are typically understood as entrepreneurs who work in their own enterprise with or without dependent employees. In the official statistics, self-employed individuals are classified as being entrepreneurs with or without employees. For example, the Eurostat Labour Force Survey defines self-employed persons as *“the ones who work in their own business, farm or professional practice. A self-employed person is considered to be working if she/he meets one of the following criteria: works for the purpose of earning profit, spends time on the operation of a business or is in the process of setting up his/her business”*. Two sub-categories are defined: Self-employed persons not employing any employees and employers employing one or more employees. Other statistical sources may be restricted to one or the other category.

Self-employed hairdressers may work in their own salon in a business premise or at home, work as a mobile hairdresser, or rent a chair in a salon owned by someone else.

4 Current situation and recent developments in the hairdressing sector

Before trying to gain an understanding of the potential impact of different options for the scope of the application of the European framework agreement on the prevention of health risks in the hairdressing sector, it is important to present the baseline situation in the sector in the eight Member States under study, and key developments in the sector during the past ten years. Evolutions of the past ten years, when combined with a look at the development of health and safety legislation (as well as other policy factors) can provide lessons for the assessment of the potential impact of different implementation options for the scope of the agreement, which will be analysed in Chapter 5.

The first part of this report includes an overview and analysis of indicators related to the economic structure of the sector. This refers, for example, to the number, characteristics and size of establishments active in the sector and their turnover. We chart the development of the key indicators over the last ten years as far as possible based on available data.

The second part of the chapter is focussed on describing the evolution of the labour market situation in the sector over the past decade. We describe employment levels, staff profile, wages and collective bargaining coverage. The incidence and prevalence of undeclared work and the main underlying factors are also examined. Special attention is paid to the different types of self-employment in the sector.

Thirdly, this chapter looks at the health and safety situation in the sector, both in relation to legislation in place, coverage of occupational health insurance and the incidence of accidents and work related ill-health in the sector.

The following must be taken into consideration when reading this chapter:

- We have used figures / statistics that have been classified by interviewees as most representative / accurate. Typically this has meant that we have used national studies and surveys concerning the hairdressing sector.
- Sectoral comparisons for the situation in the whole economy have been completed for the key indicators.

4.1 Economic structure of the sector

Key findings from this section include the following:

- The eight study countries have just over 328,000 hairdressing establishments.
- The structure of the hairdressing sector in Hungary and Italy differs from that in other study countries by being dominated by hairdressing businesses run by owner-managers without dependent employees.
- On the whole around up to two thirds of all hairdressing businesses (61.8%) in the eight study countries are salons run by self-employed owner-operators without employees.
- Hungary and Italy have the highest density of hairdressing establishments per head of population.
- The sector has seen significant growth in the number of businesses over the past ten years (between 5.6% and 48.6%) mainly due to increases in the number of owner-operated businesses without dependent employees. Denmark is the only country which witnessed a decline in the number of businesses and the Italian hairdressing sector has not seen significant changes in the structure or number of businesses. The economic crisis has affected hairdressing businesses, as a result of clients increasing the period of time between appointments.
- In addition to increases in the number of owner-operated salons, there has been an increase in the number or larger hairdressing businesses (chains and franchises), while medium-sized hairdressing businesses are losing market share.
- On the whole, the share of franchises and chain salons in the sector remains relatively limited.

- There is a dearth of data relating to the incidence of chair renting and mobile hairdressing in the majority of countries. Chair renting appears most prevalent in the UK (although clear data is not available) and shows a moderately growing trend in other countries. It is not allowed in Denmark and Italy. Mobile hairdressing is considered illegal in Slovenia.
- Mobile hairdressers form up to 23% of employment in the sector in the Netherlands and 6.4% in France. In Germany, no precise data are available, but mobile hairdressing is a growing phenomenon, with the German sectoral employers' organisation estimating that it is reached close to 10% of self-employment in the sector. As a result of demographic and other socio-economic trends it is a growing phenomenon in these and other countries (where the practice is recognised). Not all mobile hairdressers are self-employed with some, particularly in France, having the status of employees.
- Partly because of the structure of the size of hairdressing salons, the vast majority of hairdressing businesses generate a rather modest annual turnover.
- Turnover of salons run by self-employed hairdressers which are usually smaller in scale is lower than among other salons.
- Limited evidence available on pricing structures appears to indicate that salons run by owner managers charge lower prices.

The aim of this section is to outline findings on the economic structure of the hairdressing sector. It includes information on:

- The number and density of hairdressing establishments in the study countries
- Trends in the number of hairdressing establishments
- Size of hairdressing businesses and associated trends
- Market structure in relation to the number chains, franchises, mobile hairdressers, hairdressers working from domestic premises, etc.
- Turnover of the sector and of individual establishments
- Prices and cost structures
- Geographical dimension

4.1.1 Number of establishments in the hairdressing sector

The eight study countries have just over 328,000 hairdressing establishments. Italy has the largest number of hairdressing establishments with 93,000 active salons operating in the country (see Figure 4.5). Italy is followed by Germany and France, with 77,500 and 66,100 businesses respectively.

Figure 4.5 The number of establishments in the hairdressing sector (latest available year)

| Country | Number of establishments | Year | Definition of the sector / source |
|---------|--------------------------|------|--|
| Denmark | 5,240 | 2008 | Hairdressing sector / Danish National Statistics Office |
| France | 66,124 | 2009 | Hairdressing sector / Fédération nationale de la coiffure (FNC) |
| Germany | 77,483 | 2009 | Hairdressing sector / German Federal Statistics office |
| Hungary | 23,442 | 2008 | Hairdressing and cosmetics sector / Hungarian Central Statistical Office |
| Italy | 93,000 | 2010 | Hairdressing sector / Camera Italiana Acconciatura (CIA) |

| | | | |
|------------------|--------|------|--|
| The Netherlands* | 19,467 | 2010 | Hairdressing businesses ⁸ / Hoofdbedrijfschap Ambachten (HBA) |
| | 20,298 | 2010 | Hairdressing establishments / Hoofdbedrijfschap Ambachten (HBA) |
| Slovenia | 2,445 | 2009 | Hairdressing sector / The Register of Slovenian Chamber of Craft and Small Business |
| United Kingdom* | 25,013 | 2009 | Hairdressing and other Beauty Treatment sector / Annual Business Survey of Office of National Statistics |
| | 39,607 | 2008 | Hairdressing sector / Habia |

*Please note the 2009 figure for the Netherlands, instead of the latest (2010), may be used in other parts of the report for the sake of comparison.

**Two different figures have been provided for the UK. The first one is based on the Annual Business Survey which is undertaken by the national statistics office. Due to the survey not reaching many self-employed hairdressers, the industry experts are of the opinion that the figure is a significant underestimation of the real situation. The industry body Habia has calculated, by using the national Experian business database, that there were around 39,600 businesses active in the British hairdressing sector in 2008. This figure is believed to give a more accurate representation of the sector because: (1) it captures a greater share of the self-employed; (2) excludes the beauty sector; and (3) it has been estimated that the Experian database represents around 90% of all businesses in the country.

It is however important to bear in mind that these statistics may not be directly comparable. This is because some of the data cover the hairdressing and beauty sector (i.e. Hungary) rather than the hairdressing sector alone (i.e. Slovenia and the Netherlands), and some statistics cover all salons related to franchises and chains individually while others may count them as one organisation.

Figure 4.6 below indicates the density of hairdressing businesses compared to the total population in the country⁹. It suggests that in relative terms:

- Hungary and Italy have a high number of hairdressing establishments per population;
- Denmark, France, Germany, the Netherlands and Slovenia have a medium density of hairdressing establishments; and
- The UK has a particularly low number of hairdressing businesses in comparison to the total population in the country.

One of the key reasons for the differences in the density of salons is the “tradition” of the structure of hairdressing businesses found in the study countries. For example, in the UK, the industry is dominated by salons which employ on average 13 employees (including the owner). In Hungary and Italy, the sector is traditionally dominated by micro-businesses and many small salons are family-run. Of the countries with a medium density, Denmark and Germany are the countries leaning more towards low density while the Netherlands and Slovenia are much closer to having a high density of hairdressing establishments.

Figure 4.6 The density of establishments in the hairdressing sector, 2009

| Low (more than 1,101 inhabitants per establishment) | Medium (700-1,100 inhabitants per establishment) | High (fewer than 700 inhabitants per establishment) |
|---|--|---|
|---|--|---|

⁸ “Businesses” means the total number of hairdressing businesses while the establishments refers to the number of chain or franchise affiliated salons which belong to the same business but have a number of separate establishments.

⁹ Density figures are based on a calculation assessing the number establishments against population in 2009. High refers to fewer than 700 inhabitants per establishment, medium refers to between 701 and 1,100 inhabitants per establishment, and low refers to more than 1,101 inhabitants per establishment. The categories have been established on the basis of the sample for the eight countries in question in order to be able to compare the countries with one and another. The density level should be regarded as indicative only as it has been prepared for comparison purposes.

| | | |
|----|---|------------------|
| UK | Denmark France Germany The Netherlands Slovenia | Hungary Italy |
|----|---|------------------|

Sources: Density figures based on calculations using Eurostat figures for population in 2009.

4.1.2 Trends in the number of establishments in the hairdressing sector

Generally speaking, the sector benefited from the relatively prosperous economic climate during much of the 2000s, because people had more disposable income to spend on “non-essential” items of expenditure. As a result, the sector has seen considerable growth over the past ten years. The number of businesses in the hairdressing sector increased in most Member States between the mid-1990s and 2006/2008. Part of the growth in the number of companies is attributable to the growing number of owner-operated salons without employees. However, the end of last decade (2008 onwards, with the onset of the economic crisis) saw increased competition in many countries as customers started to cut back on expensive treatments and waited longer between appointments.

To be more specific, the hairdressing sector witnessed significant growth between 2000 and 2009 in five out of eight study countries. The figures from France, Germany, the Netherlands, Slovenia and the UK (see Figure 4.7) show that these countries have seen increases of between 5.6% and 48.6% in the number of hairdressing businesses. As shown by Figure 4.7, in relative terms, the most significant increase has taken place in the Netherlands where the number of hairdressing (and other beauty treatment) businesses has risen by nearly 49% from 13,005 in 2000 to 19,331 in 2009. This increase can be mainly attributed to the rise in the number of self-employed hairdressers without employees. This is also one of the key reasons for the increase in the number of businesses in France, Germany and the Netherlands. For example, whilst the number of salons in France increased by about 12% over the last decade, the number of mobile hairdressing establishments (most of whom are run by self-employed individuals) doubled during this period and the overall number workers in the hairdressing sector classified as ‘employees’ remained fairly stable.

In the UK, the influence of fashion and the desire to look younger combined with economic growth and the increase in disposable income have all contributed to the increase in the size of the sector over the past decade¹⁰.

In absolute terms, the biggest increase has been seen in Germany; the number of establishments rose by 12,100 businesses, from around 64,300 to 77,400 between 2000 and 2009 (an increase of approximately 20%).

Figure 4.7 Trend in the number of establishments in the hairdressing sector, 2000-2009

| Country | 2000 | 2009 | Change (%) | Change (number) |
|-----------------|------------------|--------------------|-----------------|-----------------|
| Denmark | 6,238 | 5,240** | -16.0% | -998 |
| France | 58,992* | 66,124 | +12.1% | 7,132 |
| Germany | 64,300 | 77,483 | +20.5% | 13,183 |
| Italy | 93,000 | 93,000 | 0% | 0 |
| The Netherlands | 13,005 | 19,331 | +48.6% | 6,326 |
| Slovenia | 1,947 | 2,445 | 25.6% | 498 |
| United Kingdom | 17,697 37,520 | 25,013 39,607** | +41.3% +5.6% | 7,316 2,087 |

¹⁰ Habia (2008) [Skills Analysis of the Hair and Beauty Sector](#)

Sources: Please see Figure 4.5 for the data sources. Please note that the Italian figures are based on estimates from industry representatives and therefore there are no official statistics to back up information on the trend. No comparable data is available for Hungary.

Note: * The figure refers to 2003

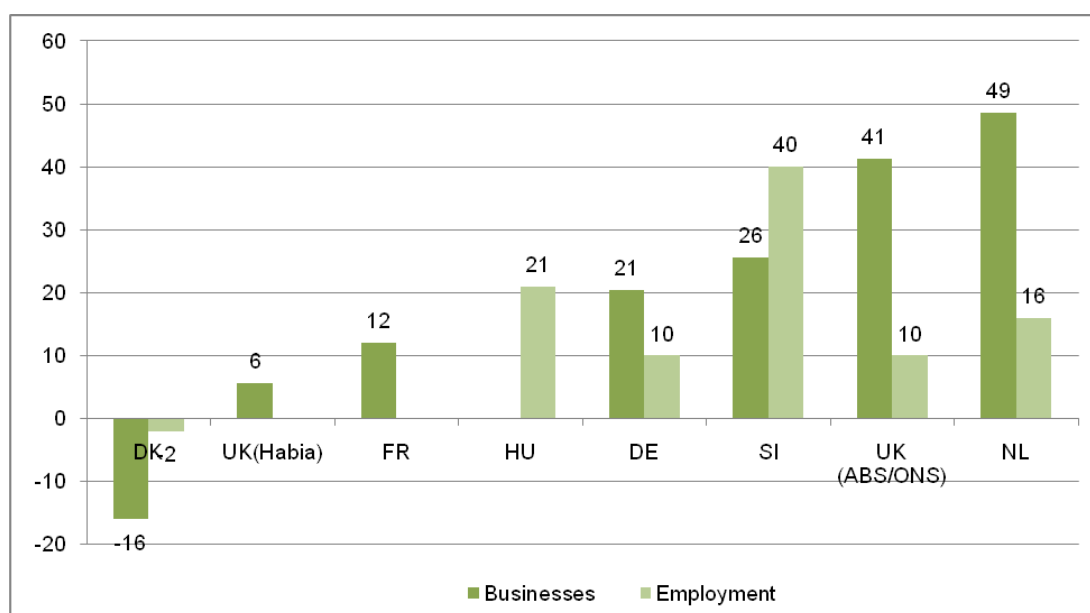
** The figure refers to 2008

Denmark is the only country which has seen a reduction in the number of businesses. Contrary to the trend in France, Germany and the Netherlands, this reduction has been mainly caused by the decline in the number of self-employed hairdressers, and owner-operated businesses without employees in particular. According to the Danish Hairdressing Federation, this decrease has been caused mainly by the financial crisis, the vulnerability of working alone and to the administrative burden of running a one-person salon. These are seen as the key reasons, though other reasons have also played a part. Generally speaking, reasons for leaving the sector include health and safety (incidence of occupational illness), long working hours, and relatively low wages (although the average salary in the sector almost doubled between 2000 and 2010). There are no official statistics available to demonstrate trends in the Italian hairdressing sector. According to CIA (*Camera Italiana dell'Acconciatura*), the situation in the Italian hairdressing sector has remained stable over the past decade with no significant changes in the number or type of businesses in the sector.

The following figure also shows that the trends in the number of establishments on the whole go hand-in-hand with trends in the level of employment in the sector; Denmark is the only country which saw a decline in total hairdressing sector employment between 2000 and 2009. Nevertheless, the reduction in total workforce size is not as dramatic as the reduction in the number of establishments. This is explained by the large decrease in the number of owner-operated salons.

Slovenia is the only country which has seen a greater increase in total workforce than in the number of establishments, suggesting that the new and older businesses are recruiting greater number of workers than before. In Germany, the Netherlands and the UK the increases in the number of new establishments greatly exceeds the increase in the total workforce in the sector.

Figure 4.8 Trend in the number of hairdressing establishments in comparison to the trend in total employment in the sector, 2000-2009 (%)



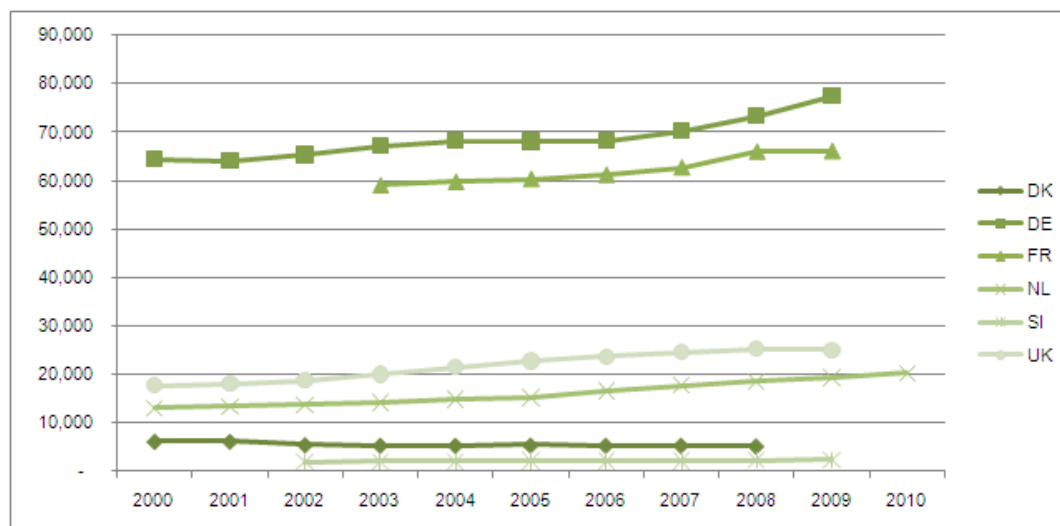
Sources: Please see Figure 4.5 for the data sources.

Notes: Please note that the German employment trend is related to the trend in the number of FTEs. The 2000 employment figures for HU, SI and UK refer to 2001 figures.

With regards to more recent trends, information from the French stakeholders suggests that the number of hairdressing businesses has increased significantly very recently; from around 66,000 in 2009 to around 70,000 in 2010, potentially indicating improvements in the economic situation or consumer confidence. The sector has also continued to grow in the Netherlands despite of the crisis; however the growth has taken place among owner-operated salons without employees while there has been a small decline in the number of hairdressing businesses with employees.

In the UK there was a clear dip in the number of salons following the economic downturn; statistics indicate that the number of businesses declined by a few hundred between 2008 and 2009. Representatives of the UK National Hairdressers' Federation reported that cash flow problems within the sector, due to the decrease in frequency of appointments from returning customers (and as a result of more restrictive credit terms resulting from the banking crisis), were the cause of this decline in 2009¹¹. Furthermore, while demand for basic haircutting services has remained relatively constant, added services such as colouring and perming have been more influenced by the economic climate¹².

Figure 4.9 Trend in the number of hairdressing establishments, 2000-2010



Sources: Please see Figure 4.5 for the data sources.

4.1.3 Size of hairdressing establishments; situation now and trend

Evidence from the study countries demonstrates two over-arching findings about the size of hairdressing business in Europe.

- 1 The sector is characterised by SMEs, micro-companies in particular, and their share of all businesses is increasing in many countries. While the sector is characterised by micro-businesses in all countries under study, there are still significant variations between the countries in the extent to which owner-operated salons dominate the sector.
- 2 In addition to increases in owner-operated salons, there has been an increase in the number of larger hairdressing businesses, while the medium-sized hairdressing businesses are losing market share.

4.1.3.1 Owner-operated salons without dependent employees

As mentioned above, the sector is characterised by a large number of very small businesses; it is dominated by SMEs, micro-companies in particular which often involve one

¹¹ NHF interviewee

¹² Habia (2002) [Skills Foresight Report](#)

professional running his/her own salon. Larger national and international chains also exist but a typical business in the sector employs up to three people.¹³

As shown by Figure 4.10, overall, the eight countries have just over 328,000 hairdressing establishments of which around 202,600 are owner-operated hairdressing businesses without employees. This suggests that in total up to a third of all hairdressing businesses (61.8%) in the eight study countries are salons run by self-employed owner-operators without employees.

The number of this types of hairdressing businesses has increased dramatically over the past decade in countries like Germany (47%), the Netherlands (+64%) and Slovenia (+86%). An increase has also been seen in France. The number of this type of hairdressing businesses has remained stable in Italy and declined in Denmark (the reasons described in the earlier part of the report).

Figure 4.10 The number of owner-operated hairdressing businesses without employees, 2000-2009

| Countries | 2000 | 2009 | Change (number) | Change (%) |
|-----------------|-------------------|---------|-----------------|------------|
| Denmark | 4,039 | 3,202* | -837 | -21% |
| France | n.a. | 52,000 | n.a. | n.a. |
| Germany | 14,572* | 21,462 | 6,890 | 47% |
| Hungary | n.a. | 21,425 | n.a. | n.a. |
| Italy | 63,000 (estimate) | 63,000 | 0 | 0% |
| The Netherlands | 8,228* | 13,502 | +5,274 | +64% |
| Slovenia | 789* | 1,471 | +682 | +86% |
| United Kingdom | n.a. | 26,536 | n.a. | n.a. |
| Total | n.a. | 202,598 | n.a. | n.a. |

Sources: Please see Figure 3.1 for the data sources.

Note: Please note that some of the figures may include also self-employed hairdressers with (dependent) employees. The Italian figures are based on estimates from industry representatives and therefore there are no official statistics to back up information on the trend. There is no comparable data for the UK. The UK figures consequently calculated on the basis of information from Habia that some 67% of all businesses 39,607 businesses in the sector were proprietor owned micro businesses in 2008. Some of these businesses may have employees.

* The DK figure refers to 2006, the DE figure to 2003, the NL figure to 2005 and the SI figure to 2002.

The main reasons for the increases in the number of owner-operated 'one-person' businesses include:

- Relaxation of business laws or hairdressing sector requirements for salon owners making it easier for individuals to set up their own salon (i.e. the Netherlands and Germany);
- Measures encouraging entrepreneurship and self-employment (see also section 5.2)
- Improvements in the business start-up environment (i.e. Germany);
- Competitive prices and flexible opening hours (i.e. the Netherlands); and

¹³ University of Vienna; Adam, George (2009) *Representatives of the European social partner organisations: Personal services sector*. Dublin: Eurofound, 2009.

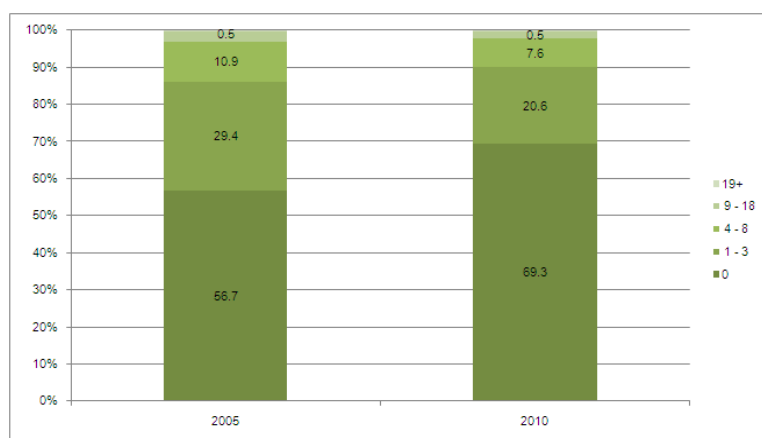
- Women wanting to work on a part-time basis as an independent hairdressing while their children are young (i.e. the Netherlands).

For example, in Germany, owner-operated establishments without employees made up 21.7% of all hairdressing businesses in 2003, with the share increasing by 6 percentage points to 27.7% by 2009. The growth in this type of establishment has been encouraged by changes in VAT rules and by loosening requirements regarding the obtaining of “master” level certification which is required to run a salon and train staff.

In the Netherlands the share of owner-operated businesses without employees increased by 14% between 2003 and 2009¹⁴ (see Figure 4.11). This trend is considered to stem from the individualisation of society, a higher labour market participation of women and measures to stimulate entrepreneurship supported by the government. An important development was the change in the establishment law¹⁵. This law regulates the establishment of new businesses. From 2004 onwards, the law removed formal requirements for a business qualification prior to setting up a business. This provided the opportunity for those without business qualifications who had the aspiration to set up their own salon to register a hairdressing business with the Chamber of Commerce. For this reason, the trend of an increasing numbers of self-employed individuals can also be found in other sectors. Other influencing factors have been changes to fiscal and legislative regulation and the fact that only low investment costs are needed to start a business as a self-employed hairdresser¹⁶.

Furthermore, most self-employed hairdressers without staff indicate that the reasons for being self-employed are “being able to be one’s own boss” and “being able to make your own choices and decisions”. This enables many individuals to better reconcile work and family life¹⁷.

Figure 4.11 Trend in the size of businesses, the Netherlands



Source: HBA data

Secondly, although this market structure applies to all eight countries, it is however clear that there are some countries where owner-operated hairdressing businesses without employees (self-employed hairdressers without employees) are particularly dominant in terms of their market share of all establishments in the sector. As shown by Figure 4.12 their share ranges from 92% in Hungary to 28% in Germany. Besides Hungary, other countries with high numbers of owner-operated hairdressing salons (without employees) include Italy (68%) and the UK. In the Netherlands, the statistics range from 50% to 69% but 59% is seen as the most reliable estimate. It is also interesting to note that in the Netherlands four out of five

¹⁴ Hoofdbedrijfschap Ambachten (HBA), “Structuuronderzoek kappersbranche 2009”, EIM, Zoetermeer, 2009.

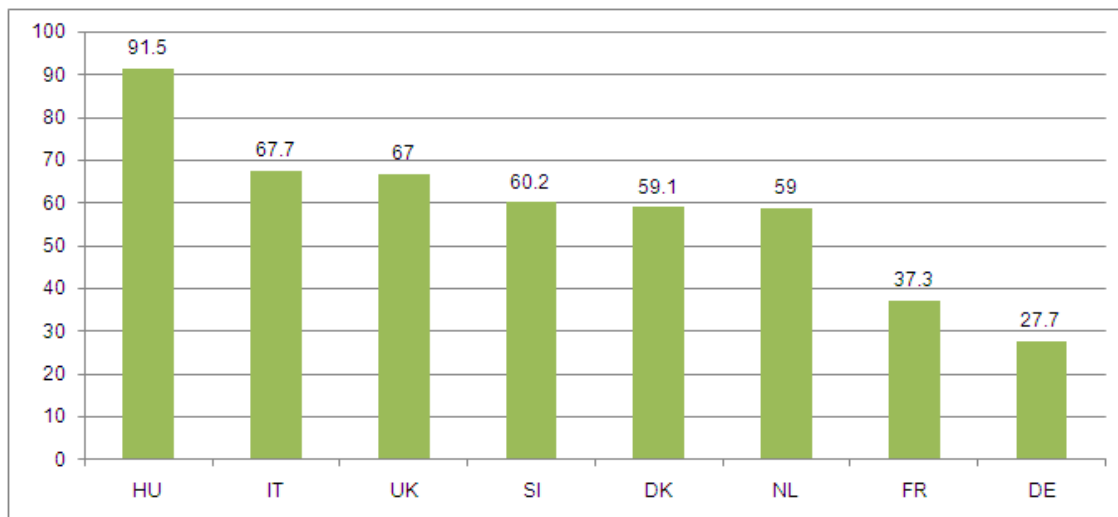
¹⁵ This law is called “Vestigingswet” in Dutch and was from 1954. From 1 January 2004 there is no license for establishment needed anymore for the hairdressing sector amongst other sectors.

¹⁶ Brancheplatform Kappers, “Eindmonitor en –evaluatie van het Arboconvenant Kappers. Eindrapport,” Amersfoort, January 2007.

¹⁷ Hoofdbedrijfschap Ambachten (HBA), “Structuuronderzoek kappersbranche 2009”, EIM, Zoetermeer, 2009.

owner-operated self-employed hairdressers without employees work more than 15 hours a week while one out of five works fewer than 15 hours per week.

Figure 4.12 The share of owner-operated salons without employees (self-employed) from all hairdressing establishments (%)



Note: Please note that one country can have several different sources that demonstrate the share of the owner-operated salons (without employees) from all hairdressing businesses. This graph presents the most reliable/representative figure put forward by the stakeholders. Please also note that slightly different figures may be used in other parts of the report due to the fact that they may provide a more detailed breakdown needed for the question at hand.

4.1.3.2 Medium and large hairdressing salons

Large hairdressing salons, i.e. those employing over 20-25 employees are still very rare. Even the share of salons with 10-20/25 employees is still relatively marginal. There are indeed only two of the larger countries (Germany and the UK) which have relatively high numbers of large salons – hairdressing businesses employing ten or more employees (see Figure 4.13 and Figure 4.14). Germany leads these statistics with 7.2% of all establishments having more than 10 employees. Germany is followed by the UK (6.5%). At the same time, larger businesses make up a marginal share of all hairdressing salons in Italy, Hungary and Slovenia (less than 0.5% of all establishments in the sector).

In Hungary, for instance, employees are more likely to be employed in small upmarket salons or in one of the very few chains operating in the country. Overall, from the total of around 23,000 establishments in the hair and beauty sector in 2008, the number of individual enterprises with at least two employees does not significantly exceed 100 in number. The situation is very similar in Italy. The industry experts from Italy assert that more than two thirds of hairdressing businesses are run by self-employed owner-operators and a further 18% are run by entrepreneurs with one dependent employee only. This means that only 13% of all businesses have between two to ten workers as there are no companies with more than 10 employees in the Italian hairdressing sector¹⁸.

¹⁸ Camera Italiana dell'Acconciatura

Figure 4.13 The share of establishments in the hairdressing sector by size – Table 1

| Number of employees | DK | DE | HU | IT | SI |
|---------------------|--------|-------|--------|-------|-------|
| 0 | 59.1% | 27.7% | 91.5% | 67.7% | 60.2% |
| 1 – 9 | 38.7% | 65.1% | 8.2% | 32.3% | 39.1% |
| 10 – 25 | 2.0%* | 5.9% | 0.2%* | 0 | 0.5% |
| 25+ | 0.2%** | 1.3% | 0.1%** | 0 | 0.2% |

Notes: Figures for DK and SI from 2006, DE and HU from 2009 and IT from 2010. Figures for HU provisional – TBC for the final report.

*Category refers to 10 – 19 employees

*Category refers to 20+ employees

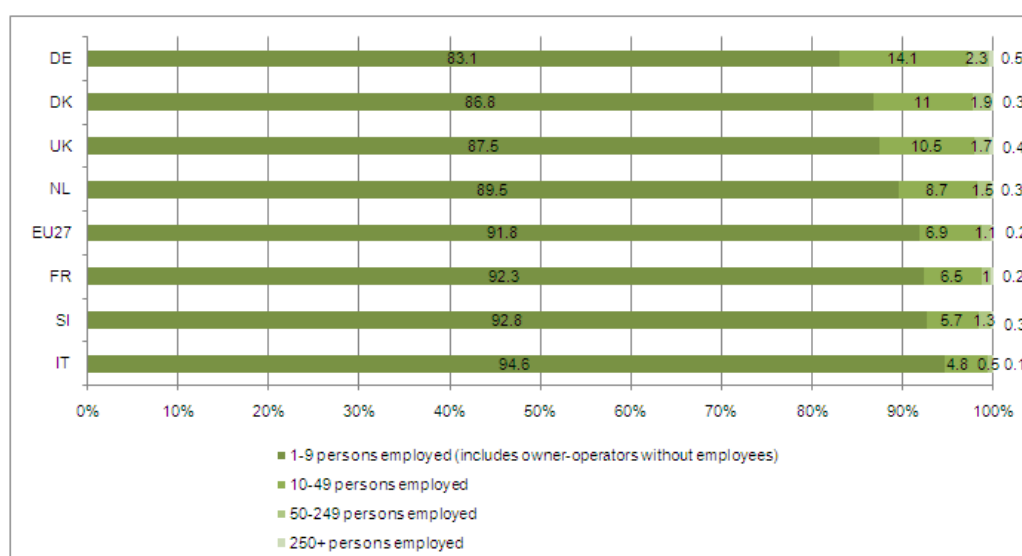
Figure 4.14 The share of establishments in the hairdressing sector by size – Table 2

| Number of employees | FR | Number of employees* | NL | Number of employees | UK |
|---------------------|-------|----------------------|-------|---------------------|-------|
| 0 | 37.3% | 0 | 69.3% | 0 – 10 | 93.5% |
| 1 – 5 | 56.4% | 1 – 3 | 20.6% | 11 – 49 | 6.4% |
| 6 – 19 | 6.2% | 4 – 8 | 7.6% | 50+ | 0.1% |
| 20+ | 0.1% | 9 – 18 | 1.9% | | |
| | | 18 + | 0.5% | | |

*Differences in the categories are due to the difference in the Dutch system of calculating the workforce of hairdressing businesses, especially the full/part-time self-employed hairdressers. Refers to 2010 figures.

While it is not possible to directly compare the sizes of hairdressing businesses with the sizes of businesses in the whole economy¹⁹, as shown by Figure 4.15, it is possible to see that the hairdressing sector differs from the structure of the whole (non-financial) business sector with the absence of medium and large enterprises.

Figure 4.15 Breakdown of non-financial business economy by class-size, 2006 (% share of total)



¹⁹ The enterprise class-size classifications do not match. For example, the Structural Business Statistics do not demonstrate a share of owner-occupied businesses without dependent employees from all businesses

Source: Structural Business Statistics as quoted in Eurostat Statistical Book on European Business: Facts and figures. 2009 edition.

Note: Figures not available for Hungary.

Evidence from the countries like Denmark, France and the Netherlands, however, indicates that larger hairdressing businesses are increasing their market share - “the bigger are becoming bigger” – while small and medium sized businesses (those with 1-10 employees) are losing ground. In Denmark, for example, the number of enterprises employing between 10 -19 staff have increased by approximately 66% between 2003 and 2006 with a total of 106 enterprises. In Germany, the market share of small salons with between 1-9 employees declined by 5.9 percentage points between 2003 and 2009: from 71% to 65%. This also applies to the Netherlands where the economic crisis has served to generate more business for self-employed owner-managers without employees who tend to cater towards the most price conscious clientele.

In France the share of salons with 1 – 5 employees declined by 2.3 percentage points between 1995 and 2005 (see Figure 4.16). At the same time there has been a six-fold increase in the share of hairdressing establishments with a larger number of employees (6 – 19); their share has risen from 1.1% in 1995 to 6.2% in 2009. This is an indication of the growing number of well known chains operating in these countries, though they still make up a marginal share of the total number of hairdressing businesses.

Figure 4.16 Trend in the types of establishments by size in France, 1995 - 2009



Source: FNC, 2009

4.1.4 Market structure; types of hairdressing businesses

Detailed statistics on the make-up of the sector are scarce and when such data are available, they are typically not gathered in a way which would allow us to compare the situation across the eight study countries. Consequently, this part of the report is based largely on anecdotal evidence from stakeholders with statistics included to support arguments when such data are available.

The number of **chains/franchises** has increased across the study countries. They now constitute an important part of the sector in France, Germany, the Netherlands and the UK but their role remains marginal in Hungary, Slovenia and to a certain degree also Italy. For example in Hungary there are only two major chains and one franchise network of salons operating in the country. Italy, on the other hand, has witnessed an increase in unisex, shopping centre based salons; many such salons are franchises and this is a phenomenon which is likely to see further growth in the coming years.

In the UK, chains and franchises make up a total of 19% of all hairdressing businesses (15% and 4%, respectively)²⁰, while in France they represent around one in ten salons. Chains however employ around a fifth of all employees in the French hairdressing sector and represent a similar share of the turnover of the sector. This reflects the fact that independent salons usually only have one or two employees while chain affiliated salons tend to be bigger.

Germany has experienced a 17% increase in the number of chain affiliated salons over a five year period between 2005 and 2009. Their number increased from 9,776 to 11,471.

In 2009, there were 15 chain and franchise businesses with 10 establishments or more in the Netherlands. These 15 businesses operated a total of 550 establishments. These 550 individual salons covered 3% of all establishments in the sector, employed 11% of the total workforce in the sector (4,650 workers) and generated 13% of the total turnover in the sector²¹. Seven of these large scale businesses had exclusively or predominantly franchise establishments whereas seven others consisted exclusively or predominantly of 'own' chains.

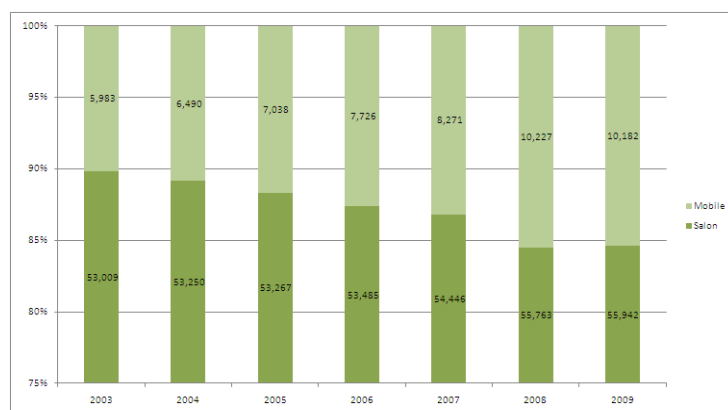
In other countries the share of chains/franchises of all hairdressing businesses remains at about 2%-5%. For example, in Denmark chains employ only a few of hundred workers in the sector, making only a small percentage of all workers and businesses in the sector.

The growing presence of chains and franchises in the market place has changed the competition in the sector as many chains are specialised salons. Either they offer a more expensive service which is characterised by 'a full hairdressing experience', high expenditure on advertising and a well known brand name with which many people want to associate. Or they may offer a standardised service at an affordable price but with a limit to the quality of the service offered.

Several countries have also seen increases in the number of **mobile hairdressers**. The ageing the population has helped to increase the market for hairdressers serving individuals in their own homes or in care homes, hospitals, etc. They also respond to a very specific demand from clients living in areas with no salons nearby and working women having no time to go to a salon so mobile hairdressers visit them in their home or workplace.

Most mobile hairdressers work as self-employed hairdressers, although France is an exception in that a third of all mobile hairdressers are actually registered as employees of a salon or another type of hairdressing business. In terms of their share from all hairdressing establishments, in France, their share has grown from around 10% in 2003 to over 15% in 2009 (see Figure 4.17). Such hairdressing businesses make up around 19% of all hairdressing businesses in the Netherlands.

Figure 4.17 Development of mobile and salon-based hairdressing establishments in France



Source: FNC, 2009

²⁰ Based on information from Habia.

²¹ Hoofdbedrijfschap Ambachten (HBA), "Structuuronderzoek kappersbranche 2009", EIM, Zoetermeer, 2009.

Turning to their share of employment, mobile hairdressers form up to 23% of all hairdressers and 33% of all self-employed hairdressers in the Netherlands²², around 10% of self-employed hairdressers in Germany, some 6.4% of all hairdressers in France, 5% of hairdressers in the UK and 1-2% of hairdressers in Denmark. Mobile hairdressing is not recognised as a form of hairdressing service in Slovenia.

In Italy, the situation regarding mobile hairdressers is somewhat more complicated. The law of 17 August 2005 n. 174 (*Disciplina dell'attività di acconciatore*) states that it is not legal to be a mobile hairdresser, but that hairdressing services can be provided in places of rehabilitation/cure. This typically means that the hairdresser has to have a permanent registered place of business where s/he exercises his/her profession, but that they can also provide the service in another location if this is required by the client.

Another characteristic of the hairdressing market is that more than **one beauty service company frequently operate from the same premise**, or a hair salon operates from within another large leisure or tourism business (such as spa, gym, health centre, hotel).²³

It is quite common in the Netherlands to operate a hairdressing business from a **domestic premise**. In 2009, a quarter of all hairdressing businesses (26%) were based at home of the hairdresser. Likewise, in Denmark, a substantial number of hairdressers carry out their business from home²⁴. In Slovenia on the other hand it is not legal to run a hairdressing business from a domestic premise.

Chair renting is an established or growing practice in countries like Germany, Hungary, Slovenia and the UK. The increase for example in Germany is evident from suppliers in that the number of supplies to different “businesses” being delivered to one address has increased, which would appear to indicate the operation of different establishments (with different accounting systems) from one salon (although the German employers’ organisation in the sector considers this to be largely shadow self-employment). Chair renting is still a marginal practice in Denmark and France. In France it is a recent phenomenon being driven by influences from other countries but strongly discouraged by the employers’ federations.

Chair renting is not a legally recognised form of practice in Denmark and Italy. It is a practice prevented by Danish laws and collective agreements, although sectoral experts estimate that around 1-2% of self-employed hairdressers work as ‘chair renters’. In Italy, chair renting is not recognised by law as a form of hairdressing practice. There was however a proposal last year to pilot a new type of employment in Italy, which would enable salon owners to let chairs to hairdressers. This proposal, known as *Avviso Commune*, was supposed to be included in the new national collective agreement for the hairdressing, aesthetics, trichology, tattoo, piercing and wellness centre sector. The agreement has not been yet signed, despite long negotiations between employers and unions. The old collective agreement is therefore still valid until a new one is signed.

The reason for suggesting the introduction of chair renting for FILCAMS CGIL was that it could allow companies/salons that work legally to reduce operation costs, as an alternative to suspending activities altogether (due to facing increasing competition from companies operating in the black market). This form of hairdressing practice would have allowed many hairdressers who are qualified but do not have the means to open their own business to get out of the black market. FILCAMS wanted there to be limits to how the modality could be used, to avoid the abuse of the new system. The proposal outlines these conditions, which were:

- One rented chair/booth for salons that have zero to three employees;
- Two rented chairs/booths for salons that have four to nine employees; and

²² Koninklijke Algemene Nederlandse Kappersorganisatie; information relates to 2004. Please note that the HBA data suggest that mobile hairdressers make up some 8% of the workforce in the sector. The HBA data may have been used in other parts of the report when it has provided a more detailed breakdown than other estimates.

²³ Rinolfi, V and Paparella, Domenica (2009) *Italy: Representatives of the European social partner organisations: Personal services sector*. Dublin: Eurofound, 2009.

²⁴ OHSA: E-Facts 34. Risk assessment for Hairdressers. European Agency for Safety and Health at Work.

- Three rented chairs/booths for salons with more than ten employees.

Those who have worked in the salon as employees in the last five years could not rent a chair, and the modality could not be used by salons that had made employees redundant in the last 24 months. The person renting the chair of course had to have the needed professional qualifications to work as a hairdresser.

FISASCAT-CISL did not want to ratify the agreement, even though FILCAMS CGIL and UIL TUCS-UIL were in agreement.

4.1.5 Turnover of hairdressing businesses

Figure 4.18 provides an overview of the turnover of the hairdressing sector in Denmark, France, Germany, the Netherlands, Slovenia and UK. The sector is largest in terms of total turnover in France with an annual turnover of EUR 5.64 billion. France is closely followed by Germany (EUR 5.51 billion) and the UK (EUR 4.17 billion).

Figure 4.18 Total turnover of the hairdressing sector (2009) and trend information

| Country | TOTAL (bn Euro) | Trend information |
|-----------------|-----------------|---|
| Denmark | 1.17* | 40% increase between 2000 and 2007, typically around 5% growth from one year to another |
| France | 5.64 | Relatively stable, though a 5% increase took place between 2007 and 2008 |
| Germany | 5.51 | n.a. |
| The Netherlands | 1.2 | n.a. |
| Slovenia | 0.07 | 74% increase between 2002 and 2009, with 1-14% growth each year. The most modest annual increase (1%) took place between 2008 and 2009 while the most significant increase (14%) took place between 2007 and 2008, reflecting the currency change in the country. |
| United Kingdom | 4.17** | 91% growth between 2000 and 2009, with an annual growth rate ranging from 3% to 15%. |

The NL figures refer to 2008 and the DK figures for 2007/2008.

*The Danish figure for the turnover covers the overall turnover for hairdressers, laundries and other services in 2007, while the number of establishments refers to establishments in the hairdressing sector alone. For this reason the Danish figures are likely to be significant overestimates of the real situation and not comparable to other countries.

**The UK figures are based on the data of the national statistics office, which are, according to industry representative, an underestimate of the size sector although they do include the beauty sector as well.

With regards to the trend in the turnover of the sector, the sector has seen fairly significant growth over the last decade in many countries. The UK demonstrates particularly strong growth, with industry experts indicating that the influence of fashion and the desire to look younger combined with economic growth and the increase in disposable income have caused the considerable growth in the size of the sector. The turnover continued to increase in 2008 despite the fact that the number of establishments dropped in 2009.

The overall turnover of the Danish hairdressing, laundry and other personal service sector increased by almost 40% between 2000 and 2007²⁵. The Danish Hairdressing Federation clarified that an average business saw a 13% growth in their turnover between 2000 and 2006.

According to the Slovenian stakeholders, changes in management and working practices have increased the efficiency and consequently the turnover of the hairdressing establishments. Another reason for the recent growth of the sector was the change in currency; in the beginning of 2007, the Tolar was replaced with the Euro causing a noticeable rise in the price of services, including hairdressing services. The turnover of the French hairdressing sector has been stable in the past years, apart from a 5% increase that took place between 2007 and 2008.

Figure 4.19 offers indicative information on the turnover of an average hairdressing establishment in the country. This data should be considered as indicative for comparative purposes only because the calculations are often based on rounded figures. Furthermore, the Danish turnover figures are likely to be a significant overestimate of the real situation and not directly comparable to figures from other countries while the UK figures are expected to be on the low side.

However, these indicative figures suggest that British and Danish hairdressing establishments have the highest turnover, followed by French, Germany and Dutch establishments. These statistics also make it clear that the vast majority of hairdressing businesses generate a rather modest annual turnover. For example, just over 40% of Dutch hairdressing businesses without employees realised a turnover of less than EUR 10,000 in 2008. In Germany, 71.3% of businesses turn over less than EUR 100,000 net per year and around 33% (around 25,270 businesses) do not appear on the sales tax register, as they turn over less than EUR 17,500 per year. Only 5% of salons turn over more than EUR 1 million net per year, which provides an indication of the size of some hairdressing chains (such as Klier or Esanelle), but also demonstrates their relatively small significance in relation to the overall turnover of the sector (net taxable turnover was around EUR 5.51 billion in 2008) (see Figure 4.20).

Information is also provided on the turnover by employee, based on information on total workforce size in the sector. It is however important to bear in mind that these data are not directly comparable due to differences in the definitions / coverage of 'total workforce'.

Figure 4.19 Total turnover of the hairdressing sector per establishment and per employee, 2009

| Country | PER ESTABLISHMENT (Euro) | PER EMPLOYEE (Euro) |
|-----------------|---|---------------------|
| Denmark | 223,626* | 91,205 |
| France | 85,294 | 32,507 |
| Germany | 71,112 | 20,084 |
| The Netherlands | 67,435 per business 64,781 per establishment | 25,946 |
| Slovenia | 29,268 | 11,359 |
| United Kingdom | 166,573 | 25,748 |

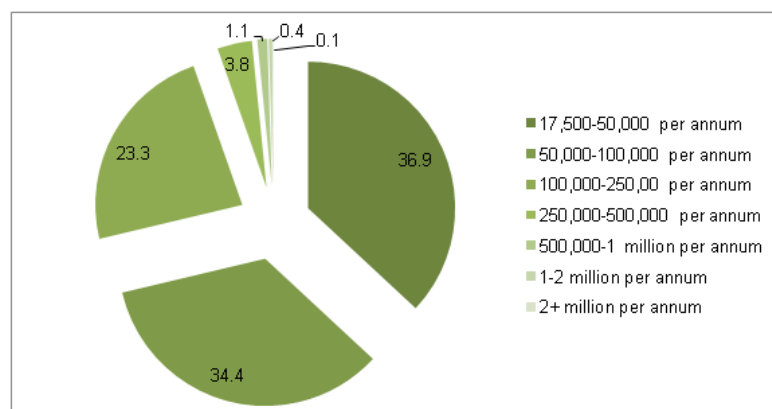
The NL figures refer to 2008 and the DK figures for 2007/2008.

*The Danish figure for the turnover covers the overall turnover for hairdressers, laundries and other services in 2007, while the number of establishments refers to establishments in the hairdressing sector alone. For this reason the Danish figures are likely to be significant overestimates of the real situation and not comparable to other countries.

²⁵ According to the latest statistics available at Denmark's Statistics, the Statistics bank [Danmarks Statistik, Statistikbanken].

***The UK figures are based on the data of the national statistics office, which are, according to industry representative, an underestimate of the size sector.*

Figure 4.20 Share of overall turnover by size of business, Germany (Euros)



Source: Statistisches Bundesamt, 2009

Limited information is available on the turnover of different types of hairdressing businesses. Such evidence however implies that the small number of hairdressing chains make up a relatively high share of the overall turnover of the sector in many countries. Evidence is available from Denmark and France to support this. For example, in France, chains and franchises turn over EUR 1.2 billion per year, thus accounting for 21% of the total turnover of the sector, though they constitute only 8% of all businesses in the sector. The annual turnover of independent salons is EUR 4.05 billion, constituting 72% of the total turnover of the sector. Mobile hairdressers make up closer to 17% of businesses but only 7% of the total turnover of the sector with EUR 390 million²⁶.

Figure 4.21 Share of different types of hairdressing businesses, France

| | Independent salons | Chains/franchises | Mobile hairdressers |
|---|------------------------|-----------------------|----------------------|
| Number and share of all hairdressing establishments | 50,400 (75%) | 5,600 (8.3%) | 11,000 (16.6%) |
| Share from total turnover of the sector | EUR 4.06 billion (72%) | EUR 1.2 billion (21%) | EUR 390 million (7%) |

Source: Rapport de branche des entreprises de coiffure, CNEC 2008

In terms of trends, larger salons and chains are progressing faster in terms of turnover than other businesses in the sector. In France, they saw a +2% growth in turnover between 2007 and 2008 while the turnover of independent salons remained the same (0%). The strongest progression is however observed for mobile hairdressers (+3% increase). A similar trend is apparent in Denmark as well, with larger salons increasing their turnover at a faster pace than other types of businesses by the Danish Hairdressing Federation²⁷. In fact, the turnover of many independent one-person salons has been stagnating²⁸.

Information on the average turnover of owner-operated salons without employees (self-employed) and hairdressing businesses with employees is available for the Netherlands and Slovenia. This data shows that, first, that in Slovenia, in 2009, the turnover of owner-operated businesses without employees was six times smaller than the average turnover of a business with employees (see Figure 4.22). In 2009, an average annual turnover of a self-employed hairdresser was EUR 23,279 while the figure for other types of hairdressing businesses was EUR 163,734.

²⁶ Rapport de branche des entreprises de coiffure, CNEC 2008

²⁷ Interview, Danish Hairdressing Federation, February 2011.

²⁸ Idem and Analysis of the hairdressing sector ['Analyse af frisørbranchen'], May 2008, *newinsight*.

The difference between the turnover of such businesses has declined from the turnover of the self-employed being around nine times smaller than the average turnover of hairdressing businesses with employees; the average annual turnover of the self-employed however increased by 39% between 2002 and 2009 while the average annual turnover of other hairdressing businesses declined by 15%.

Figure 4.22 Average annual turnover of hairdressing businesses (Euro), Slovenia (2002-2009)



Source: National statistics office, 2011

Quarterly turnover data from the Netherlands suggest (see Figure 4.23) that the turnover of self-employed hairdressers is almost four times smaller than the turnover of chain affiliated businesses.

Figure 4.23 Turnover according to the type of business, first quarter of 2009 in Euro (inclusive of VAT)²⁹

| TYPE OF BUSINESS | TURNOVER FOR THE QUARTER (Euro) |
|---|---------------------------------|
| Self-employed without employees | 11,864 |
| Businesses with staff and turnover lower than 175,000 euro | 27,061 |
| Businesses with staff and turnover higher than 175,000 euro | 73,690 |
| Chain companies | 46,089 |

Source: Stratus, provided by the employer organisation ANKO

Note: based on a small sample of 228 businesses

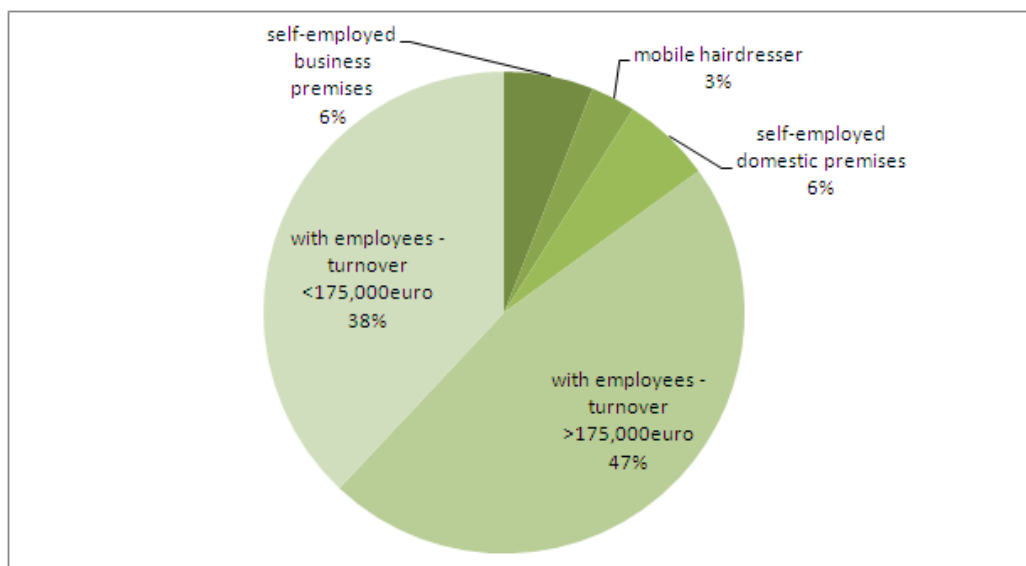
Overall, self-employed hairdressers in the Netherlands make up around 15% of the total turnover of the sector. To be more specific, at the end of 2008, the turnover of the hairdressing sector amounted to a total of around EUR 1.2 billion exclusive of VAT. Of this amount, 85% came from businesses with employees. The circa 7,000 businesses with employees (42% of all businesses) produced a turnover of around EUR 1 billion. The small-scale characteristic of the Dutch hairdressing sector can be seen from the fact that businesses without employees (58%) are responsible for 15% of the total turnover (or around EUR 0.2 billion). More specifically, the self-employed without staff working in their own domestic premises (26% of all businesses) have a turnover share of 6% or EUR 71 million; mobile hairdressers (19% of all businesses) have a turnover share of 3% or EUR 31

²⁹ J.E. Baukema, R. Hoevenagel, "ANKO Kwartaalmonitor. 1e kwartaal 2009", Stratus iov ANKO, Zoetermeer, 2009.

million and the self-employed without staff working on business premises (13% of all businesses) have a share of 6% of the turnover or EUR 72 million³⁰.

Figure 4.24 below presents the share of turnover in percentage for each type of hairdressing business.

Figure 4.24 Share of turnover in percentage for each type of hairdressing business, 2008



Source: GHK based on HBA data

Around half of businesses with employees have increased their turnover in 2008 compared to 2007 whereas 17% were confronted with a decrease in turnover. With regard to the businesses without employees, turnover remained similar to 2007 for the majority of hairdressers. One third of the self-employed without employees working on business premises had a lower turnover in 2008 than in the previous year.

4.1.6 Cost and prices of hairdressing services

It has not been possible to obtain comparable information from the stakeholders on the cost and price of hairdressing services by the type of hairdressing business. Broadly speaking limited evidence suggests that prices charged by mobile hairdressers and self-employed hairdressers without employees working at home are lower than for example the prices charged by larger businesses. Some stakeholders also pointed out a growing low price competition from salons run by migrant hairdressers.

4.1.7 Geographical dimension

Evidence on the geographical dimension of the hairdressing sector is limited but it provides us with a number of key messages. First, some of the capital city regions have the highest density of hairdressing establishments. For example, about 20% of all Hungarian hairdressing businesses are registered in Budapest, which accounts for circa 18% of the country's population.

In broad terms the differences in density of hairdressing establishments reflect the structure of the hairdressing sector in each country. For example, in France the average density is 1 salon for 1,000 inhabitants, while the density in the major Italian cities ranges from 1 salon per 336 - 603 inhabitants (Rome, Turin, Naples and Milan). This reflects the structure of the hairdressing sector in these countries in that Italy is dominated by a very high number of hairdressing establishments managed and run alone by their owner-managers, while the structure of the French hairdressing sector is more evenly spread among businesses run by

³⁰ Hoofdbedrijfschap Ambachten (HBA), "Structuuronderzoek kappersbranche 2009", EIM, Zoetermeer, 2009.

owner-managers without dependent employees and salons run by employers together with their dependent employees.

In terms of catchment areas and concentration of hairdressing businesses, hairdressing businesses with employees are more likely to be found in shopping centres or by busy shopping streets, while self-employed hairdressers without dependent employees and other smaller hairdressing established can be more likely to be found in rural areas and more quiet residential areas. As an example, almost half of Dutch hairdressing businesses with employees which have a turnover of at least EUR 175,000 are located in the most important shopping area of the specific location in which they operate.

4.2 Labour market trends in the sector

Key findings from this section include the following:

- The hairdressing sector workforce typically accounts for 0.4%-0.8% of total employment in the country.
- Self-employment is far more common in the hairdressing sector than in the economy as a whole. The self-employed make up a particularly high share of the sectoral workforce in Hungary. Most countries have seen an increase in the share of the self-employed in the total workforce.
- Self-employed individuals working in the sector are typically older than employees in the sector and are more likely to work part-time.
- The workforce in the sector is young, is dominated by female workers and is characterised by high levels of part-time employment. As many as nine out of ten workers in the sector are female, with Italy being the only study country with a more evenly balanced workforce; male hairdressers make up 40% of all hairdressers. The share of part-time workers from all workers varies from the high of the Netherlands (70%) to the low of around 10% in Hungary and Slovenia.
- There is a high level of staff turnover in the sector with low wages being one important contributing factor. Health and safety conditions in the sector are also mentioned as a cause for leaving.
- Undeclared work is seen by many as one of the most significant challenges facing the sector, presenting issues for consumers, businesses operating in the formal economy and individual workers.

This section provides information on the baseline situation regarding labour market trends in the hairdressing sector. It provides information on the following:

- Total employment in the sector
- Self-employment in the sector
- Gender profile of the workforce
- Age profile of the workforce
- Skill level of the workforce
- Type of employment in the sector (part-time vs. full-time employment)
- An analysis of the incidence of undeclared work in the sector
- Pay level in the sector
- Collective agreement coverage in the sector

Comparisons against the whole economy have been completed for the most important indicators.

4.2.1 Total employment in the sector

The 328,000 hairdressing establishments in the eight study countries have a total workforce of around 850,000 – 950,000 workers. As shown by Figure 4.25, Germany has the largest number of workers in the hairdressing sector. Germany is followed by two other large Member States, France and UK.

Figures for the number of employees in the French hairdressing sector vary from 113,961 hairdressers up to 173,500 individuals working in the sector as a whole. The figures from the UK vary from 161,900 to 245,800 depending on the source.

Figure 4.25 Total number of workers in the hairdressing sector, 2009

| Country | Number of employees | Percentage of total employment in the country** |
|-----------------|---|---|
| Denmark | 12,848 (Arbejdstilsynet) | 0.4% |
| France | Hairdressers: 121,500 (CNEC, 2008), 113,961 (FNC, 2009) Total working population in the sector: 173,500 (CNEC, 2008), 162,000 (FNC, 2009) | 0.5 – 0.7% |
| Germany | 274,350 (BGW)* | 0.7% |
| Hungary | 42,300 (Eurostat) According to information on number of establishments and the size of businesses, it is expected that the actual employment figure is around 25,000 | 1.1% 0.6% |
| Italy | Approx. 150,000 (CIA, estimate) | 0.6% |
| The Netherlands | 46,250 (Interpolis and HBA) | 0.5% |
| Slovenia | 6,300 (Eurostat) | 0.7% |
| United Kingdom | 161,819 (ONS, LFS), 245,795 (Habia) | 0.5-0.8% |

Note: The figures for HU (Eurostat) and UK (ONS) include hairdressers and workers from the beauty sector.

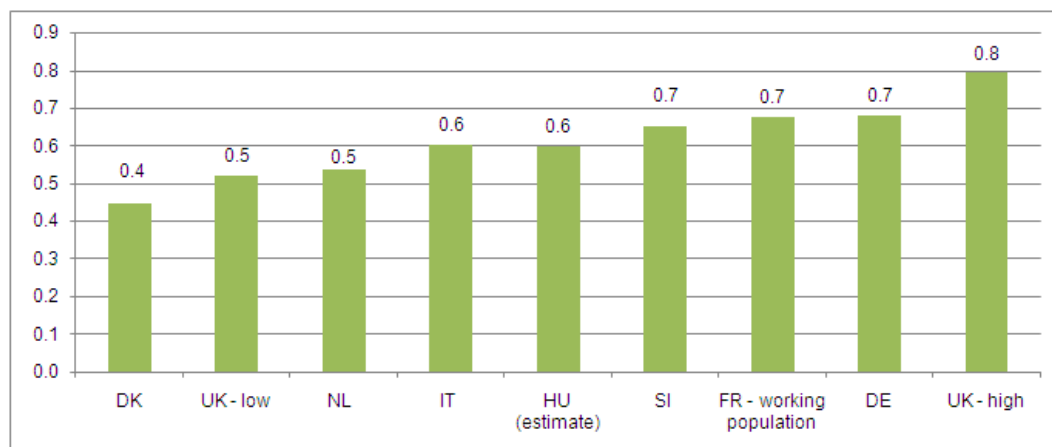
* These are the numbers registered by BGW, the total number could be somewhat higher.

** Based on Eurostat information for total employment in the countries in question in 2009.

Figure 4.26 provides an analysis of the size of the hairdressing sector workforce in comparison to total employment in the country. It shows that, typically, the hairdressing sector workforce makes up 0.6% – 0.7% of total employment in the country. This share ranges from 0.4% in Denmark to 1.1% in Hungary, though the Hungarian figure is seen as an over-estimate of the real situation in the country; in fact, it is estimated that the workforce in the sector could actually account for some 0.6% of total employment in the country.

Overall, Hungary, UK, Germany, France and Slovenia have the largest hairdressing sectors when compared to total employment in the country.

Figure 4.26 Share of hairdressing sector employment from total employment in the country, 2009



Source: Based on the total workforce in the hairdressing sector from 'total employment' in the country, on the basis of Eurostat LFS data for 2009.

4.2.2 Self-employment in the hairdressing sector

In terms of the total number of self-employed individuals working in the hairdressing sector, data from the eight countries indicate that the share of the self-employed of all workers in the sector varies from up to around 60% in Hungary to around 26-30% in Denmark, France and Germany (see Figure 4.27).

The table also shows that self-employment is far more common in the hairdressing sector than in the economy as a whole; the level of self-employment in the study countries ranges from the high of 23% in Italy to just 6% in Denmark. Self-employment is more in line with the rates of self-employment in other service sectors, which tend to have higher rates of self-employment than most other sectors.

Figure 4.27 Self-employment in the hairdressing sector

| Country | Share (%) of self-employed from all workers in the sector | Self-employment in whole economy) | Self-employment in the 'other service sector' |
|-----------------|---|-----------------------------------|---|
| Denmark | No clear figures but estimated at around 26% in 2006 (estimate based on the share of owner-operated businesses from total employment, likely to be an under-estimate) | 6.2% | 15.8% |
| France | 30% (CNEC) | 9.1% | 20.1% |
| Germany | 28% (estimate based on the share of owner-operated business without employees, actual figure likely to be higher) | 11.0% | 20.2% |
| Hungary | 61% (Eurostat) | 11.0% | 41.5% |
| | Estimates suggest that this figure could actually be as high as 86% | | |
| Italy | Approximately 42% | 23.4% | 40.2% |
| The Netherlands | 44% (Interpolis and HBS structural research) | 13.4% | 32.3% |
| Slovenia | 40% (Eurostat figure, actual figure may be higher) | 17.3% | 26.1% |

| Country | Share (%) of self-employed from all workers in the sector | Self-employment in whole economy) | Self-employment in the 'other service sector' |
|----------------|---|-----------------------------------|---|
| United Kingdom | 38-45% (depending on the source, ONS and Habia) | 13.7% | 28.5% |

* No exact statistics on the number of self-employed hairdressers in Denmark and the statistic quoted above are likely to be an over-estimate of the real situation. They are based on the share of owner-operated hairdressing businesses without employees from all hairdressing businesses.

Notes: Self-employment in the whole economy refers to the share (%) self-employment from total employment. The figures have been calculated on the basis of LFS 2009 data.

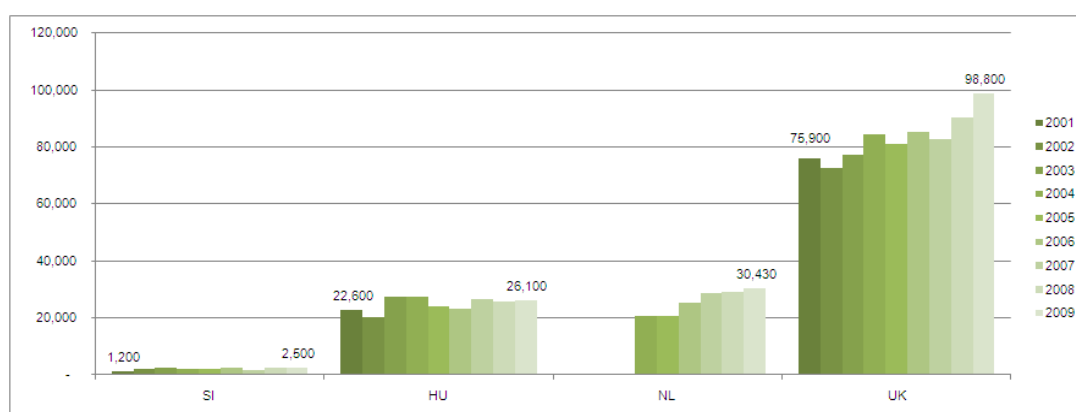
Self-employment in the 'other service sector' refers to the share (%) self-employment from total employment in the sector. The figures have been calculated on the basis of LFS 2009 data for the sector known as sector S (other service activities). The figures includes the self-employed with and without dependent employees and therefore they are not always comparable with the figure available for the hairdressing sector (some of which only include the self-employed without dependent employees, like in the case of Denmark). The sector S is a broad service sector of three types of services: (1) S94 - Activities of membership organisations (covering, for example, trade unions, employers' organisations, professional bodies, religious and political organisations, etc.); (2) S95 - Repair of computers and personal and household goods; and (3) S96 - Other personal service activities (includes, for example, laundrettes and dry-cleaning services, hairdressing and other beauty treatment, funeral and related activities, physical well-being activities).

The Eurostat LFS data is the most comprehensive data source for demonstrating trends in the number of self-employed hairdressers (see Figure 4.28) but it should be noted that some of the figures may differ from those given above as national sources have been used above whenever possible (as this is more likely to cover solely the hairdressing sector).

On the basis of these statistics (only four of the countries in our study are covered by this data), the number of self-employed hairdressers doubled in Slovenia between 2001 and 2009. The UK has seen a 30% increase and a 15% increase is apparent in Hungary. The Netherlands witnessed a 48% rise in the number of self-employed hairdressers between 2004 and 2009.

Further information on self-employment in the sector is presented in section 5.1.

Figure 4.28 The trend in the number of self-employed hairdressers



Source: Eurostat LFS data.

Note: Figures for SI need to be read with caution due to reliability issues caused by the sample size

4.2.3 Gender breakdown

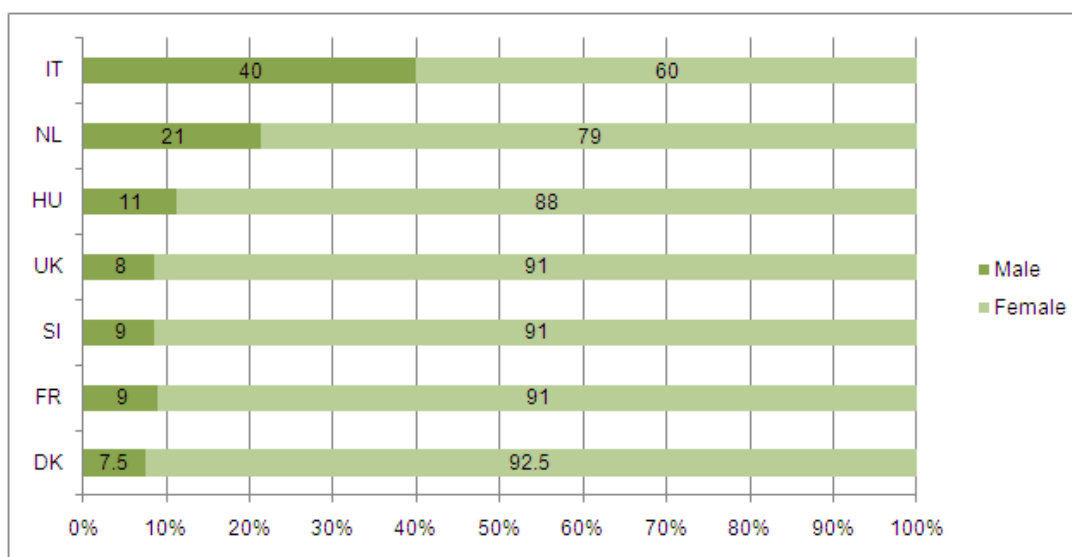
Employment in the sector is characterised by a significantly higher share of female than male workers. In many countries women make up nine out of ten workers in the sector. As shown by Figure 4.29, this applies to Denmark, Hungary, France, Slovenia and UK. Overall, 86% of

all hairdressers are female in the six study countries which have detailed data on the gender breakdown of the hairdressing sector workforce³¹.

Italy is the only country with a more evenly balanced workforce: two out of five employees in the sector are men. In the Netherlands the rate is somewhere between the two 'extremes' but there are signs that the sector is becoming more and more female-dominated too. For example, today four out of five Dutch hairdressers are women whereas 20 years ago around two-thirds of hairdressers were men.

No gender breakdown is available for Germany, but there is a similar pre-dominance of women in the sector.

Figure 4.29 Gender breakdown: share of male and female workers in the sector (%)

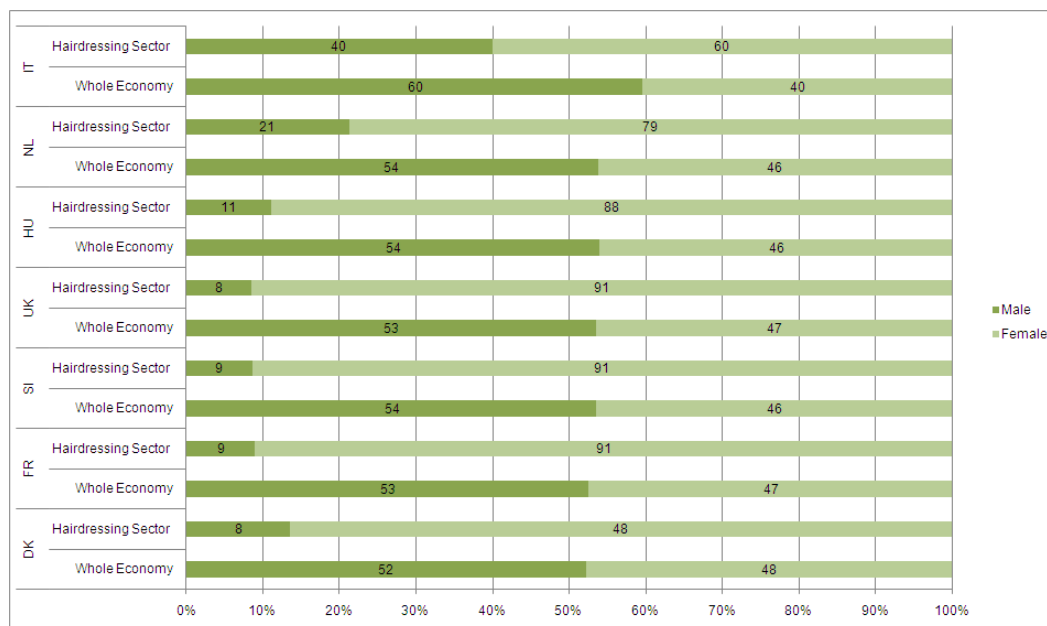


Sources: The figures for the NL based on HBA data; the figures for France based on the gender breakdown of CNEC data for the total working population of 173,500; The Slovenian figures (Eurostat LFS) are partially unreliable and should be regarded as indicative only; the Danish figures based on an estimate from the stakeholders that around 90%-95% of all hairdressers are female; Italian figure is based on information from key stakeholders in the country; Hungarian and Slovenian figures are based on LFS data; the UK data sources are Habia and ONS.

As shown by Figure 4.30 the gender profile of the hairdressing sector workforce is significantly different to the gender profile of the total labour force in the countries included in the study. While women make up 40-48% of all workers in the study countries, they represent 60-93% of all workers in the hairdressing sector. The difference is less pronounced in Italy than in other countries due to the relatively high share of male hairdressers and in comparison to other countries, relatively low labour market share of female workers out of the total labour force in the country.

³¹ This includes France, Hungary, Italy, the Netherlands, Slovenia and the UK

Figure 4.30 The gender breakdown of the hairdressing sector workforce in comparison to the situation in whole economy



Sources: See previous figure for data sources for the hairdressing sector data. The whole economy data is based on Eurostat LFS data for total employment among 15-64 year olds (2009 Q1).

Generally speaking the sector has become increasingly female-dominated in most countries, although the share of male employment in the sector has increased (e.g. Slovenia). Italy on the other hand has seen a gradual reduction of salons exclusively dedicated to men (so-called "barber shops") and to women (the "stylists"). For a long time in Italy, this was the usual format for hair salons as municipal regulations, for example, forbade barbers to serve women and vice versa. This trend is now disappearing due to changes in legislation, customs and culture.

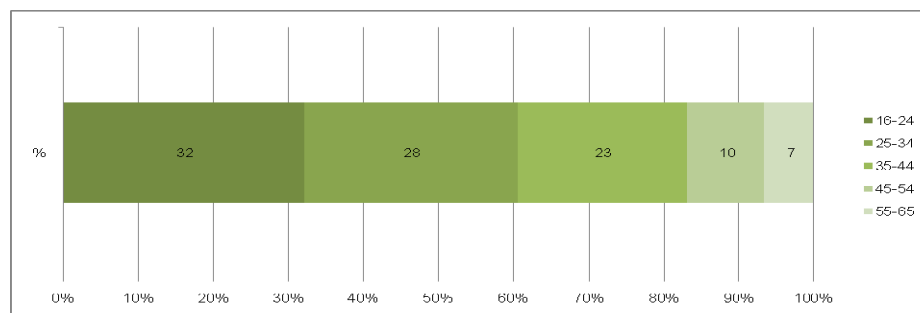
Other gender based characteristics of the sector include the following:

- There is evidence to suggest that male hairdressers are more widely represented among older hairdressers and one-person salons because within this business type there are a lot of specialised male hairdressing salons in which men work predominantly. In France, the proportion of male managers is higher in chain affiliated salons (37%) than in other types of hairdressing salons.
- Mobile hairdressers and self-employed hairdressers working from a domestic premise are predominantly women (e.g. France and the Netherlands);
- Part-time working is particularly widespread among female workers as women tend to work until they have children and then potentially come back to work later on a part-time basis (e.g. Germany and the Netherlands).

4.2.4 Age profile of the workforce

The hairdressing sector workforce is young. Comparable data are available on the age profile of hairdressing sector workers in France, Hungary, the Netherlands, Slovenia and the UK and these data show that nearly a third of workers are 16-24 years of age (see Figure 4.31). A further 28% are 25-34 years of age. This means that three out of five workers are under the age of 34.

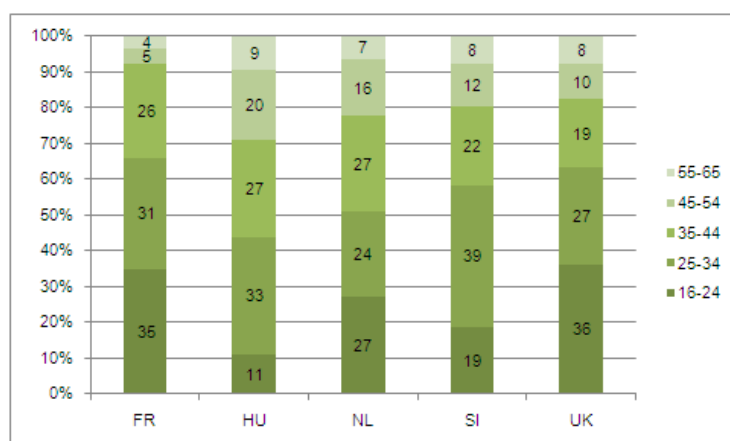
Figure 4.31 Age profile of hairdressing sector workforce in five study countries



The workforce is particularly young in France and the UK where over a third of workers are younger than 24 (see Figure 4.32). Denmark has a similar workforce profile in terms of age as in 2006 about 35% were below 30 years of age. This picture has not changed considerably since 2000 in Denmark, although stakeholders from the Netherlands and Slovenia revealed that there has been a noticeable decline in the number of the young(est) employees (aged between 15 and 24).

Hungary has a notably older profile of hairdressing sector workers, partially reflecting the especially high rates of self-employment in the sector.

Figure 4.32 Detailed account of the age of the workforce in five study countries (%)



Sources: France (CNEC) and Eurostat, LFS, 2010 [category 5141 of the LFS "Hairdressers, barbers, beauticians and related workers] for the other four countries.

Note: Some of the figures for SI should be regarded as indicative only due to reliability issues with the data.

The workforce is young compared to other sectors. For example, in Hungary, 44% of hairdressers are below the age of 35 while the corresponding ratio for employed persons in all sectors is 34%. In France the under-24s make up 35% of all workers in the hairdressing sector while they constitute just 9% of the workforce in the labour market as a whole.

Evidence from Denmark, France and the Netherlands reveals that self-employed hairdressers tend to be older than hairdressers working in salons as 'employees'. For example, in France overall an average age for an employee in the sector is 32 years while an average age for salon owners and self-employed people is considerably higher at 43.5³². The average age of a Dutch entrepreneur in the hairdressing sector is 42 years old. However, because of the constant flow of new and young entrepreneurs into the profession, overall the age of entrepreneurs in the sector has been decreasing over time whereas the average age of employees has been increasing. Self-employed mobile entrepreneurs tend to be younger than other types of self-employed hairdressers³³.

³² CNEC, 2008

³³ Hoofdbedrijfschap Ambachten (HBA), "Structuuronderzoek kappersbranche 2009", EIM, Zoetermeer, 2009.

4.2.5 Staff turnover

Many stakeholders raised concerns about the attractiveness of the sector resulting in high levels of staff turnover. As an example, on average, hairdressers in Denmark stay in the hairdressing sector for 8.4 years, including the four years of education and vocational training³⁴. Likewise, in Slovenia, many hairdressers only stay in the sector for a short time after which many re-train and change their profession. In the Netherlands, an annual staff turnover rate in the hairdressing sector is around 16%³⁵.

In the UK that the sector also has a very high staff turnover rate with up to 14% of staff leaving their post in one year³⁶. One of the reasons is that many apprentices and workers of hairdressing salons end up setting up their own business, once they have learnt their trade³⁷. New workers in the sector also have different and higher career expectations than their older colleagues. They have a different view about training expectations, career paths, wages, and a growing number of women working in the sector want to negotiate a part-time working arrangement to suit their family commitments.³⁸ People working in the sector also appear to retire early in comparison with the workforce as a whole in the UK³⁹.

The main reasons for leaving the sector were analysed in France in 2008. This shows that among the 30,200 employees who left the sector in that year, the main reasons were the end of subsidised contract (34%), resignation (30%) and the end of a fixed-term contract (18%). Illness as a cause for leaving represented 2% of cases⁴⁰. Survey data from Denmark presented in section 4.3 below also indicate the importance of health and safety concerns in leavers from the sector.

4.2.6 Skill level of the workforce

In general terms, there is a broad variation in the quality of hairdressing service provisions between Member States⁴¹. This is a result of great differences in national training standards and provisions. The European social partners have launched several initiatives to introduce European standard training in a form of a uniform European hairdressing certificate. They have also signed an autonomous framework agreement introducing voluntary European hairdressing certificates and are currently working on practical implementation.

Comparative statistics on the skill and qualification levels of hairdressing sector workers are scant. The special extraction of LFS statistics for Hungary, the Netherlands, Slovenia and the UK indicate that the great majority or nearly all employees in the sector are educated to a medium level (ISCED 3 or 4) (see Figure 4.33). In practice, this means that:

- Only a minority of hairdressers have only achieved primary or lower secondary level qualification (ISCED 0-2), and many of them are either support staff or apprentices / other trainees who are still in the course of finishing their education.
- The share of the 'low skilled workers' is slightly larger in the Netherlands and the UK than in Hungary and Slovenia where practically all workers have a qualification at ISCED level 3 or 4. This is partially reflective of the trend in the qualification levels of workers in those countries as a whole; as shown in Figure 4.33 a larger share of all workers in Hungary and Slovenia go and achieve *at least* medium level qualifications than in the Netherlands and the UK. Education is compulsory in Hungary until the age of 18 and the country has a relatively low rate of early school leaving (in comparison to the European

³⁴ The Knowledge Centre for Hairdressers and Beuticians [Videnscenter for Frisører og Kosmetikere].

³⁵ EIM, 'Arbeidsmarktmonitor. Kappersbranche', Zoetermeer, September 2008.

³⁶ Ecotec (2000) *New Trends and Developments in the European Hairdressing Sector*, CIC-Europe and Uni-Europa

³⁷ Rinolfi, V and Paparella, Domenica (2009) *Italy: Representatives of the European social partner organisations: Personal services sector*. Dublin: Eurofound, 2009.

³⁸ Habia (2007) *Skills foresight report for the hair and beauty sector 2007*. Doncaster: Habia, 2007.

³⁹ Habia (2008) *Skills Analysis of the Hair and Beauty Sector*

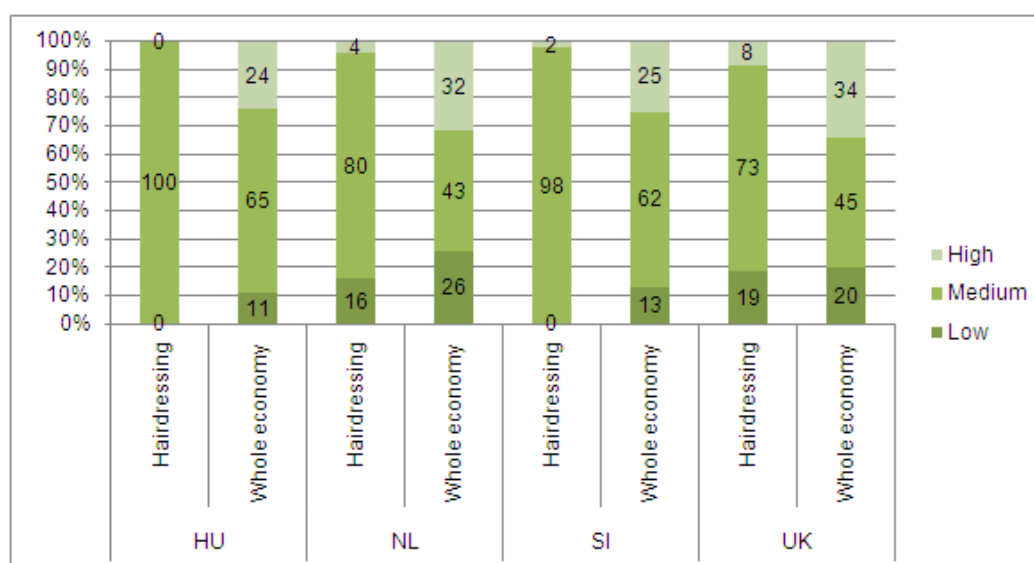
⁴⁰ No data are available to compare this to the situation in other sectors.

⁴¹ University of Vienna; Adam, George (2009) *Representatives of the European social partner organisations: Personal services sector*. Dublin: Eurofound, 2009.

average), meaning that most young people have at least an upper secondary level qualification (or an alternative shorter vocational qualification) when they finish their studies. Furthermore, all hairdressers in Hungary (and Slovenia) have to undergo training and they have to obtain a certificate at the end of their studies before they can start a business.

- The level of qualification most hairdressers hold (ISCED level qualification 3 or 4) typically refers to an upper secondary level qualification (vocational or general) but also includes many one to three year vocational and adult education courses which do not lead to an upper secondary certification. This is reflective of the fact that most vocational hairdressing studies lead to ISCED 3-4 level qualifications, which are classified as medium level skills by the Eurostat classification.
- The low share of highly skilled employees (ISCED 5 and 6) is due to the fact very few hairdressers hold a qualification from a higher education institution. For example, national statistics from France show that only 0.5% of workers in the sector hold a university or other HE level qualification. In the Netherlands only around 70 out of surveyed 16,900 hairdressers hold a HE degree. This also means that the sector has a smaller share of employees with a university degree qualification than many other sectors.

Figure 4.33 Skill level of the hairdressing and beauty sector workforce in comparison to the skill level of the labour force in the country, Eurostat LFS, 2009



Sources: Eurostat, LFS, 2010 [total employment 15-64 year olds in 2009 Q1 and the hairdressing sector data refers to the category 5141 of the LFS "Hairdressers, barbers, beauticians and related workers"]

Note: Some of the figures for SI and NL should be regarded as indicative only due to reliability issues with the data.

Definitions: Low level skills refer to ISCED 0-2 level qualifications (meaning that usually those individuals hold a lower secondary level qualification at most), medium level skills refer to ISCED 3-4 level qualifications (meaning that usually those individuals hold an upper secondary level qualification or another vocational qualification obtained for example through VET or adult education) and high level skills refer to ISCED 5-6 level qualification which are qualifications from higher education institutions (bachelor and master degrees, Phd's, etc.)

Similar trends also apply to other countries. For example, about 75% of all hairdressers in Denmark have a legally certified hairdressing education and 20% are currently undergoing training to obtain such a qualification.⁴²

It is however important to bear in mind that the LFS may not be the most appropriate source of data to describe the skill levels in the hairdressing sector. Usually national statistics on

⁴² Analysis of the hairdressing sector ['Analyse af frisørbranchen'], May 2008, *newinsight*.

hairdressing qualifications provide a more accurate picture of the situation. In fact many national bodies representing the hairdressing sector collect detailed statistics on the qualification level of employees and self-employed hairdressers.

More detailed statistics on the education level of hairdressers is available for France and the UK. For example, as shown Figure 4.34, there are four National Vocational Qualification (NVQ) skill levels for hairdressers in the UK. NVQ level one is a support role, level two is providing advice and consulting clients, level three combines supervisory skills and developing artistic flair while level four is the managerial level⁴³. On the basis of this breakdown, in 2007, the greatest percentage of workers in the sector were qualified at NVQ level three level (37.8%) and 35.3% of the workforce in the sector were qualified to NVQ level 2. Around one in five employees had only a basic level qualification (18.3% were qualified at NVQ level one) and only 8.5% were qualified to level four⁴⁴.

Figure 4.34 Education level in the hairdressing and beauty sector, UK, 2007

| Education level | Explanation | Share (%) |
|-----------------|----------------------------------|-----------|
| Skill level 1 | Unskilled | 18.3% |
| Skill level 2 | Skilled – basic qualification | 35.3% |
| Skill level 3 | Skilled – advanced qualification | 37.8% |
| Skill level 4 | Managerial | 8.5% |

Source: Habia, 2007

The vast majority of hairdressers in France are not qualified beyond the upper secondary level education, but hold either a general, technical or vocational baccalaureate (42.5%) or hold a lower grade vocational certificate, e.g. CAP (44%).

Figure 4.35 Education level in the hairdressing sector, France, 2006-2008

| Education level | Share (%) |
|--|-----------|
| Level I and II (ISCED 5 and higher – Bachelor degree and higher) | 0.5% |
| Level III (ISCED 4, end of first cycle of higher education, e.g. higher technician diploma, BTS) | 0.4% |
| Level IV (ISCED 3, general, technical or vocational Baccalaureate) | 42.5% |
| Level V (ISCED 2, equivalent to BEP and CAP) | 44.2% |
| Level VI (no training beyond the end of compulsory education) | 12.4% |

Source: INSEE, 2006-2008

Limited evidence on the education and training opportunities and requirements of hairdressers suggests that there is a range of different ways of obtaining hairdressing qualifications even within one country. As an example, the Danish hairdressing academy offers a four-year course on hairdressing while smaller private hairdressing schools offer one-year crash courses. This trend applies to Hungary and Slovenia too.

The level of required education also varies according to the role of hairdressers. In many countries in order to run a salon and employ staff, the individual must have acquired a higher level education. In Germany this refers to “master” certification (although requirements in this regard have recently been loosened somewhat) and in some others this may mean an additional ‘business’ qualification related to the sector. The Slovenian Chamber of Craft and Small Business is currently in the process of trying to create a higher level qualification for those who want to run their own business, involving a master craftsman exam and work experience.

⁴³ Ecotec (2000) *New Trends and Developments in the European Hairdressing Sector*, CIC-Europe and Uni-Europa

⁴⁴ Habia (2008) *Industry Statistics* <http://www.habia.org/uploads/Habia%20Stats%20November%202008.pdf>

4.2.7 Type of employment in the sector (part-time vs. full-time employment)

One typical characteristic of the sector is a high incidence of part-time work. The European Agency for Safety and Health at Work has calculated that about 40% of hairdressers work part-time⁴⁵. Our research suggests similar findings, but also demonstrates important differences between countries. As shown by Figure 4.36 part-time working in the hairdressing sector is particularly widespread in the Netherlands with up to 70% of individuals working on a part-time basis. Part-time working is also fairly widespread in the British hairdressing sector where over a third of individuals work on a part-time basis. Data from Germany indicate that the majority of employment in the sector is part-time, though there are no comparable statistics to back this.

At the same time part-time employment is marginal in Hungary, which also has some of the highest rates of self-employment; 'only' one in ten work on a part-time basis. This also applies to the other eastern European study country, Slovenia, where 'only' 12% work on a part-time basis.

When the level of part-time employment in the hairdressing sector is compared with general levels of part-time employment in the country, it is obvious that this sector is characterised by high numbers of part-time workers. The sector displays significantly lower rates of full-time employment as a share of total employment than the average rate in the country; the rates are at least four percentage points higher.

Figure 4.36 Full-time vs. part-time working; the hairdressing and beauty sector and whole economy (%)

| Country | Part-time | | Full-time | |
|-----------------|---------------------|---------------|---------------------|---------------|
| | Hairdressing sector | Whole economy | Hairdressing sector | Whole economy |
| Denmark | 20% | 25% | 80% | 75% |
| France | 28% | 17% | 72% | 83% |
| Germany | n.a. | 25% | n.a. | 75% |
| Hungary | 9% | 5% | 91% | 95% |
| Italy | n.a. | 14% | n.a. | 86% |
| The Netherlands | 70% | 47% | 30% | 53% |
| Slovenia | 12% | 8% | 88% | 92% |
| United Kingdom | 39% | 25% | 61% | 75% |

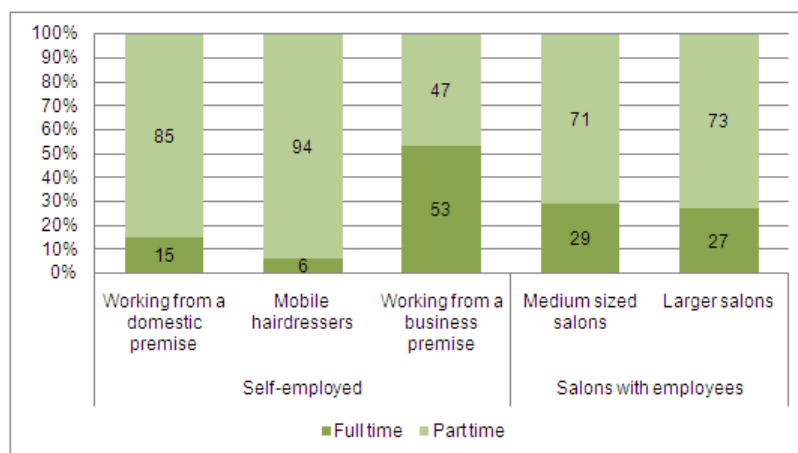
Sources: Hairdressing data for Hungary, the Netherlands and the UK is from Eurostat, LFS, 2010 for HU, NL and UK [category 5141 of the LFS "Hairdressers, barbers, beauticians and related workers"]; France (CNEC, 2008); Denmark (Danish Statistics); and Slovenia (Slovenian Statistics).

Whole economy data refers to Eurostat LFS total employment 15-64 years old, 2009, Q1.

Data from the Netherlands offer more information on the prevalence of part-time employment in the sector (see Figure 4.37). Almost all self-employed mobile hairdressers and those running a salon from a domestic premise work part-time. The level of full-time employment is much higher among self-employed hairdressers running their own salon in a business premise and those hairdressers working in medium-sized and larger salons.

⁴⁵ OSHA: E-Facts 34. Risk assessment for Hairdressers. European Agency for Safety and Health at Work.

Figure 4.37 Share of part / full-time working by category of employees, the Netherlands, 2009



Source: GHK based on information from HBA, 2009

Information on other characteristics of employment in the sector reveals that countries vary with regards to the level of temporary vs. permanent employment. The LFS data for the Netherlands suggests that about a quarter of workers in the sector have a temporary contract. Temporary contracts are also a feature of the Slovenian hairdressing sector while in France national data shows that 96% have a permanent contract (INSEE, 2006-2008). Fixed-term contracts are not very widespread in Germany either; the majority of employment contracts are open-ended.

4.2.8 Undeclared work

Undeclared work is seen by many as one of the most significant challenges facing the sector. The existence of the informal economy presents issues for consumers, businesses operating in the formal economy and individual workers. Companies operating in the formal economy are forced to compete with those in the informal economy who, typically, do not pay the same level of taxation and are not compelled to comply with similar employment laws. Conversely individuals working in the informal economy do not benefit from the same employment protections as those in the formal economy and do not receive as high level of pay. In addition those operating in the informal economy are less likely to benefit from employer investment in personal development and formal qualifications. Undeclared work is seen as a major problem all across the study countries and in terms of the scale of undeclared work in the sector, it has been estimated that it could be as high as 30% of its total turnover in Germany and 20% in Denmark.

Evidence from the Member States suggests that the key determining factor to engage in undeclared work is the level of taxation and charges that an independent professional must pay (i.e. between 45 and 47% in France), making it more attractive to undertake undeclared work. At the same time, the regulatory framework can act to incentivise the formal economy too. For example, it was suggested that undeclared work has decreased in recent years in the Netherlands because the current regulatory framework makes it much easier to start-up your own business.

Gender has a role to play in supply and demand. Undeclared work is often performed by women who, after having children, do not return to regular employment. Interestingly, women also appear to be key drivers of undeclared work. In Germany, for example, a consumer study found that 40% of women had not “officially” visited a hairdresser for 14 years.

In addition asylum seekers are identified as a group particularly at risk to the negative impacts of taking part in undeclared work. In Denmark, it is well-known that there are a significant number of asylum-seekers working illegally in hairdressing salons as, contrary to the majority of the EU Member States, it is not possible for asylum seekers to take up paid and or unpaid employment in Denmark.

The level of undeclared work carried out by migrant hairdressers in Italy is also a particular concern to key stakeholders who believe that around 30% all hairdressers in Italy undertake work in the informal economy⁴⁶, and are of the opinion that the level of undeclared work is particularly high among migrant workers.

The nature of the industry also facilitates undeclared work. It was also reported that hairdressers work additional hours for family and friends in their free time. In the Netherlands it was estimated that a hairdresser working 4/5 days as an employee will do on average another full working day of undeclared work.

Undeclared work is more prevalent in less affluent areas. Evidence from Hungary suggests that undeclared work is insignificant in larger upmarket salons with employees but more frequent in smaller salons, in rural areas, amongst mobile hairdressers, and especially amongst the self-employed (individual entrepreneurs or unlimited partnerships).

Global recession may have increased the level of undeclared work. For example, in Slovenia, the increase in the number of self-employed hairdressers from 2008 to 2009 at the peak of the economic crisis reflects anecdotal evidence that suggests that the decrease in the number of fixed establishments in 2009 encouraged redundant employees to shift towards self-employment, causing an increase in the amount of undeclared work within the sector. The Tax Administration of Slovenia assessed that 42% of employers in this sector were evading taxes in 2009 by doing undeclared work, normally alongside their formal activities. In broader terms, it is believed the level of undeclared has declined as the standard of living in Slovenia has risen.

Undeclared workers are particularly exposed to health risks. It is recognised that, due to a lack of formal training, and the increasing level of risk in salons due to dangerous products used by the staff, for example, straightening devices and products contain dangerous chemicals, the level of personal risk for employees is higher in undeclared work.

4.2.9 Pay in the sector

The hairdressing sector is characterised by low wages. As an example, the Low Pay Commission in the UK has found poor implementation of the national minimum wage within the sector⁴⁷.

The pay level in the sector is considerably lower than the national average in other countries too. Data from Hungary indicates a monthly gross salary of circa EUR 425 (HUF 114,719⁴⁸), compared with an average of around EUR 730 (HUF 200,304⁴⁹) for private sector employees in general. This means that the pay in the sector is around 42% lower than the average for private sector workers. It was however pointed out that the salary as recorded in the official statistics is complemented with tips and other undeclared income; their magnitude varies very strongly, depending on the position (apprentice, technician or skilled hairdresser) and location. According to INSEE, the average annual gross salary in the French hairdressing sector was EUR 15,996 in 2007 – nearly half of the average in the whole economy (EUR 31,200).

While the general level of pay is low, there is still a wide range in pay levels depending on the position and experience. In France, for instance, depending on the position, wages vary from EUR 15,950 (gross annual salary) for assistants, to EUR 25,790 for managers. In the Netherlands, the lowest salary in the sector (a junior stylist A at 16 years old) is EUR 450 per month while the starting salary for a top stylist above 23 years old with at least five years experience is EUR 1,974.

Despite of opportunities for salary progression, pay is still affecting the attractiveness of the sector and is one of the contributing factors to high staff turnover. A Danish longitudinal

⁴⁶ Estimated by CISL on the basis of data collected by the provincial labour offices and the Labour Inspectorate

⁴⁷ Academic expert

⁴⁸ The National Employment Service ("*Nemzeti Foglalkoztatási Szolgálat*", www.munka.hu)

⁴⁹ Source: National Statistical Office, www.ksh.hu

study that surveyed 7,840 hairdressers found that more than 30% of the hairdressers leave the sector due to comparatively low wages⁵⁰. The wages have however doubled over the past decade; this is expected to improve the situation in the sector.

Figure 4.38 provides information on wages in the hairdressing sector.

Figure 4.38 Information on wages in the hairdressing sector (EUR), 2009

| Country | Information on wages in the sector |
|-----------------|--|
| Denmark | An hourly average salary for hairdressers has doubled over the past decade: from EUR 16.9 in 2000 to EUR 28.8 in 2009 ⁵¹ . |
| France | Depending on the position, wages vary from EUR 15,950 (gross annual salary) for assistants, to EUR 25,790 for managers. According to INSEE, the average annual gross salary in 2007 in the sector was EUR 15,996. |
| Germany | The pay in the sector is largely regulated by collective agreement negotiated between <i>Zentralverband des Deutschen Friseurhandwerks</i> (ZV) and the trade union ver.di. Different collective agreements tend to apply in different regions (taking account of cost of living differences etc.). As a result, wages range from just over EUR 1,100 per month to around EUR 2,300 per month (with an average of around EUR 1,650). |
| Hungary | A monthly gross salary of ca. EUR 425 (114,719 HUF), compared with an average of ca. EUR 730 (200,304 HUF ⁵²) for private sector employees in general (i.e. the pay level in the sector is 42% lower). |
| Italy | The minimum hourly wage in Italy is EUR 6.2, while the maximum is just slightly higher at EUR 6.54. |
| The Netherlands | The average gross yearly salary in the hairdressing sector is EUR 11,789. |
| Slovenia | The hourly gross salary has increased from EUR 3.1 in 2001 to 5.29 EUR in 2010. |
| United Kingdom | The average hourly rate of pay has increased from EUR 6.47 in 2001 to EUR 8.62 in 2009. |

4.2.10 Collective bargaining coverage

Collective bargaining coverage varies significantly between Member States from 100% (e.g. France, Germany, Italy and the Netherlands) to 0% (Hungary and United Kingdom).

All workers in the Dutch, German and French hairdressing sectors are covered by collective agreements. In France, everyone working in the sector, regardless of their status, is covered by the collective agreement applicable to the sector. In the Netherlands 70% of employees in the sector are trade union members. As a consequence it is considered that all workers are covered by the collective agreements.

In Denmark, approximately 85% of employees in the sector are covered by collective agreements. In Slovenia, there is no collective bargaining at the level of the sector. However, all employees in the sector are covered by the collective agreements concluded by the Chamber of Craft and Small Business of Slovenia (employer association).⁵³ Collective bargaining coverage within the sector in Hungary and the UK is 0%. In the United Kingdom there are many employer associations within the sector. However, only one of these associations, the National Hairdressing Federation, is registered with the Certification

⁵⁰ The Knowledge Centre for Hairdressers and Beauticians [Videnscenter for Frisører og Kosmetikere].

⁵¹ Please note that the 2000 figure includes pension whereas the new 2009 figure does not include it - it amounts for an additional 12% for hairdressers.

⁵² Source: National Statistical Office, www.ksh.hu

⁵³ Membership to the association is compulsory for companies and sole proprietors conducting craft or craft-like activities. <http://www.eurofound.europa.eu/eiro/studies/t0811017s/si0811019g.htm>

Officer. These associations often provide employment advice but are not engaged in collective bargaining⁵⁴. Furthermore there is no collective agreement that sets wages and terms and conditions for the sector, though a national minimum wage was introduced in 1999. Trade unions have a low density of membership in the sector; consequently there is no social dialogue between sectoral trade unions and employer organisations.

Figure 4.39 Share of workers covered by collective agreements

| Country | Share |
|-----------------|---|
| Denmark | 85 |
| France | 100 |
| Germany | 100 |
| Hungary | 0 |
| Italy | 100 |
| Slovenia | 100 (by the collective agreements concluded by the Chamber of Craft and Small Business of Slovenia) |
| The Netherlands | 100 |
| United Kingdom | 0 |

Data on the collective bargaining coverage of personal service sector workers suggests in a similar manner that the European Union is very polarised when it comes to the collective bargaining coverage. According to the study collective bargaining in the sector covers all workers in seven EU countries. These include Belgium, Finland, France, Italy, Portugal, Slovenia and Spain. Collective bargaining is however absent in nine Member States (Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Poland, Romania, Slovak Republic, UK). This means that the industrial relations structure is well developed in nearly half of Member States but very weak in a relatively high number of countries. The industrial relations structure is more developed in the 'old' Member States than in the 'new' Member States. In fact, Slovenia is the only new Member State where sectoral bargaining takes place in the hairdressing sector. Some of the factors contributing to the high coverage rate include predominance of multi-employer bargaining and high trade union/employer organisation density.

Figure 4.40 Collective bargaining coverage in the personal service sector

| Collective bargaining coverage | Countries |
|--------------------------------|--|
| 100% | Belgium, Germany, Spain, Finland, France, Italy, Portugal*, Slovenia |
| 60-85% | Austria, Denmark, the Netherlands, Sweden |
| 0% | Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Poland, Romania, Slovak Republic, UK |
| Not available | Greece, Ireland, Lithuania, Luxembourg, Latvia |

Source: Based on information from University of Vienna; Adam, George (2009) *Representatives of the European social partner organisations: Personal services sector*. Dublin: Eurofound, 2009.

*almost 100%

⁵⁴ Eurofound and Interview NHF

4.3 National health and safety legislation and occupational health and safety situation in the hairdressing sector

Key findings from this section include the following:

- All countries under study have implemented EU level framework legislation on health and safety and the cosmetics directive. Denmark and Hungary have no additional sector specific regulations. Germany has additional detailed sector specific regulations which closely mirror the provisions of the European framework agreement. Slovenia also has more detailed national regulations. France has more detailed additional regulations and collective agreements, Italy has more detailed regulation on the sector at municipal level and the Netherlands have detailed collective agreements on health and safety issues applying to the sector.
- All countries with the exception of Hungary and the Netherlands cover all individuals active in the sector with the current health and safety regulation. France has different provisions applying to dependent employees and to certain categories of self-employed workers.
- Stakeholders in all study countries argue that current health and safety provisions already closely reflect the provisions of the European framework agreement, with some exceptions (for example in relation to rotation between wet and dry work and the use of certain substances in France). However, as indicated above, in some countries such as the UK, Hungary and Slovenia these provisions are rather general (requirement for risk assessment) whereas in other countries they are very detailed.
- Occupational health insurance is regulated differently in different countries. The self-employed are covered by the same insurance as dependent employees in Germany and Slovenia and are covered by a different statutory insurance system in France. In all other countries occupational health insurance coverage for self-employed workers is voluntary.
- Evidence from Germany shows that the risk rating applied to the hairdressing sector for the purposes of calculating premiums payable by individual businesses (and self-employed) for occupational health insurance in the sector has declined significantly since the introduction of specific sectoral health and safety regulation (as this has contributed to a decline in ill-health related absences).
- There are no comparable data on the incidence of occupational accidents and ill-health and no disaggregated data on different segments of the market. The available data indicate the skin disorders, respiratory illnesses and MSDs are the most common causes of work related ill-health leading to absences from work. The former two at least are significantly more prevalent in this sector than in the whole economy. In countries where such data are available, they are between 5-30 times more prevalent.
- There is some limited anecdotal evidence from some countries that the incidence of such illnesses is greater among the self-employed.
- There are no comprehensive impact assessments available on the cost of the implementation of health and safety regulation in the sector. Data from Germany on regular costs associated with skin protection show that this cost amounts to only 1.2% of total turnover of an average business in the sector. The cost of larger items of expenditure (ergonomic tools, ventilation, lighting systems, changes in work practices) have not been calculated.

4.3.1 Introduction

In order to establish the potential impact of different implementation options regarding the scope of coverage of the framework agreement on the prevention of health risks in the hairdressing sector, it is important to know the extent to which the provisions of the framework agreement differ from what is currently provided in health and safety legislation at national level and who is covered by this legislation.

This section will therefore begin by describing the EU legislation, cross-sectoral and sectoral framework agreements and texts already in place which impact on the content of national legislation and practice. It subsequently outlines the extent to which EU level legislation in particular has already been implemented at national level and – as this legislation is rather general – whether there is any more specific national health and safety legislation which can be considered of relevance to the principles and provisions contained in the framework agreement negotiated by Coiffure EU and Uni Europa. The extent to which national legislation may need to be adapted to meet the requirements of the EU level agreement will be explored.

Furthermore, this section will look at any existing impact assessments of changes in national health and safety legislation covering the sector and whether this is considered to have led to any significant changes in the economic and employment structure of the sector.

This section will then go on to summarise the information gathered so far on occupational health insurance schemes and the occupational health and safety situation in the hairdressing sector. The goal of this section will be to chart developments over time in the number of workplace accidents and work related ill-health absences in relation to developments in health and safety regulation and the structure of the sector.

It should be noted from the outset, that the level of disaggregation available relating to occupational health and safety data in different case study countries varies significantly, with France offering by far the most detailed data breakdown. A significant challenge for our analysis is the absence of disaggregated health and safety data by type of employment, which makes it difficult to assess whether different types of self-employed workers are more or less likely to have accidents or suffer from work related illnesses.

4.3.2 Relevant European Directives, cross-sectoral and sectoral social partner agreements and other texts

There are a number of European Directives already in place which are of relevance to the regulation of health and safety provision in the hairdressing sector. In addition to this, there are a number of cross-sectoral and sectoral framework agreements and texts, which also have a bearing on this study. Figure 4.41 summarises the main EU Directives, cross-industry agreements and sectoral social partner texts relevant to the study (including the draft framework agreement in the hairdressing sector which is the subject matter of this study).

Figure 4.41 Key European Directives and social partner framework agreements on health and safety

| Title | Form of agreement | Type | Date |
|---|--------------------------------|---------------------|----------|
| Council Directive 89/391/EEC on the introduction of measures to encourage improvements in the safety and health of workers at work | Cross-industry | Directive | 12-06-89 |
| Council Directive 76/768/EEC on the approximation of the laws of the Member States relating to cosmetic products (Cosmetics Directive) – to be replaced by Regulation (EC) 1223/2009 as of 11 July 2013 | Cross-industry | Directive | 27-07-76 |
| Framework agreement on work-related stress | Cross-industry | Framework agreement | 08-10-04 |
| Framework agreement on violence and harassment in the workplace | Cross-industry | Framework agreement | 25-04-07 |
| Code of conduct 'How to get along' Guidelines for European hairdressers | Personal services-hairdressers | Code of conduct | 26-06-01 |

| Title | Form of agreement | Type | Date |
|---|----------------------------------|--|------------------|
| Covenant on health and safety, in particular the use and handling of cosmetic products and their chemical agents, between European social partners in the hairdressing Industry | Personal services-hairdressers | Covenant | 21-09-05 |
| European framework agreement on the prevention of health risks in the hairdressing sector | Personal services-hairdressers | Currently under negotiation | not yet in force |
| Declaration of Dresden: Common Health and Safety Development in Professional Hairdressing in Europe | Personal services – hairdressers | Declaration signed by 34 organisations from 12 countries | 28-09-10 |

Directive 89/391/EEC on the introduction of measures to encourage improvements in the safety and health of workers at work⁵⁵ of 12 June 1989 requires Member States to adopt measures which encourage improvements in the safety and health of workers in the workplace. The Directive contains general principles concerning the prevention and elimination of occupational risks, the informing, consultation and training of workers. It also sets minimum rules regarding the safety and health of workers at work. The Directive applies to all sectors of activity, both public and private, and exempts only certain specific activities in the public and civil protection services from the scope of its application.

Directive 76/768/EEC on the approximation of the laws of the Member States relating to cosmetic products (Cosmetics Directive)⁵⁶ of 27 July 1976 requires EU Member States to take all necessary measures to ensure that only cosmetic products which conform to the provisions of this Directive are placed on the market. Approximation of Member States' legislation on cosmetics can ensure that these products can move freely within the common market. The principal aim of the Directive was the protection of public health, and it is directed to consumers in general and not to professional hairdressers in particular. The Directive sets out rules on the composition, labeling and packaging of cosmetic products. This regulation will be replaced by Regulation (EC) 1223/2009 as of 11 July 2013⁵⁷

Both directives date back a significant number of years and as a result it is not surprising that they have been fully implemented in all our study countries. However, some differences emerge in relation to the coverage of the directives and the availability of additional national health and safety legislation relevant to this study (either cross-sectoral or sector specific). Figure 4.42 outlines key national health and safety provisions in the study countries and their coverage.

Figure 4.42 Summary of national health and safety provisions relevant to the sector

| Country | Does health and safety legislation cover employer and their employees only or also self-employed? | Is there relevant national health and safety legislation/rules specific to the hairdressing sector? | Title of legislation |
|---------|---|---|----------------------------|
| FR | The health and safety | Yes (mainly | Labour Code, see articles: |

⁵⁵ As amended by Directive 2007/30/EC of 27 July 2007, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:165:0021:0024:EN:PDF>

⁵⁶ As amended by Directive 2003/15/EC. Subsequent amendments of the Directive have been integrated in the consolidated version <http://eur-lex.europa.eu/LexUriServ/site/en/consleg/1976/L01976L0768-20061003-en.pdf>.

⁵⁷ For more information see <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:342:0059:0209:en:PDF>

| | | | |
|----|---|-------------------------------------|---|
| | provisions of the Labour Code only cover employers and their dependent employees. The self-employed are covered by a different regime providing for the basic health and safety of service users. | collective agreements and guidance) | <p>L. 4111-1 and L.4111-5 (general provision on health and safety)</p> <p>L. 4141-1 to L.4142-3</p> <p>L. 4121-1 (employers must adopt risk prevention measures)</p> <p>L.4121-2 (protection of mental health of employees)</p> <p>L. 4321-1 and R.4311-12 (individual protection equipments to be provided to employees)</p> <p>R.4121-1 to R. 4121-4</p> <p>R. 4141-1à R. 4143-2</p> <p>R. 4612-3 to R. 4612-6</p> <p>Décret n° 2008-1347 du 17 décembre 2008 (JO du 19) Décret n° 2010-78 du 21 janvier 2010 (JO du 22)</p> <p>Loi n° 96-603 du 5 juillet 1996 relative au développement et à la promotion du commerce et de l'artisanat décret d'application n° 97-558 du 29 mai 1997</p> <p>Décret n° 2010-699 du 25 juin 2010 relatif à l'accréditation des organismes de mesures et de vérifications mentionnés à l'article L. 4722-2 du code du travail, Consolidated version (28 juin 2010)</p> <p>Decree 5 November 2001 on Risk assessment and the Single document</p> <p>National collective agreement n° 3159 (J.O. du 21.12.1980) amended in 1999 *(working time reduction)</p> <p>Mobile hairdressers are covered by the same collective agreement as other hairdressers.</p> <p><i>Convention collective nationale de la coiffure du 3 juillet 1980 étendue par l'arrêté du 5 décembre 1980</i> covers safety and stress at work.</p> |
| DE | Also covers self-employed | Yes | <p>Gesetz über Betriebsärzte, Sicherheitsingenieure und andere Fachkräfte für Arbeitssicherheit – Arbeitssicherheitsgesetz (ASiG)), last updated 2006</p> <p>TRGS530 (<i>Technische Regelung für Gefahrstoffe – Friseurhandwerk</i>)</p> <p>Use of protective gloves (BGR 195)</p> <p>TRGS 401 on risks relating to contact with the skin</p> <p><i>Arbeitsschutzgesetz</i> (Law on health and safety protection at work)</p> <p>Kosmetikverordnung (cosmetics regulation)</p> |
| DK | Also covers self-employed | No | <p>General Act on Health and Safety last amended in 1999</p> <p>Law on Improvement of working conditions (Lovbekendtgørelse Nr. 268 af 18.3.2005 om arbejdsmiljø)</p> |

| | | | |
|----|---|---------------------|--|
| | | | Law on protection of employees following a accident at work (Lovbekendtgørelse Nr. 943 af 16.10.2000 om sikring mod følger af arbejdsskade) |
| HU | Does not cover self-employed | No | Act No XCIII of 1993. on health and safety at the workplace (1993) Latest amendment Act CXXVI of 2009 |
| IT | Also covers self-employed | Yes | Consolidated act on health and safety at work (<i>Testo Unico per la Salute e Sicurezza sul Lavoro</i>) – Legislative Decree 81/2008 More detailed guidelines on hairdressing sector at municipal level |
| NL | Also covers self-employed with employees Does not cover self-employed without employees or mobile hairdressers | Yes | Arbo Law of 1998 Policy rules for the hairdressing sector (policy rule 4.3 of March 2005 on measures to prevent skin and respiratory tract disorders and policy rule 5-3-2 of March 2005 on physical load. Arbocovenant hairdressers (2001) on themes of allergenic and physical load and early reintegration Arbocatologus hairdressers (under development) |
| SI | Also covers self-employed ⁵⁸ | Yes | Law on occupational health and safety <i>Zakon o varnosti in zdravju pri delu</i> (2001) Law on cosmetic products <i>Zakon o kozmetičnih proizvodih</i> (2003) Rules on minimum sanitary health conditions in the hairdressing sector <i>Pravilnik o minimalnih sanitarno zdravstvenih prgojih za opravljanje dejavnosti higienske nege in drugih podobnih dejavnosti</i> |
| UK | Also covers self-employed | Yes (only guidance) | Health and Safety at Work Act (1974) Control of Substances Hazardous to Health (COSHH) regulations COSHH essential of hairdressers (guidance) |

In terms of cross-sectoral social partner framework agreements, the two texts of greatest significance are the **framework agreement on work-related stress** of 8 October 2004 seeks to increase the awareness and understanding of employers, workers and their representatives of work-related stress, and to draw their attention to signs that could indicate problems of work-related stress. The objective of the agreement is to provide social partners with guidance on how to identify, prevent and manage work-related stress, which is recognised as one of the main work-related health problems. Regarding the implementation of this voluntary agreement, the members of BusinessEurope, UEAPME, CEEP and ETUC

⁵⁸ New legislation is being considered in Slovenia which would change the status of self-employed individuals without employees and might mean that they are no longer covered by health and safety regulation.

(and the liaison committee EUROCADRES/CEC) should implement it autonomously, and Member States report on its implementation to the European Social Dialogue Committee.

The second is the **framework agreement on violence and harassment in the workplace**, signed by the cross-industry social partners in 2007 requires employers and employee representatives to take effective steps to address violence and harassment in the workplace. This can include aggressive acts and harassment perpetrated by clients and customers (depending on national implementation).

A report has been prepared by the Commission on the implementation of agreement on work-related stress which shows that implementation varies significantly from country to country based on different industrial relations traditions. Social partners are due to report on the implementation of the framework agreement on violence and harassment in the workplace in mid-2011 after which the Commission will issue its own report on the way in which the implementation of the agreement has progressed.

At the sectoral level, a number of texts have already been adopted in the European hairdressing sector, these include:

- **The Code of Conduct ‘How to get along’** was signed by the Confédération Européenne des Organisations Patronales de la Coiffure (CIC Europe) and the International Hairdressing Union (Uni-Europa) in 26 June 2001. The aim of the guidelines was to guide employers and employees active in the hairdressing sector as well as to national governments on how to safeguard high working standard. The code of conduct, first, sets out the main principles of the sector such as good business and good working life, profits, fair wages and lifelong learning, and then presents the guidelines for their successful implementation. UNI-Europa and CIC-Europe committed to follow up the code in the framework of the European sectoral social dialogue.
- **The Covenant on health and safety, in particular the use and handling of cosmetic products and their chemical agents, between European social partners in the hairdressing industry** was signed on 21 September 2005. Following up on the Code of Conduct, the social partners underlined the health and safety risks of work within the hairdressing industry and sought to establish European minimum standards for the hairdressing sector. As pointed out in the Covenant, hairdressers use cosmetic products and are subsequently exposed to their chemical ingredients but do not have any influence on these ingredients, as the professional hairdressing sector was not invited to participate in the work of the Cosmetics Directive. Taking this into account, the European social partners in the hairdressing industry signed the Covenant with the objective to monitor and compare current activity to best practice published from time to time by the European social partners. The European social partners within the personal services sector should, at each plenary meeting in the social dialogue, give a report on the progress achieved under this Covenant on health and safety between European social partners in the hairdressing industry.
- **The European framework agreement on the prevention of health risks in the hairdressing sector** is the most recent agreement negotiated by European social partners in the hairdressing sector. The agreement contains provisions on the prevention of health risks in the sector, for example with regard to the handling of materials, products and tools, the prevention of musculo-skeletal disorders, the working environment and organisation of work and maternity protection. In Part 3 (Clause 1) the social partners call on the European Commission ‘to present the framework agreement to the Council for a decision, so that the agreement becomes binding in the Member States of the European Union’.
- Finally, the **Declaration of Dresden: Common Health and Safety Development in Professional Hairdressing in Europe** adopted by 34 organisations including social partners, social agencies and research centres from 12 EU countries as a culmination of the European Commission co-financed project “Safehair” on 28th September 2010 calls for actions to improve the prevention and management of skin related diseases in the sector. It highlights that skin related occupational diseases account for a cost of 5 billion

per annum. The declaration calls for a reduction in skin related diseases in the hairdressing sector and a harmonisation of prevention measures across the EU. It sets down actions in relation to the collection of statistics, strategies to disseminate information, actions relating to apprenticeship and education, the availability and application of personal protective equipment and action directed at producers and manufacturers.

4.3.3 Fit between the existing national health and safety regulation and the provisions of the sectoral framework agreement on the prevention of health risks in the hairdressing sector

National research carried out for this study has sought to establish the “fit” between existing national health and safety regulation and the regulation of the use of chemical substances hazardous to health and the provisions of the draft framework agreement negotiated by Coiffure EU and Uni Europa. The main challenge in assessing potential changes required to national regulation lies in the fact that in many countries the implementation of relevant EU Directives (see above) is rather general and, as indicated in table 3.31, few countries have sector specific regulations or legislation (although many countries have sector specific guidance or collective agreements). This makes it difficult to clearly assess the extent to which existing provisions meet the requirement of the draft framework agreement.

Figure 4.43 below seeks to provide a summary overview of the available information regarding the “fit” between current regulation and the draft framework agreement. This indicates that most in most countries, the legislative framework already covers most of the aspects of the draft framework agreement, but that some issues can be highlighted as potentially requiring amendment to national provisions. These relate primarily to provisions regarding the rotation between wet and dry work and the control of particular substances.

In looking at this information, it is important to bear in mind that with the exception of Hungary, the Netherlands and to some extent France (as shown in Figure 4.46) national health and safety regulation applies to both employed and self-employed hairdressers.

In **Denmark**, national legislation implements the European Directives but there is no specific regulation for the hairdressing sector, which means that some of the detail is not clearly reflected in the existing legislation.

In **France**, the general and sector specific regulations in place cover most of the aspects of the European framework agreement. Exceptions are the requirements for the rotation between wet and dry work and the advice against the use of certain substances which are not banned in France. Additionally, the rotation of tasks is currently not foreseen and this is considered to be potentially difficult for certain hairdressers who are highly specialised. The French legislation related to health and safety at work laid down in the Labour Code is applicable to all employers and. In particular employers must ensure the following:

- Prevention of occupational risks;
- Information and training of employees regarding health and safety and protection measures;
- Workplace planning and layout;
- Provision of work equipment and protection;
- Regular medical surveillance of employees;
- Fire prevention.

The main requirement is for all employers to prepare and regularly update a “Single Document” which summarises the risk assessment and preventative measures to be taken to avoid health and safety risks. The 1980 national hairdressing collective agreement⁵⁹ cover

⁵⁹ Convention collective nationale de la coiffure et des professions connexes. Convention du 10 juillet 2006, étendue par arrêté du 3 avril 2007
http://www.legifrance.gouv.fr/affichIDCC.do?sessionId=5EDA63E692A90A41F8F930149C0465F6.tpdjo10v_1?idSectionTA=KALISCTA000020691253&cidTexte=KALITEXT000018563760&idConvention=KALICONT000018563755

all workers in the sector. It covers a variety of issues from recruitment, wages and leave to safety and stress at work. The agreement is negotiated by the two employers' organisations together with the various trade unions representing employees.

Self-employed hairdressers with no dependent employees are not subject to the provisions included in the labour code.

However, salons without employees have to apply the general legislation concerning electricity safety, fire protection, access to handicapped people, and ventilation for example. They consequently bare the same general costs as salons without employees. As hairdressing salons are establishments meant to receive customers, the workplace must comply with rules related to the reception of customers. Compliance with these rules will condition the authorisation to open the salon granted by the local authorities.

The legislation foreseen by the labour code as well as legislation on risk assessment (Document Unique) described above only applies to mobile hairdressers who are subject to employment law (employers and employees). Regarding mobile hairdressers who are self-employed and do not have employees, they are not subject to the Labour Code. Work conditions for mobile hairdressers providing services at their clients' home are more precarious, given the inadequate equipment of personal homes in terms of ventilation (VMC), fire safety etc. They do not have obligation of risk prevention that applies to employers and employees.

The **German** *Technische Regelung für Gefahrstoffe 530 – Friseurhandwerk* mirrors very closely the provisions of the European framework agreement. There are a number of aspects (such as MSDs, maternity protection and mental load which are not covered by this specific regulation, but MSDs are covered by the general health and safety legislation, maternity protection is covered by the respective national legislation and the provisions on mental load are not considered likely to require changes in the national legislation. In addition to the regulations, several campaigns have also been run by the organisation responsible for occupational health protection (Berufsgenossenschaft für Wohlfahrtspflege) and the social partners. These have included „Live your dream“ (*Lebe Deinen Traum*) and „Gloves and glory“ both of which emphasised health and safety aspects with the latter particularly focussing on the prevention of skin conditions.

Hungary has implemented EU legislation through general actors, particularly in relation to health and safety provisions. There is no sector specific regulation for the hairdressing sector and as a result existing legislation is rather general, but considered to be comprehensive.

In **Italy**, national provisions are considered to be in line with the requirements of the framework agreement with the exception of the requirement for the rotation between wet and dry work and the avoidance of repeated contact with skin irritating substances. More detailed regulation for the sector is defined at the municipality level and can therefore vary from locality to locality.

The **Dutch** Arbolaw which is rather general is complemented with more specific provisions set down in collective agreement at sectoral level. The latter are considered to cover all the requirements of the European framework agreement. The Arbo law requires all organisations to carry out risk assessments (so called RI&E – or risk assessment and evaluation). A sector specific framework for risk assessment has been developed for the hairdressing sector. The so called „RI&E plus“ allows organisations to estimate specifically the risks for skin (and other) disorders. In addition, in order to avoid occupation skin and respiratory tract disorders, as well as back problems and repetitive strain injuries, the social partners together with the government has develop policy rules on „healthy working“ in the hairdressing sector. These rules apply to the whole sector and are binding for employers with employees. The applicability of the more detailed rules has now expired but unofficially remains in place while the social partners work on the Arbocatalogus of updated rules which will then find similar application. The Arbocatalogus will replace the Arbocovenant negotiated by the sectoral social partners and signed in 2001 (originally for 5 years). The Arbocovenant set goals to reduce new cases to hand eczema by 50%, to reduce respiratory tract disorders and back complaints as well as repetitive strain injuries by 25% and to reduce sick leave in the

hairdressing sector overall by 15%. It was the goal of the Arbocovenant to also include self-employed hairdressers. It was accompanied by a campaign „healthy working“ and the instruments and tools developed to support the campaign were sent out to all individuals working in the sector. In addition, the sector has a TV show („Looking Good“) which draws attention to healthy working rules. In negotiations on the new Arbocatalogus, special attention is being paid to „new risks“ including psycho-social risks and the particular requirements of different kinds of self-employed hairdressers. The social partners are also keen to take into account the requirements of the European agreement in these negotiations which are not yet finalised.

In **Slovenia**, while existing legislation is considered to cover most of the provisions of the framework agreement the legislation in force (*Zakon o varnosti in zdravju pri delu*) does not regulate health and safety in the same detail as the framework agreement. There are no clauses on handling of material, products and tools, protection of skin and respiratory tract, prevention of musculo-skeletal disorders, maternity protection or clauses on mental load. *Zakon o kozmetičnih proizvodih* is also much more general than the framework agreement.

The detailed requirements from the European framework agreement are already included in *Pravilnik o minimalnih sanitarno zdravstvenih pogojih za opravljanje dejavnosti higienske nege in drugih podobnih dejavnosti* (rules on minimum sanitary health conditions for conducting the activities of hygiene treatment and similar activities). According to the stakeholders participating in the negotiations on the European level, the national legislation complies completely with the specific and concrete requirements set out in the framework agreement. Therefore, conclusion of the agreement would not change the situation in Slovenia. Currently, self-employed individuals are covered by health and safety legislation. Work is currently under way which seeks to revise the definitions of employed and self-employed individuals, which could have an impact on how self-employment hairdressers are classified for the purposes of this legislation. Social partner organisations in Slovenia consider it important of all individuals in the sector to remain covered by the same legislation.

In the **UK**, the Health and Safety at Work Act is the main legislative instrument covering health and safety at work. This is complemented by sectoral guidance which however does not have the force of law. The ‘COSHH essentials’ for hairdressers provides information for employers and the self-employed to help them comply with the COSHH regulations. The document provides good practice and demonstrates how to reduce exposure to harmful substances to an adequate level within the sector. Legislation and guidance are considered to cover most of the aspects of the framework agreement.

Figure 4.43 Assessment of “fit” between national health and safety regulation and the draft framework agreement

| Country | Handling of materials | Prevention of MSDs | Working environment and work organisation | Maternity protection | Mental load | Protective measures |
|---------|--|---|---|---|--|---|
| Denmark | National legislation considered to be comprehensive, but there is no sector specific legislation and provisions are therefore not detailed. | National legislation considered to be comprehensive, but there is no sector specific legislation and provisions are therefore not detailed. | National legislation considered to be comprehensive, but there is no sector specific legislation and provisions are therefore not detailed. | National legislation considered to be comprehensive, but there is no sector specific legislation and provisions are therefore not detailed. | National legislation considered to be comprehensive, but there is no sector specific legislation and provisions are therefore not detailed. | National legislation considered to be comprehensive, but there is no sector specific legislation and provisions are therefore not detailed. |
| France | Legislation in line with provisions of sub-clauses 1, 2 and 4. Does not foresee rotation between wet and dry work (sub-clause 3) Clause 5 may cause problems as some substances “suspected as harmful” are not banned in France. | Legislation foresees similar actions. Only sub-clause 4 (rotation of tasks) is not explicitly foreseen and may lead to additional requirements. | Single document requires employers to carry out risk assessment and to address identified risks related to work environment and work organisation. No additional requirements therefore foreseen. | Provision are in line with French legislation | French legislation contains relevant clauses on mental load and there is collective agreement on stress in the workplace. No additional requirements foreseen. | General individual protective measures are foreseen in general legislation. Use of gloves is foreseen. In relation to organisational protective measures, requirement for rotation of tasks may cause difficulties. |
| Germany | Provisions or TRGS 530 are in line with draft framework agreement. | Not explicitly covered by TRGS but assumed to be covered by general legislation ASiG. No additional | Provisions or TRGS 530 are in line with draft framework agreement. | Provisions in line with maternity protection requirements in German legislation. | Not mentioned in specific legislation, but not considered likely to lead to additional requirements. | Provisions or TRGS 530 are in line with draft framework agreement. |

| Country | Handling of materials | Prevention of MSDs | Working environment and work organisation | Maternity protection | Mental load | Protective measures |
|-------------|---|---|---|---|---|---|
| | | requirements foreseen. | | | | |
| Hungary | National legislation considered to be comprehensive, but there is no sector specific legislation and provisions are therefore not detailed. | National legislation considered to be comprehensive, but there is no sector specific legislation and provisions are therefore not detailed. | National legislation considered to be comprehensive, but there is no sector specific legislation and provisions are therefore not detailed. | National legislation considered to be comprehensive, but there is no sector specific legislation and provisions are therefore not detailed. | National legislation considered to be comprehensive, but there is no sector specific legislation and provisions are therefore not detailed. | National legislation considered to be comprehensive, but there is no sector specific legislation and provisions are therefore not detailed. |
| Italy | National legislation considered to cover most aspects of the framework agreement with the exception of the requirement for rotation between wet and dry work and avoidance of repeated contact with skin irritating substances. | National legislation considered to cover most aspects of the framework agreement. | National legislation considered to cover most aspects of the framework agreement, but is less detailed. | Provisions in line with maternity protection requirements in Italian legislation. | National legislation considered to cover most aspects of the framework agreement. | National legislation considered to cover most aspects of the framework agreement. |
| Netherlands | Existing law and collective agreements considered to cover all requirements of the framework | Existing law and collective agreements considered to cover all requirements of the framework | Existing law and collective agreements considered to cover all requirements of the framework | Existing law and collective agreements considered to cover all requirements of the framework | Existing law and collective agreements considered to cover all requirements of | Existing law and collective agreements considered to cover all requirements of the framework agreement. No |

| Country | Handling of materials | Prevention of MSDs | Working environment and work organisation | Maternity protection | Mental load | Protective measures |
|----------|--|--|--|--|--|---|
| | agreement. No additional requirements therefore foreseen. | agreement. No additional requirements therefore foreseen. | agreement. No additional requirements therefore foreseen. | agreement. No additional requirements therefore foreseen. | the framework agreement. No additional requirements therefore foreseen. | additional requirements therefore foreseen. |
| Slovenia | National legislation considered to cover most aspects of the framework agreement. | National legislation considered to cover most aspects of the framework agreement. | National legislation considered to cover most aspects of the framework agreement. | National legislation considered to cover most aspects of the framework agreement. | National legislation considered to cover most aspects of the framework agreement. | National legislation considered to cover most aspects of the framework agreement. |
| UK | Legislation is general in relation to health and safety in the workplace and control of hazardous substances. Only <i>guidance</i> is more detailed. Guidance for example includes similar stipulations to clause 5 of the agreement on the storage of hazardous products. Few additional requirements foreseen. | Legislation is general in relation to health and safety in the workplace and control of hazardous substances. Only <i>guidance</i> is more detailed. Few additional requirements foreseen. | Legislation is general in relation to health and safety in the workplace and control of hazardous substances. Only <i>guidance</i> is more detailed. Guidance for example includes similar stipulations to those in the framework agreement. | Provisions in line with maternity protection requirements in UK legislation. Few additional requirements foreseen. | Legislation is general in relation to health and safety in the workplace and control of hazardous substances. Only <i>guidance</i> is more detailed. Few additional requirements foreseen. | Legislation is general in relation to health and safety in the workplace and control of hazardous substances. Only <i>guidance</i> is more detailed. Guidance for example includes similar stipulation to clause 1(5) of the agreement on use of gloves and barrier creams. Few additional requirements foreseen. |

4.3.4 Existing assessments of the impact of health and safety regulations on employment in and the economic structure of the sector

We have not been able to identify any existing impact assessments at national level on the impact on the sector of any recent changes in health and safety regulations.

In Denmark, a report by the Danish Working Environment Authority suggests that the introduction of the requirement and guidance on risk assessment had a significant impact on businesses in all sectors, but there is no sector specific cost benefit assessment.

In Germany, where TRGS 530 was first introduced in 1992, some assessment has been attempted of the cost of the implementation of its provisions (data provided by BGW). In this calculation, the main costs are assumed to arise in relation to skin care products and gloves (regular rather than the one off costs for example to changes to ventilation or lighting systems, the placement of basins and ergonomically designed workstations – the latter costs are of course significantly higher). The following Figure 4.44 shows the costs calculated on the basis of consumption in an average salon with 3 employees.

Figure 4.44 Cost of the implementation of regular items of expenditure under TRGS530

| Cost factor | Cost per treatment | Total cost for average number of annual treatments ⁶⁰ |
|--|--------------------|--|
| Gloves | EUR 0.08 | EUR 264 |
| Skin care products | EUR 0.38 | EUR 2,186 |
| Total cost | EUR 0.46 | EUR 2,450 |
| Total costs as share of average turnover ⁶¹ | | 1.2% |

Source: Calculations by GHK based on data provided by BGW

According to the ZV, these figures regarding the cost of the regular implementation of TRGS530 are too low to have a significant effect on the economic and employment structure of the sector and indeed on the level of undeclared work in the sector. Similarly, this figure is also considered to be low in relation to the cost savings made which relate to ill-health absences from work and the cost of occupational health insurance.

It is important to note that no attempt has been made to quantify the potential costs of more substantive aspects of capital investment which could result from the application of the European framework agreement (investment in ergonomic chairs, basins; the provision of separate basins for hand washing; installation of ventilation and lighting systems) or indeed the adaptation of work processes allowing a greater rotation of tasks. As indicated above, it is the latter in particular which is considered to potentially not covered by existing regulation at national level; may thus require legislative amendments and could have an impact on existing work processes and therefore costs.

4.3.5 Regulation of occupational health insurance

The application of different implementation options for the coverage of the European framework agreement could potentially have the impact of distorting costs arising for occupational health insurance systems. For example, in systems where both employed and self-employed individuals are covered by the same occupational health insurance system, should the application of the agreement only to employed individuals lead to reductions in the incidence of occupational accidents and illnesses which is outweighed by an increase in such occurrences among the self-employed, the cost of such insurance could be distorted

⁶⁰ Calculated on the basis of an average salon with 3 employees, 220 working days and 5 treatments per employee per day.

⁶¹ Average annual turnover of this size of salon calculated at €200,000 of which €100,000 are personnel costs.

for the whole sector, although incidence statistics are improving in part of the sector. The assessment of such potential distortions depends on:

- Whether both employed and self-employed individuals are covered by the same system of insurance;
- Whether premiums or services delivered are linked to actuarial estimates of likelihood of incidents triggering payments/services (costs to the insurer);
- Whether the determination of premiums is generalised to all organisations in a sector.

Distortions could also be seen to occur in systems where additional costs of funding ill-health (absences from work, sickness benefits, occupational pension etc) are funded by the state and additional costs would therefore fall on the taxpayer.

This section therefore explores the regulation of occupational health insurance in the different countries before the next section moves on to explore the incidence of occupational accidents and illnesses in the sector.

Occupational health insurance is regulated and funded in different ways in different Member States.

Everyone who is off work in **Denmark** due to a work-related injury (accident or occupational disease) is entitled to sick pay from day one. This social security scheme is financed through taxation.

When a person is absent from work due to a long-term illness caused by an occupational accident or illness (permanent injury, loss of earning capacity etc.) this is covered through a Workers' Compensation Insurance (the Statutory Workmen's Compensation Scheme⁶²), regulated by law and funded by employers through their premiums to insurers. Self-employed hairdressers may insure themselves voluntarily under the Workers' Compensation Insurance.⁶³

In **France**, different occupational health insurance schemes are operated by different parts of the social security system for employed, self-employed and other workers. The largest schemes for employers are mostly funded through contributions from employers and employees, but tax, universal social contributions and other financial revenue also play a role. The funds are usually administered by the social partners.

The CNAMTS (General National Agency for Health Insurance of Employees) manages the Illness Division of the Social Security's General Scheme and manages the 128 CPAM offices (Local Health Insurance Funds). A specific branch of the National Health and Insurance Fund (CNAMTS-AT) is responsible, on the national level, of the Health and Occupational Accidents and Illness Division of the General Social Security Scheme

Contributions from employers and employees represent 76% of the revenues of the CNAM AT-MP.

- More than 2 million employers contribute to the Occupational Accidents and Illness insurance scheme for some 18.6 million employees (that is approximately 70% of the active population).
- 704,000 work accidents and 45,400 occupational illnesses resulted in work stoppages in 2008.
- EUR 7.5 billion were paid out in social benefits in 2008.

A specific breakdown of this data for the hairdressing sector is not available.

Self-employed individuals are covered by a compulsory contributory scheme, the so-called RSI (modified by decree n. 2010-1306, October 2010) which pays benefits to anyone who is

⁶² Arbejdsskadesikringen.

⁶³ The National Board of Industrial Injuries in Denmark [Arbejdsskadestyrelsen], February 2011.

temporarily unable to work because of sickness or accident. The amount of the allowance is 1/730 of the annual revenue.

In **Germany**, statutory occupational/social accident insurance is a regulated part of the social insurance framework. The BGW is the German social accident insurance provider for non-state institutions within the health and welfare services sector. In Germany, social accident insurance represents a form of liability cover against the risk of employees suffering workplace accidents and occupational illnesses. The employer therefore pays the premium for this cover. Self-employed individuals must similarly pay contributions. The level of premium payable depends on the income of the insured person and the accident risk of each occupation/sector. This is expressed by the allocation of each occupation to a risk category. In relation to the hairdressing sector, it is important to note that in the early 1990s, this sector had a risk category rating of 9.4. Because of a variety of preventative measures, including the introduction of TGRS530 and a range of health and safety campaigns, this rating has since been reduced to 4.9, which significantly reduces the premiums payable by employers and self-employed individuals in the sector. Premiums payable per employee range between EUR 0.45 and EUR 2.93 per EUR 100 of an insured person's income depending on the occupation. For hairdressers they are in the lower part of this spectrum.

BGW is responsible for prevention, treatment and compensation to those who have been injured or suffer ill-health in the workplace. Premiums also provide cover for accidents occurring on the way to and from work. They cover the cost of rehabilitation, adaptation of the workplace or compensation for any (partial) reduction in the ability to work in the occupation. One of the main tasks of social accident insurance is to prevent workplace accidents, occupational diseases and other work-related health risks. This includes the preparation of accident and occupational illness prevention manuals and campaigns, the provision of training, re-training and other services. In the hairdressing sector, BGW launched a campaign in 2009 entitled "Live your dream: With glamour, style and attractive hands". The campaign demonstrates simple ways of enabling hairdressers to protect their hands and work. The most important recommendation here is that gloves should always be worn when washing client's hair.

In **Italy**, the company which provides occupational health insurance is INAIL, which is a public entity. Contributions are paid both by companies and employees.

In the **Netherlands** there is no distinction between occupational or general health insurance schemes. Employers are responsible to pay the employee's salary at 100% up to two years in case of illness. 70% of the salary is reimbursed by the statutory health insurance but the first six weeks of sick leave are to be paid entirely by the employer.

Most self-employed without employees do not have statutory occupational health insurance schemes whereas self-employed with employees are obliged to have their employees covered by insurance schemes.

The occupational health insurance in **Slovenia** is statutory. The contributions are partly paid by employers and partly by employees. Self-employed are included in the schemes – they pay the whole contributions by themselves.

In the **UK**, the occupational insurance schemes are private and voluntary. Salon owners apply for privately run occupational insurance schemes⁶⁴. The Freelance Hair and Beauty Federation (FHBF) has an insurance policy for its members and covers those self-employed hairdressers, such as those working from home, mobile hairdressers and chair renters⁶⁵. Salon Gold also offers specialist insurance for self-employed hairdressers including mobile hairdressers and chair renters⁶⁶.

⁶⁴ Stakeholder interview, Eileen Lawson, NHF

⁶⁵ FHBF: <http://www.fhbf.org.uk/index.php?page=ins>

⁶⁶ Salon Gold: <http://www.salongold.co.uk/freelance.php>

Figure 4.45 Nature of occupational insurance schemes

| Country | Statutory or private | Contributors | Self-employment coverage |
|-------------|---|--|---|
| Denmark | Statutory workers' compensation scheme For self-employed without employees insurance in workers' compensation scheme is voluntary | Employer and employees Self-employed | Coverage of self-employed is voluntary. |
| France | For employees: general workers' scheme of the social security (régime general) For non-employees (employers/independent workers): there are similar levels of contributions and protection managed by the RSI or self-employed persons scheme (Regime social des indépendants) covering artisans, shopkeepers, industrialists and liberal professions. | The Social Security is financed by payments from both employers and their employees; it is administered and managed by all social partners, typically employee unions and/or companies. The contributions paid by the insured and employers to social security to the Health, Occupational Accidents and Illness Division of the General Social Security Scheme represent 76% of total revenue. | The self-employed are covered by a compulsory scheme (modified by decree n. 2010-1306, October 2010). To benefit from the scheme the self-employed must not be able to work temporarily, because of sickness or accident. The amount of the allowance is 1/730 of the annual revenue. The request must be sent to the RSI which will recognise the work incapacity following the advice of the occupational doctor. |
| Germany | Statutory occupational/social accident insurance is a regulated part of the social insurance framework. This insurance represents a form of liability cover against the risk of employees suffering workplace accidents and occupational illnesses. | Employers contribute. The level of premium payable depends on the income of the insured person and the accident risk of each occupation/sector. This is expressed by the allocation of each occupation to a risk category. The risk category of the hairdressing sector has diminished significantly since the early 1990s. | Self-employed must pay contributions and are covered by the insurance. |
| Hungary | Statutory health insurance system only covers all employers, employees and self-employed No separate statutory occupational health insurance scheme (private schemes operate but only for highly paid employees) | Employers and employees contribute to statutory health insurance scheme | Self-employed are covered by general statutory health insurance |
| Italy | Statutory occupational health insurance | Employers and employees | Self-employed are covered |
| Netherlands | Statutory For self-employment cover is voluntary. | Employers and employees | Most self-employed without employees do not have statutory occupational health insurance schemes (cover is voluntary) whereas self-employed with employees are obliged to |

| Country | Statutory or private | Contributors | Self-employment coverage |
|----------|---|--|--|
| | | | have their employees covered by insurance schemes. |
| Slovenia | Statutory | Partly paid by employers and partly by employees Self-employed have to pay the contribution in full by themselves | Self-employed included in the scheme |
| UK | Private The Freelance Hair and Beauty Federation and Salon Gold offer a special insurance scheme for mobile hairdressers, hairdressers working from home and chair renters | Employers where they choose to take it Self-employed where they choose to take it | Voluntary, private purchase |

Figure 4.46 below summarises information on the coverage of self-employed individuals by health and safety legislation and statutory occupational health coverage at national level (the first tick indicates coverage by health and safety legislation and the second tick relates to coverage by occupational health insurance). This demonstrates and in most countries, self-employed individuals are currently covered by existing health and safety legislation. Exceptions are Hungary and the Netherlands and to some extent France, where different regimes apply to employers and their dependent employees and to the self-employed. In the Netherlands, efforts are currently under way to include self-employed individuals through collective bargaining, whereas in Slovenia proposed new legislation on the definition of self-employment could lead to their exclusion. Self-employed hairdressers are also covered by existing statutory occupational health insurance in Germany, France (albeit through a different system) and Slovenia, whereas occupational health insurance is voluntary for the self-employed in Denmark, the Netherlands and the UK (in Hungary coverage for occupational risks is through the general health care scheme). This means that potential distortions relating to premiums and services within the same insurance systems could only arise in Germany or Slovenia. In France, should the exclusion of self-employed individuals lead to an increased incidence of accidents and work related illnesses, premiums for self-employed hairdressers insured in the RSI system could rise disproportionately. In other countries where insurance for self-employed is voluntary, general findings are that the level of insurance coverage is low and any increased costs would therefore fall on the state.

Figure 4.46 Coverage of employees and self-employed by national health and safety legislation and statutory occupational health insurance

| Country/type of hairdresser | Employers and dependent employees | Self-employed without employees | Self-employed in same establishment with employees | Mobile |
|-----------------------------|-----------------------------------|---------------------------------|--|--------|
| DE | √ √ | √ √ | √ √ | √ √ |
| DK | √ √ | √ | √ | √ |
| FR | √ √ | √ (√) | √ (√) | √ (√) |
| HU | √ | | | |
| IT | √ √ | √ | √ | √ |
| NL | √ √ | | | |

| | | | | |
|----|-----|-----|-----|-----|
| SI | √ √ | √ √ | √ √ | √ √ |
| UK | √ | √ | √ | √ |

Source: GHK (2011) information gathered for this study

4.3.6 Occupational accidents and sickness related absences in the hairdressing sector

Hairdressers are exposed to a range of occupational health risks, which can cause absenteeism from work, career change and social security applications (due to long-term sickness) at a relatively young age. Such occupational health risks and problems can include skin and respiratory disorders, musculoskeletal complaints, psychological complaints, and accidents caused by slips and trips. According to a survey carried out for the SafeHair project, the average duration of stay in the sector in the countries under observation (the study did not cover Slovenia and Hungary from our sample) is eight years. Occupational diseases were considered to be an important factor in decisions to leave the sector in Denmark, Germany and France.

Research has shown that up to 70% of hairdressers suffer from work-related **skin damage** such as dermatitis at some point during their career⁶⁷, as hairdressers are exposed to a range of cosmetics products and chemicals in their work. Rinses, dyes, bleaches and perm chemicals include emulsifiers, preservatives and scents. These substances destroy the skin's natural protective function and can cause toxic contact eczema and allergies⁶⁸.

There are two main types of dermatitis which affect many hairdressers. Irritant dermatitis is caused when a substance causes physical damage to the skin. Shampooing can cause this by removing the protective oils thus drying out the skin. Allergic contact dermatitis is more of a serious irreversible condition and occurs when a person has been exposed to a sensitising agent, possibly over a long period of time before a reaction is noticed. A recent campaign by the Belgian Federal Public Service for Public Health, in co-operation with the association of hairdressers UBK/UCB, a consumers' organisation and the Belgian cosmetics industry association DETIC quotes research, which shows that 6-24% of hairdressers suffer from allergic reactions due to their exposure to chemicals contained in cosmetic products.⁶⁹

Dermatitis is sufficiently common to be regarded by some hairdressers as an "expected" risk which comes with working in the sector, however industry representatives are strongly of the opinion that this should not be the case as preventative measures and proactive management systems to identify potential problems and deal with them effectively (e.g. use of appropriate gloves) reduce or even eliminate the risk.

Fumes and dust that are produced during the mixing and preparation of the dyes can irritate the mucous membranes and cause **respiratory diseases**⁷⁰. They may also be associated with the slightly increased reproductive risk of hairdressers⁷¹.

Musculoskeletal Disorders (MSDs) are problems affecting the muscles, tendons and ligaments, nerves or other soft tissues and joints. It should be noted that there is no common definition of MSDs at Member State level, which can lead to differences in data recorded about the incidence of such conditions. Whilst MSDs can have their causation inside or outside the work environment, they are often aggravated by work activities. They are more prevalent in sectors where workers face upper limb pain due to the work

⁶⁷ <http://www.hse.gov.uk/hairdressing/> [cited 02.08.2010]

⁶⁸ OHSA: E-Facts 34. Risk assessment for Hairdressers. European Agency for Safety and Health at Work.

⁶⁹ For further information, see <http://www.belgamediasupport.be/pressrelease/detail.do?pressId=17167&searchKey=1&languageId=EN>

⁷⁰ OHSA: E-Facts 34. Risk assessment for Hairdressers. European Agency for Safety and Health at Work.

⁷¹ Rylander, I, Axman, A, Torén, K, Albin, M, "Reproductive outcome among female hairdressers", Occupational and Environmental Medicine 59: 517-522, 2002. (<http://oem.bmj.com/cgi/content/abstract/59/8/517>).

positions/ergonomics of a work situation. These sectors include hairdressing together with cleaning, warehousing, retail, etc. A Dutch study has shown that the number of hairdressers reporting serious or regular musculoskeletal complaints is estimated to be almost 40% for work-related arm, neck and shoulder complaints and 30% for back complaints.⁷² Such a high number of musculoskeletal complaints is caused by a combination of working posture and repetitive and sometimes forceful movements of the hands and fingers that hairdressers have to perform⁷³.

The same Dutch study indicates that around 30% of sick leave taken by hairdressers is related to **psychological complaints**. Such psychosocial problems faced by hairdressers can include: time pressure, lack of control in organising the work and taking breaks, lack of support by colleagues or superiors, lack of appreciation or rewards, conflicts, lack of career development possibilities, imbalance between work and private life, sexual harassment, aggression and violence and teasing at work⁷⁴. Some of those factors can also increase the risk of musculoskeletal disorders.

Accidents such as slips and trips can happen in the salon environment (as in other work environments) due to trailing cables but also due to loose hair and water spillages. Accident risk can be reduced by for example securing cables from walkways and by regular cleaning of the premise.

Figure 4.47 summarises the information on the number of occupational accidents and illness in the hairdressing sector. This shows that in relation to accidents, the most common injuries result from trips, sprains and strains. In relation to work related sickness leading to absences from work, there are some differences between countries with MSDs forming the most important cause of absences in France and the Netherlands, whereas dermatological complaints are the most frequent cause of absence in Germany, Denmark, and the UK.

Figure 4.47 Number of occupational accidents and illness in the hairdressing sector

| Country | Number |
|---------|---|
| Denmark | <p>In 2009, there were 17 work related accidents in the sector (hairdressing and beauty) among 12,848 workers (compared to 11 among 13,175 workers in 2000). This means that in 2009, 0.13% of workers in the sector suffered an occupation accident.</p> <p>In 2009, the Danish Working environment authority registered a total of 128 work related illnesses per 10,000 employees in the hairdressing and beauty sector. Among these, skin diseases were the most prevalent (86 cases); followed by MSDs (54 cases) and respiratory diseases (11 cases). For both skin diseases and MSDs, the incidence of work related illnesses is significantly higher than in other sectors (for skin diseases 57 per 10,000 workers in the hair and beauty sector, compared to an average of 6 in other sectors).</p> |
| France | <p>In 2009, 1,237 accidents among 109,374 workers in the sector leading to absences from work. This means that in 2009, 1.13% of workers suffered an occupational accident in the sector. This is a slight decrease since 2008. 25% of these accidents were among young workers.</p> <p>Number of lost working days: 55,912</p> <p>Average: one month and a half per occupational accident.</p> <p>Source: CNAMTS</p> <p>Number of lost working days: 58,376 days (average of 42 days per accident), including 42% of sprains, bruises and fractures, 30% cuts, 12% back pain</p> <p>Main causes of accidents: falls, manipulation of objects and tools</p> |

⁷² Deursen C van, Burg C. van der. Monitor arboconvenant kappers. De resultaten na 2 jaar. Leiden: Bureau Astri, 2004.

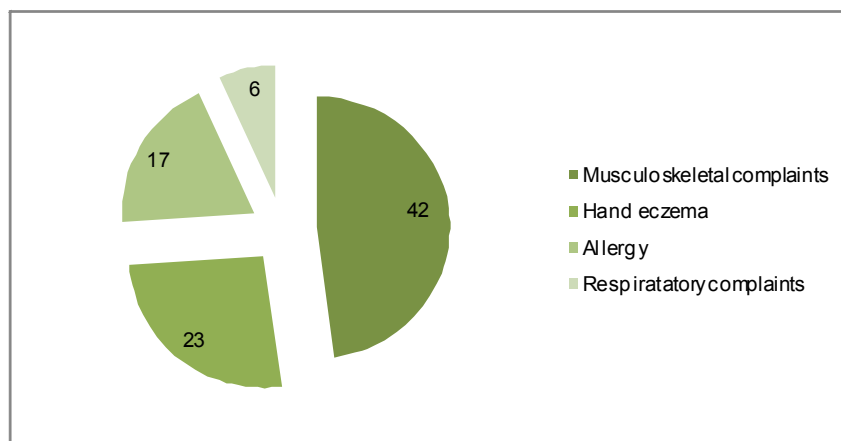
⁷³ Douwes M. et al. Onderzoek in het kader van het arboconvenant fysieke belasting bij kappers: nulmeting klachten en risicofactoren fysieke belasting & mogelijke maatregelen om fysieke belasting te verminderen. Hoofddorp: TNO Arbeid. 2001.

⁷⁴ OHSa: E-Facts 34. Risk assessment for Hairdressers. European Agency for Safety and Health at Work.

| Country | Number |
|-------------|---|
| | <p>Source: CNAMTS</p> <p>In 2006, the number of temporary incapacity (work-related accidents with absence): 1.16% of employees in the hairdressing sector (1,306) Source: Caisse assurance maladie</p> <p>In 2009, 606 occupational diseases were declared and recognised among 109,374 hairdressers (an incidence of 0.55%). 20% of these were recorded among workers under 25. Related to this were 103,176 days of leave with an average duration of leave of 5.5 months.</p> <p>Skin disorders account for 16% of work-related sickness in the sector with a slight decrease since 2007 (12%). Respiratory disorders account for 5% of work-related sickness. Most prevalent however are MSDs with account for 79% of work related illnesses and absences.</p> |
| Germany | <p>In 2009, there were 4,548 accidents and incidents occupational sickness in the hairdressing sector, which had to be reported to BGW. Of these 1,879 were accidents at work (incidence of 0.68%), 1,118 related to accidents on the way to work and 1,551 related to occupational sickness (incidence of 0.56%). In relation to accidents at work, the most common forms of accidents relate to slips and trips in the workplace leading to sprains, strains, bumps and bruises, followed by injuries to the skin or repetitive strain injuries to the hands.</p> <p>In terms of occupational illnesses, absences due to dermatological complains were most prevalent, followed by respiratory complaints, other illnesses and MSDs. With the exception of "other" illnesses, all occupational sickness rates have declined since 2005.</p> |
| Hungary | <p>No specific data for the hairdressing sector – only totals and broad sector "other community, social and personal service activities". In total 18,454 accidents were reported in all industries and only 7 related to accidents of self-employed individuals. 133 accidents were reported in the broad sector including hairdressing. Eurostat data for this NACE sector shows a lower incidence of accidents in Hungary than the EU average in all sectors.</p> |
| Italy | <p>Contact dermatitis is the most common work related illness, with estimates of those affected varying between 10-50%. Other common risks are MSDs and respiratory disorders. No comparable data available at national level.</p> |
| Netherlands | <p>An average of around 10% of hairdressers suffer from skin disorders according to a survey (2006); only 1% argued this caused absences from work (4% said it restricted the tasks they could undertake at work). Apprentices are particularly prone to suffer from such disorders since they have less opportunity to rotate between wet and dry work.</p> <p>Respiratory tract disorders caused 2% of absences from work in the sector in 2006</p> <p>31% of hairdressers surveyed experienced MSDs in 2006.</p> <p>Work related sickness absence affected 2.9% of workers in the sector in 2005 compared to 4% for all sectors.</p> |
| Slovenia | <p>5 accidents in 2009 (due to gas emissions, loss of control of a device, slips and trips)</p> <p>No data on work related sickness in the hairdressing sector alone. In the personal services sector there were 4437 cases of work related absence in 2008 (a total of 113487 days of absence), which represents 4.3% of all work related absence registered in Slovenia that year.</p> |
| UK | <p>414 accidents among employees and 19 among self-employed over the past ten years</p> <p>Between 2007 and 2009 there were 118 cases of contact dermatitis per 100,000 workers reported in the sector (4 per 100,000 for all occupations over the same period); for MSDs the rate was 21 per 100,000 workers (again 4 for all occupations).</p> |

In **Denmark**, research carried out by the Knowledge Centre for Hairdressers and Beauticians in 2010 shows that work related illnesses are a key contributing factor to individuals leaving the sector prematurely. Figure 4.48 below shows the main health reasons given by a cohort of individuals working in the sector between 1985 and 2007 for leaving the sector. This shows MSDs among the key reasons, followed by hand eczema and allergies.

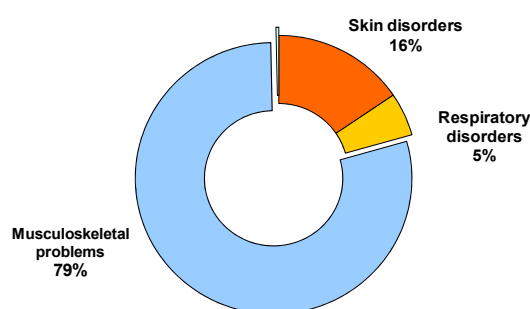
Figure 4.48 Main health/safety reasons for leaving the hairdressing sector



Source: GHK with figures from the Knowledge Centre for Hairdressers and Beauticians [Videnscenter for Frisører og Kosmetikere].

In **France**, where some of the most detailed information on occupation illness and accidents is available, 606 occupational diseases were declared and recognised in 2009. 20% were recorded among workers under 25. In 2009, these work related sickness absences corresponded to 103,176 days of leave; or 282 persons on leave for one year. The average duration of this type of leave is 5.5 months. The different types of work-related sickness are illustrated below.

Figure 4.49 Main types of work-related sickness



Source: CNAMTS 2009

The main types of work-related sickness are distributed as follows:

- Musculoskeletal complaints represent nearly 80% of work-related sickness, and these are constantly increasing (217% increase between 2005 and 2009). These disorders generate the highest number of absence from work – 85%). Young people are less affected (30% between 40 and 50 years old, 7% among workers under 25; 1% under 20).
- Skin disorders come second with 16% of sick leave. Compared with 2007 they have decreased slightly (12%). Young people are largely affected (70% among workers under 25; 33% among under 20). 41% of employees in hairdressing salons have skin disorders (Source: survey undertaken in Cote-d'Or, 2004). Skin disorders tend to decrease, due to the increasing use of protective gloves and the use of less harmful products.

- The trend regarding respiratory disorders is stable. Young workers are more affected (48% among workers under 25; 19% between 40 and 50). According the national observatory of asthma, 20% of cases of professional asthma among women are found in the hairdressing sector.
- Psychological complaints are not recorded with occupational diseases, although they can also be a cause of absence from work and doctors can deliver certificates of incapacity to work. Incapacity due to stress at work is now officially recognised by occupational doctors.

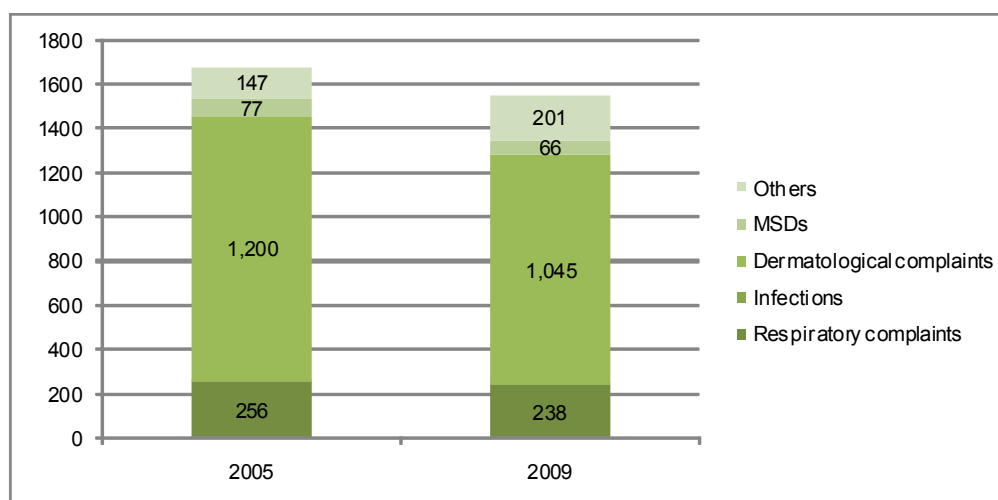
MSD have constantly increased in the past years (about 20% increase every year). One of the reasons is that these disorders are better recognised today and that awareness among the working population has improved. Workers are therefore more prepared today to declare a MSD to the National Sickness Fund, whereas these were not recorded in the past.

MSD are also complex disorders caused by a variety of factors. Whilst the increasing use of ergonomic equipment should help reduce MSD in the long term, other factors such as the level of stress (which has been shown to contribute, for example, to back pain) and repetitive movements play a role in the persistence of MSD.

The most vulnerable employees, in terms of accidents and occupational disease, are new starters in hairdressing establishments.

For **Germany**, Figure 4.50 shows the development in the types of occupational illnesses reported between 2005 and 2009. This shows a decline in all forms of occupational illness with the exception of "other complaints".

Figure 4.50 Development of occupational illnesses in the hairdressing sector 2005-2009



Source: BGW (2010)

Data from Germany also show that employees and self-employed individuals are affected by occupational issues almost at the same magnitude (in relation to their share of employment). Figures among the self-employed are somewhat lower, but have not reduced as much over the last decade as among employees.

In the **Netherlands**, where the most detailed information from Labour inspections is available, the 2007-2008 round of inspections carried out by the national labour inspection body⁷⁵ revealed that 75% of inspected training institutions do not meet all health and safety requirements in relation to working conditions and only 33% of inspected hairdressing businesses have not committed any infringements. According to this report, hairdressers in general are not paying enough attention to health and safety aspects of working conditions. The most problematic occupational health related issue is hand eczema which belongs to

⁷⁵ The national labour inspection body's report is based on inspections carried out in 476 hairdressing companies and hairdresser training institutions.

the top 3 of the most commonly occurring professional health risks. The cost of work-related absence and medical care as a consequence of hand eczema is estimated to be EUR 100 million a year (this includes other professions). Hairdressing is one of the professions with the most cases of hand eczema together with mechanics and nurses.

The infringements concerned mainly the regulations with regard to physical stress and exposure to chemicals (with consequences such as hand eczema and respiratory tract disorders).

The most important infringements with regard to exposure to chemicals are: not having a separate workspace to keep and mix chemicals (61%); limited availability and use of individual protective measures (such as wearing gloves) (18%); exposure through a lack of organisational protective measures, such as rotation of wet and dry work (13%); limiting level and duration of exposure (3%); lack of prevention and information and monitoring implementation of rules (4%) and other (1%).

The inspection body found an important difference between large businesses and small salons with more infringements were reported with regard to the latter. In these instances the inspection body only gives advice since enforcement is not possible for this group of hairdressers. Another important difference between self-employed individuals running a salon without employees and employers with employees is that the knowledge of the policy rules for the hairdressing sector is less widespread among the self-employed without employees.

Figure 4.51 Awareness levels on policy rules according to type of business

| Type of business | Eczema | | Physical load | |
|--|--------|------|---------------|------|
| | 2006 | 2005 | 2006 | 2005 |
| Employers with employees | 81% | 79% | 86% | 80% |
| Self-employed without staff working in a salon | 70% | 63% | 79% | 71% |
| Self-employed without staff not working in a salon | 59% | 56% | 65% | 63% |

Source: Nederlands Arbeidsinspectie (2008): *Gezond werken: geen bijzaak maar hoofdzaak, Rapportage Kappers*.

A study carried out in 2007⁷⁶ estimates an annual saving of around EUR 13,500 for each ill-health absence prevented in the sector.

In **Hungary**, there is no disaggregated data on occupational accidents and illness. Stakeholders considered that issues of occupational illness in the sector are giving insufficient attention in training curricula and wider awareness raising and argue that more work should be done on this. Skin conditions, MSDs and respiratory disorders are anecdotally considered to be widespread in the sector.

In **Slovenia**, there is an underlying problem in gathering data on work related accidents and illnesses in that, while legislation provides a right to treatment and rehabilitation for such conditions, it does not give the right or access to diagnostic facilities and verification of such illnesses. This means that there are few recognised and reported occupational illnesses.

In a study to estimate the prevalence of hand dermatitis in a sample of hairdressers in the **UK** (2005), Perkins and Farrow found that there was a prevalence of 38.6% (38,600 per 100,000 workers) of hand dermatitis amongst hairdressers and barbers. The prevalence is therefore thought to be higher than previously indicated by reports from the EPIDERM and OPRA surveillance schemes and other UK research. The cause is thought to be wet work tasks with the risk increased for those who perform frequent wet work, for example trainee and junior hairdressers.⁷⁷

⁷⁶ Brancheplatform Kappers, "Eindmonitor en -evaluatie van het Arboconvenant Kappers. Eindrapport," Bureau Bartels B.V., Amersfoort, January 2007.

⁷⁷ Perkins, B., J. and Farrow, A. (2005) *Prevalence of Occupational Hand Dermatitis in U.K. Hairdressers*, International Journal of Occupational and Environmental Health, 11(3), pp 289- 293

A London Boroughs initiative prepared by the Health and Safety Executive in 2008 focussed on priorities for preventing occupational asthma, respiratory problems and dermatitis in hairdressers and nail bars. Between October 2006 and April 2007, Local Authority Environmental Health Practitioners inspected 205 hairdressing and nail salons in London.

The findings of the report focused on the ways that salons operate in terms of health and safety. The report found that a total of 49.6% of hairdressing salons kept a list of products used and recorded which of these were potentially hazardous to health. Inspectors considered that senior staff at 88.9% of the hairdressers visited understood about the main risks of employee health associated with the use of these products. Other findings included that 77.2% of hairdressing salons had steps in place to control the risk to health from hazardous products used by staff. Nearly all salons (98.3%) provided hot and cold running water for employees and hand cleaning products. Furthermore 92.3% of salons provided gloves on a single use basis. In 76.2% of hairdressers where gloves were provided there was evidence that the gloves were actually used, for example used gloves were in the bin. However only half of the salons where gloves were used, provided instructions or guidance on how to put on and remove gloves without contaminating hands.

In 2006 the HSE and Habia launched a 'Bad hand day?' campaign which aimed to raise awareness of and help prevent dermatitis in hairdressers. One of the main functions of the campaign was to promote the correct use of gloves and to provide information to all hairdressers about this issue. The London Boroughs report suggests that some key messages of the campaign may not have been fully adopted by the salons inspected. For example over three quarters of the salons provided latex gloves for their staff although the campaign advocated the use of non-latex gloves⁷⁸.

Little information is available on whether work related accidents and illnesses are more widespread among self-employed hairdressers (working in different settings) or among employees. On the whole, the view of stakeholders was that the incidence could be lower among employees in larger salons as such employers/managers tend to have better training, provide more staff training have more resources and premises tend to be better equipped. This is also borne out by some of the labour inspection evidence reported from the Netherlands above. Some data available from Germany, on the other hand, show a relatively lower (albeit similar) percentage of ill-health related absences among self-employed individuals in the sector, but with greater improvements over the last decade among employees.

Evidence from **France** shows that here, work related sickness absences are more frequent among employees working in independent salons (2%) than in chain affiliated salons (1%). The level of accidents is the same. No data is available for mobile hairdressers. This could partly be explained by the fact that chains are large structures that are more likely to have adapted, ergonomic equipment and better protection measures. Staff in chain affiliated salons usually benefit from continuous training about health risks and safety. It is easier to sensibilise employees in these larger organisations. This level of detailed breakdown of data is not available from other countries, which makes it difficult to distinguish whether health and safety risks are greater among certain types of self-employed individuals or among employees. A report from Germany⁷⁹ which focuses on the measurement of occupational accidents and illnesses among self-employed individuals indicates that occupational accidents are more frequent among in organisations of self-employed with 0-9 employees. Similarly, estimates from Germany indicate that accidents on the way to work are more frequent among mobile hairdressers.

A recent OSHA report⁸⁰ provides information on monitoring systems of occupational accidents and illnesses at work among the self-employed. This underlines the fact that such

⁷⁸ Harris-Roberts, J., Bowen, J., Foxlow, J., Sumner, J. (2008) *Occupational asthma, respiratory issues and dermatitis in hairdressers and nail bars*, Health and Safety Executive

Baua (2008); Sicherheit und Gesundheit bei der Arbeit 2007; <http://osha.europa.eu/fop/germany/de/statistics/statistiken/suga/suga2007>

⁸⁰ OSHA (2010); A review of methods used across Europe to estimate work related accidents and illnesses among the self-employed; http://osha.europa.eu/en/publications/literature_reviews/self-employed

monitoring systems are often lacking with data either not collected (particularly where the self-employed are not covered by statutory health insurance systems), not collected on a regular basis and not available with a significant degree of disaggregation. Only 16 countries were found to gather health and safety at work data on self-employed individuals at all.

An assessment of the potential impact of different implementation options for the coverage of the framework agreement would require us to be able to assess such disaggregated data, particularly in countries where self-employed individuals are not covered by health and safety legislation at the national level (Hungary, Netherlands and to some extent France). A higher incidence of accidents of ill-health related absences from work among the self-employed in these countries could lead us to conclude such negative effects could arise from their exclusion from the application of the EU level agreement. However, data currently available does not provide sufficient disaggregation to allow for such an assessment.

It was attempted to compare data for work related accidents and work related illnesses from the hairdressing sector with the whole economy average. However, the only data available for such a comparison for all countries under study (national data compared to Eurostat data) was considered to be too unreliable as accident data varies from country to country (with regard to whether it covers accidents on the way to work as well as accidents at work, whether only accidents leading to absences from work are counted). Comparisons for work related illness data are even more difficult, as Eurostat only covers data on people reporting work related health problems, which is much more general than the national data available for the hairdressing sector. Comparisons would have meant an over-representation of accidents and work related illness in the whole economy compared to the hairdressing sector and was therefore not attempted. Figure 4.47 above includes national level comparisons where these are available. This generally demonstrates the significantly higher incidence of skin complaints in the hairdressing sector compared with the wider economy. The table demonstrates that although data on the incidence of accidents and occupational illness in the sector is not available on a comparable basis for all countries, in countries where information is available, the incidence of occupational illness is significantly higher in this sector than in the rest of the economy. Skill conditions, for example, are between 10-30 times more prevalent and MSDs 5 times more prevalent.

Comparisons of data in the hairdressing sector with other similar sectors were not available either at national or at European level.

4.3.7 Cost of work-related sickness absences in the hairdressing sector

Information on the cost of occupational ill-health in the sector is sketchy and not available in all countries. In relation to Germany, Figure 4.52 shows the development in levels of compensation paid by the occupational health insurance system in the sector linked to accidents at work or on the way to work and occupational sickness, as well as treatment costs, payments to cover costs to assist return to work and (partial) pension and compensation payments to individuals no longer able to work (fully) in their profession. This table clearly indicates that while the number of occupational accidents has increased somewhat in the last five years, the incidence of payments for reported occupational illness has declined significantly, particularly for respiratory and dermatological complaints. The increase in the amount spent on treatment could be considered to relate to increasing costs of treatment (resulting overall cost inflation and improvements in treatment technology and facilities).

Figure 4.52 Payments made by social insurance in respect to occupational accidents and sickness in the hairdressing sector (2005, 2009), Germany

| Payments made by social insurance in the hairdressing sector (in million Euros) | 2005 | 2009 |
|--|-------------|-------------|
| Compensation payments | | |
| Accidents at work | 3.9 | 4.4 |
| Accidents on the way to work | 5.8 | 6.1 |

| | | |
|---|------|------|
| Occupational sickness | 14.6 | 11.4 |
| Respiratory complaints | 3.1 | 1.8 |
| Dermatological complaints | 10.6 | 7.5 |
| Others | 0.9 | 2.1 |
| Treatment costs | | |
| Treatment costs | 9.3 | 10.2 |
| Assistance for return to work | 9.5 | 5.1 |
| Pension/compensation for partial incapacity | 5.5 | 6.6 |
| Total treatment costs | 24.3 | 21.9 |

Source: BGW (2010)

Not only are such cost breakdowns not available for other countries, but a further disaggregation into different categories of self-employed or employed workers can also not be provided.

4.4 Interest representation in the hairdressing sector

Figure 4.53 and Figure 4.54 below present information on trade union and employer representation in the hairdressing sector in the Member States covered by this study. Figure 4.56 contains the full names of these organisations for reference. The Figures show that in five countries (Denmark, Germany, Hungary, Slovenia and UK) employers are only represented by one, generally strictly sectoral employers' organisation and in three countries (France, Italy and the Netherlands) by two or three organisations. Workers are often represented by a number of different trade unions in most countries (Denmark, France, Italy and the Netherlands) and in four countries (Germany, Hungary, Slovenia and the UK) they are represented by one trade union.

The higher number of trade unions is often rooted in political, regional or religious differences between trade union organisations. Most trade unions have a wider coverage than the hairdressing sector (although special sectoral branches may be set up within larger organisations, as is also the case in the Netherlands). With the exception of the trade unions in the Netherlands and Slovenia, worker representative organisations do not generally cover self-employed individuals, whereas with the exception of one employers' organisation in France, these sectoral organisations do tend to represent self-employed hairdressers (including those without employees).

Mobile hairdressers tend not to be explicitly covered by social partner organisations, with the exception of the French trade unions, two French, one Italian and a Dutch employers' organisation.

The majority of employer and trade union organisation are involved in collective bargaining and in some cases, this goes beyond negotiations on terms and conditions of employment and covers other issues in what we would call "social dialogue" either at a bi-partite or tripartite level. Issues covered in social dialogue include training, health and safety and other matters related to the development of the sector (such as VAT and taxation issues).

Only very few other organisations representing the interests of the sector were identified thus in the course of the study (other than social partner organisations). These are shown in Figure 4.55.

Self-employed individuals tend to be represented by employers' organisations (where this information is available) with the exception of France. No data are available to the number of self-employed individuals affiliated to these organisations.

Figure 4.53 Trade unions in the hairdressing sector

| Country | Trade union | Coverage | Members | Self-employed | Mobile hairdressers | Collective bargaining | | Social dialogue | |
|-----------|---|-------------------------------|--|---------------------------------|---------------------------------|-----------------------|--------------------------------------|-----------------|--------------------------|
| | Abbreviation | Sector only or wider coverage | Share of hairdressers from all members | Covered by the union – yes / no | Covered by the union – yes / no | Yes / no | Cross-sectoral, sectoral, company | Yes / no | Bipartite or tripartite |
| DE | Ver.di | Wider coverage | n.a. | n.a | n.a. | Yes | Sectoral | Yes | Bipartite and tripartite |
| DK | DFKF | Wider coverage | n.a. | n.a. | n.a. | Yes | n.a. | Yes | Bipartite |
| DK | KF | Wider coverage | n.a. | n.a. | n.a. | Yes | n.a. | Yes | Bipartite |
| FR | FGTA-FO | Wider coverage | n.a. | No | Yes - if employed by a company | Yes | Sectoral | Yes | Bipartite and tripartite |
| FR | CFDT | Wider coverage | n.a. | No | Yes - if employed by a company | Yes | Sectoral | Yes | Bipartite and tripartite |
| FR | FNECS CFE-CGC | Wider coverage | n.a. | No | Yes - if employed by a company | Yes | Sectoral | Yes | Bipartite and tripartite |
| FR | CSFV-CFTC | Wider coverage | n.a. | No | Yes - if employed by a company | Yes | Sectoral | Yes | Bipartite and tripartite |
| FR | CGT | Wider coverage | n.a. | No | Yes - if employed by a company | Yes | Sectoral | Yes | Bipartite and tripartite |
| HU | Hungarian Public Society of Hairdressers-Cosmeticians | Wider coverage (cosmeticians) | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| IT | FILCAMS | Wider coverage | n.a. | No | No | Yes | Cross sectoral, sectoral and company | Yes | Bipartite and tripartite |
| IT | FISASCAT | Wider coverage | n.a. | No | No | Yes | Sectoral | Yes | Bipartite and tripartite |

| Country | Trade union | Coverage | Members | Self-employed | Mobile hairdressers | Collective bargaining | | Social dialogue | |
|---------|---------------------------|-------------------------------|--|---------------------------------|---------------------------------|-----------------------|-----------------------------------|-----------------|-------------------------|
| | Abbreviation | Sector only or wider coverage | Share of hairdressers from all members | Covered by the union – yes / no | Covered by the union – yes / no | Yes / no | Cross-sectoral, sectoral, company | Yes / no | Bipartite or tripartite |
| NL | FNV Mooi | Wider coverage | (10,000) | Yes | Yes | Yes | Sectoral | Yes | n.a. |
| NL | CNV Kappers ⁸¹ | Sector only | 100% (4,950) | n.a. | n.a. | Yes | n.a. | Yes | n.a. |
| SI | SODS | Wider coverage | n.a. | Yes | No | Yes | Sectoral | Yes | Bipartite |
| UK | GMB | Wider coverage | 1% | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |

Figure 4.54 Employers organisations in the hairdressing sector

| Country | Employers organisation | Coverage | Self-employed | Mobile hairdressers | Collective bargaining | | Social dialogue | |
|---------|-------------------------------|--|--|--|-----------------------|-----------------------------------|-----------------|--------------------------|
| | Abbreviations | Sector only or wider coverage | Covered by the organisation – yes / no | Covered by the organisation – yes / no | Yes / no | Cross-sectoral, sectoral, company | Yes / no | Bipartite or tripartite |
| DE | ZV | Sector only | Yes | No | Yes | Sectoral | Yes | Bipartite |
| DK | DF | Sector only | n.a. | n.a. | Yes | Sectoral | Yes | Bipartite |
| FR | CNEC | Sector only | No | No | n.a. | n.a. | n.a. | n.a. |
| FR | FNC ⁸² | Sector only | Yes | Yes | Yes | Cross sectoral and sectoral | Yes | n.a. |
| FR | SNECED (recently closed down) | Sector only (mobile hairdressers only) | Yes | Yes | n.a. | n.a. | n.a. | n.a. |
| HU | MOSZI | Wider coverage | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| IT | CIA | Sector only | Yes | Yes | Yes | Cross sectoral | Yes | Bipartite and tripartite |

⁸¹ CNV Kappers is part of the CNV Vakmensen, the biggest union within the Christian Industrial Union CNV.

⁸² FNC is affiliated to Coiffure EU whereas CNEC is not.

| Country | Employers organisation | Coverage | Self-employed | Mobile hairdressers | Collective bargaining | | Social dialogue | |
|------------------------|------------------------------|-------------------------------|--|--|-----------------------|-----------------------------------|-----------------|--------------------------|
| | Abbreviations | Sector only or wider coverage | Covered by the organisation – yes / no | Covered by the organisation – yes / no | Yes / no | Cross-sectoral, sectoral, company | Yes / no | Bipartite or tripartite |
| IT | CONFARTIGIANATO ACCONCIATORI | Sector only | n.a. | n.a. | Yes | n.a. | n.a. | n.a. |
| IT | CASARTIGIANI | Wider coverage | n.a. | n.a. | Yes | n.a. | n.a. | n.a. |
| NL | ANKO | Sector only | Yes | Yes | Yes | Sectoral and company | Yes | Bipartite |
| NL | Fusion | Sector only | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| SI | OZS | Wider coverage | Yes | No | Yes | Cross sectoral | Yes | Bipartite and tripartite |
| UK⁸³ | NHF | Sector only | Yes | No | No | - | n.a. | n.a. |

⁸³ In the UK there are several interest associations. However, the only one that is registered with the UK Certification Officer is the National Hairdressers Federation (NHF). Figure 5.2 presents information on the NHF. See Figure 4.55 for other organisations.

Figure 4.55 Other interest organisations

| Country | Organisation | Coverage |
|---------|---|----------------|
| SI | Združenje delodajalcev obrti in podjetništva Slovenije Association of Employers in Craft and Small Business of Slovenia (ZDOPS) | Wider coverage |
| UK | The Freelance Hair and Beauty Federation | Sector only |
| UK | The Federation of Small Businesses (FSB) | Wider coverage |
| UK | The Hairdressing Council | Sector only |
| UK | HABIA (formerly known as the Hairdressers' Employers Association) | Sector only |
| UK | The Guild of Hairdressers | Sector only |
| UK | National Association for Professional Makeup Artists and Hairdressers | Wider coverage |
| UK | Fellowship for British Hairdressing, Freelance Hair and Beauty Federation | Wider coverage |
| UK | The Caribbean and Afro Society of Hairdressers | Sector only |

Figure 4.56 Full names and abbreviations for trade unions and employers organisations in the hairdressing sector

| Country | Trade unions | Employers organisations |
|---------|--|---|
| DK | Danish Hairdresser and Cosmetic Union (<i>Dansk Frisør og Kosmetiker Forbund</i> , DFKF) The Christian Trade Union (<i>Kristelig fagforening</i> , KF) | Danish Hairdressing Federation (<i>Danmarks Frisørmesterforening</i> , DF) |
| FR | Federation of Agricultural, Food, Tobacco and Associated Services Workers (<i>Fédération générale des travailleurs de l'agriculture, de l'alimentation, des tabacs et des services annexes - Force ouvrière</i> (FGTA-FO) Services Federation of the French Democratic Confederation of Labour (<i>Fédération des services, Confédération française démocratique du travail</i> , CFDT) National Federation of Commerce and Services Executives, French Confederation of Professional and Managerial Staff – General Confederation of Professional and Managerial Staff (<i>Fédération nationale de l'encadrement, du commerce et des services, Confédération française de l'encadrement – confédération générale des cadres</i> , FNECS CFE-CGC) Commerce, Services, Sales Staff Federation - French Christian Workers' Confederation (<i>Fédération commerce-services-forces de vente, Confédération française des travailleurs chrétiens</i> , CSFV-CFTC) Commerce, Distribution and Services | Conseil National des Entreprises de Coiffure (CNEC) Fédération Nationale de la Coiffure Française (FNC) Syndicat National des Entreprises de Coiffure Et Esthétique a Domicile (SNECED) |

| Country | Trade unions | Employers organisations |
|---------|---|---|
| | Federation of the General Confederation of Labour (<i>Fédération CGT des Personnels du Commerce, de la Distribution et des Services, Confédération générale du travail</i>) | |
| DE | Ver.di | Zentralverband des Deutschen Friseurhandwerks (ZV) |
| HU | Hungarian Public Society of Hairdressers-Cosmeticians (<i>Magyar Fodrász Kozmetikus Közhasznú Egyesület</i>) | The National Corporation of Hairdressers, a branch of Hungarian National Corporation of Craftsmen (<i>Magyar Országos Szakmai Ipartestület - Országos Fodrász Ipartestület</i>) |
| IT | <i>Federazione Italiana Lavoratori Commercio Turismo e Servizi</i> / Italian Federation of Workers of Trade, Tourism and Services (FILCAMS) <i>Federazione Italiana Sindacati Addetti Servizi Commerciali Affini e del Turismo</i> / Italian Federation of Workers of Trade and Tourism (FISASCAT) | Italian Chamber of Coiffure (CIA) The General Italian Federation of Artisans – Hairdressers (<i>Confederazione generale italiana dell'artigianato - Acconciatori, CONFARTIGIANATO ACCONCIATORI</i>) The Autonomous Confederation of Artisan Unions (<i>Confederazione Autonoma Sindacati Artigiani CASARTIGIANI</i>). |
| NL | FNV Beautiful “FNV Mooi” Christian Industrial Union Hairdressers “CNV” Kappers (<i>Christelijk National Vakverbond</i>) | Royal General Dutch Hairdressers’ Organisation (ANKO) Fusion |
| SI | Trade Union of Craft Employees (<i>Sindikat obrtnih delavcev Slovenije</i>), SODS | The Slovenian Chamber of Craft and Small Business (<i>Obrtno-podjetniška zbornica Slovenije</i>), OZS |
| UK | General, Municipal, Boilermakers and Allied Trade Union (GMB) | National Hairdressers Federation (NHF) |

5 Impact of varying options for the scope of implementation of the framework agreement

Based on the baseline information presented in the previous chapter, this section aims to assess the impact of the various options for the scope of implementation of the draft European framework agreement on the prevention of health risks in the hairdressing sector. In other words, the goal of the section is to explore the impact of:

- OPTION 1: The agreement covers only employers and their (dependent) workers in the sector;
- OPTION 2: The agreement covers in addition self-employed hairdressers working together with (dependent) workers and/or employers in the same workplace;
- OPTION 3: It additionally covers self-employed hairdressers operating their own salons from a fixed location that do not have dependent employees; and
- OPTION 4: It also additionally covers mobile hairdressers.

The chapter will begin by setting out the size of the “population” of individuals active in the sector which would be covered by the respective options, as this provides a flavour of the share of the sector which would be covered by the different implementation options in the countries being studied. This will be followed by an assessment of the likely economic impact of different implementation options on the market for hairdressing services; their impact on the labour market in the hairdressing sector, expected impacts on occupational health and safety in the sector and related health insurance systems. A final section will explore any other likely impacts.

It should be noted that contrary to initiatives taken by the European Commission, social partner negotiations are exempt from the formal obligation to conduct impact assessments as they are seen to take such impacts into account implicitly in the negotiation process. The next negotiated so far therefore reflects this “implicit impact assessment” of the social partners, including in those countries in which the suggested extended scope of the social partner agreement would require more significant changes to national legislation.

5.1 Introduction: share of hairdressing sector covered by different implementation options

Key findings from this section include the following:

- The application of option 1 (using the more likely assumption 1 for the interpretation of “employers and their dependent employees” would mean that around 76-79% of the sector would be covered by the provisions of the framework agreement (14-92% depending on the country). Therefore, the impact of the agreement in terms of both costs and benefits could be felt very differently in different countries.
- The impact of the application of option 2 (in terms of the additional coverage of the framework agreement) is the least clear because of the lack of precise data on the number of chair renters active in the sector in different countries. It is likely that the scale of the impact will be relatively small, as (with possibly the exception of the UK) this phenomenon is rather marginal in most countries. There would be no impact in Denmark and Italy as chair renting is not a legally recognised form of practice, although it is recognised that a small share of self-employed hairdressers in these countries work in practice as ‘chair renters’. Last year some Italian trade unions proposed to pilot chair renting in Italy as a new modality of employment in the sector but an agreement is yet to be reached.
- The additional share of individuals working in the sector which would be covered if implementation option 3 were to be adopted varies significantly between countries and ranges from approximately 8% (in Germany) to 86% (in Hungary) of the workforce in the sector. Coverage of the agreement would also be significantly increased in Italy, where 42% of

hairdressers are self-employed from a fixed location without dependent employees.

- In terms of the share of the additional individuals active in the sector covered by option 4, the impact must be considered to be relatively small. Indeed there would be no impact in Slovenia where mobile hairdressing is considered to be illegal. The greatest share of mobile hairdressers can be found in Germany and the Netherlands, followed by France and the UK.

Based on the analysis in this section and the evidence on health and safety legislation in place presented in section 4.3.2, the table below summarises the likely impact of different implementation options on the countries studied, assuming that the draft EU framework agreement (and subsequent Directive) will be applied to the same segments of the sector as current legislation. It demonstrates that the greatest impact is likely to be felt in countries which currently do not apply health and safety legislation (in the same way) to all segments of the sector. In Hungary this segment is particularly substantial (the majority of the sector), but the impact could also be significant in the Netherlands. A more detailed assessment of the impact of different implementation options on different aspects such as the economic and labour market development of the sector and health and safety performance are included in the subsequent sub-sections of this chapter.

| | Option 1 | Option 2 | Option 3 | Option 4 |
|-----------|--|---|--|--|
| DK | <p>Limited impact</p> <p>Current legislation covers whole sector</p> <p>National legislation general but considered largely in line with framework agreement</p> <p>75% of individuals active in the sector are employers and their dependent employees</p> | <p>Limited impact</p> <p>Current legislation covers whole sector</p> <p>National legislation general but considered largely in line with framework agreement</p> <p>Chair renting is a marginal phenomenon, although is not legally recognised.</p> | <p>Limited impact</p> <p>Current legislation covers whole sector</p> <p>National legislation general but considered largely in line with framework agreement</p> <p>Share of self-employed workers without employees is 25% of employment.</p> | <p>Limited impact</p> <p>Largely reflects current situation</p> <p>Mobile hairdressers make up only 1-2% of employment in sector.</p> |
| FR | <p>Limited impact</p> <p>Reflects current situation and some (different) health and safety provisions also cover self-employed</p> <p>70% of individuals active in the sector are employers and their dependent employees</p> | <p>Some limited impact</p> <p>Current (different) legislation exists for both employers and dependent employees and self-employed. Both considered largely in line with framework agreement with exception of use of certain substances and rotation of wet and dry work.</p> <p>Chair renting is a marginal</p> | <p>Some limited impact</p> <p>Current (different) legislation exists for both employers and dependent employees and self-employed. Both considered largely in line with framework agreement with exception of use of certain substances and rotation of wet and dry work.</p> <p>Share of self-employed workers without employees is 30% of employment.</p> | <p>Some limited impact</p> <p>Current (different) legislation exists for both employers and dependent employees and self-employed. Both considered largely in line with framework agreement with exception of use of certain substances and rotation of wet and dry work.</p> <p>Mobile hairdressers make up only 6.4% of employment in</p> |

| | | phenomenon. | | sector. |
|-----------|--|---|--|---|
| DE | <p>Limited impact</p> <p>Current legislation already covers whole sector</p> <p>National general and sector specific regulation exists and closely mirrors framework agreement</p> <p>92% of individuals active in the sector are employers and their dependent employees</p> | <p>Limited impact</p> <p>Current legislation already covers whole sector</p> <p>National general and sector specific regulation exists and closely mirrors framework agreement</p> <p>Chair renting is a growing phenomenon, but no precise data on its scale are available.</p> | <p>Limited impact</p> <p>Current legislation already covers whole sector</p> <p>National general and sector specific regulation exists and closely mirrors framework agreement</p> <p>Share of self-employed workers without employees is 8% of employment.</p> | <p>Limited impact</p> <p>Largely reflects current situation</p> <p>Mobile hairdressers are estimated to make up to 10% of self-employment in the sector with a rising tendency</p> |
| HU | <p>Limited impact</p> <p>Largely reflects current situation</p> <p>14% of individuals active in the sector are employers and their dependent employees</p> | <p>Some impact</p> <p>Current legislation only covers employers and their dependent employees. No data on number of chair renters, but presumed to be growing</p> | <p>Significant impact</p> <p>Current legislation only covers employers and their dependent employees. An additional 86% of the sector would have to be covered by health and safety legislation set out in European agreement</p> | <p>Some impact</p> <p>Current legislation only covers employers and their dependent employees. No data on number of mobile hairdressers but practice exists.</p> |
| IT | <p>Limited impact</p> <p>Current legislation covers whole sector</p> <p>National legislation general but considered largely in line with framework agreement</p> <p>58% of individuals active in the sector are employers and their dependent employees</p> | <p>Limited impact</p> <p>Current legislation covers whole sector</p> <p>National legislation general but considered largely in line with framework agreement</p> <p>Chair renting is currently illegal, although there have been proposals to pilot it.</p> | <p>Limited impact</p> <p>Largely reflects the current situation</p> <p>Share of self-employed workers without employees is 42% of employment.</p> | <p>Limited impact</p> <p>Mobile hairdressing is not legal as such though hairdressing services can be provided in places of rehabilitation/cure (which are outside of a hairdresser's registered place of business).</p> |
| NL | <p>Limited impact</p> <p>Largely reflects current situation</p> <p>71% of individuals active in the sector are employers and</p> | <p>Some impact</p> <p>Current legislation only covers employers and their dependent employees. No</p> | <p>Significant impact</p> <p>Current legislation only covers employers and their dependent employees. An</p> | <p>Relatively significant impact</p> <p>Current legislation only covers employers and their dependent</p> |

| | | | | |
|-----------|--|--|---|--|
| | their dependent employees | data on number of chair renters, but presumed to be growing | additional 19% of the sector would have to be covered by health and safety legislation set out in European agreement | employees. An additional 8-23% of the sector would have to be covered by health and safety legislation set out in European agreement |
| SI | Limited impact Current legislation covers whole sector National legislation general but considered largely in line with framework agreement 77% of individuals active in the sector are employers and their dependent employees | Limited impact Current legislation covers whole sector National legislation general but considered largely in line with framework agreement Chair renting is a widespread and growing practice | Limited impact Largely reflects current situation Share of self-employed workers without employees is 23% of employment. | Limited impact Mobile hairdressing is not a recognised form of work |
| UK | Limited impact Current legislation covers whole sector National legislation general but considered largely in line with framework agreement Around 86% of individuals active in the sector are employers and their dependent employees | Limited impact Current legislation covers whole sector National legislation general but considered largely in line with framework agreement Chair renting is a widespread and growing practice | Limited impact Current legislation covers whole sector National legislation general but considered largely in line with framework agreement Share of self-employed workers without employees is around 14% of employment. | Limited impact Largely reflects current situation Mobile hairdressers make up 5% of employment in the sector |

The aim of this section is to offer information on the number of hairdressers affected by the different implementation options of the agreement. To be more specific, the aim is to shed light on the number and share of hairdressers which would be covered by the four different policy options.

5.1.1 OPTION 1: Agreement covers only employers and their (dependent) workers in the sector

There are no statistics on the number of 'employers and their dependent workers' in any of the eight study countries. Therefore, for the purpose of this study, the share of 'employers and their dependent workers' has been calculated in two different ways based on two possible assumptions of the definition of the Policy Option:

- Assumption 1 assumes that the agreement covers everyone working in the hairdressing sector apart from self-employed hairdressers working on their own (owner-operators) without any dependent employees. This means that under this assumption of the policy option covers also those self-employed who may be classified as self-employed hairdressers with dependent employees; only self-employed hairdressers without dependent employees and mobile hairdressers are excluded.

- Assumption 2 assumes that the agreement covers only employers and their dependent workers who are not classified as self-employed. In other words, all self-employed hairdressers, including those with dependent employees, are excluded.

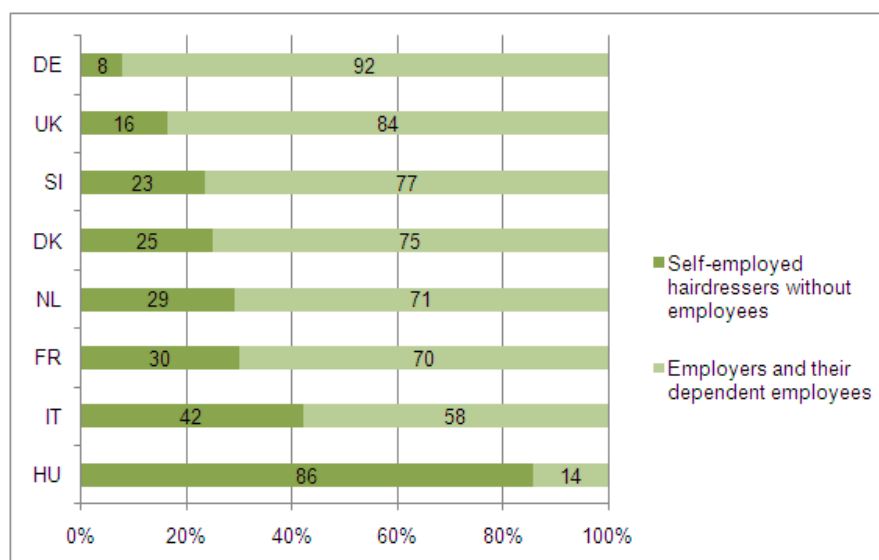
Under EU legislation (i.e. the Framework Directive on Health and Safety (Directive 89/391/EEC), anyone who employs a worker is considered to be an employer, regardless of whether this person is themselves considered to be self-employed. It is therefore important to note that Assumption 2 only arises as a consequence of different definitions of self-employment in the data sources used, e.g. because some statistics count self-employed owner-operators with dependent employees as self-employed while others may classify them as employers. It is also important to note that neither one of the ways of calculating this figure is a fully accurate representation of the total number of 'employers and their dependent workers' in the sector. This is caused by the slight variations in the definition of self-employment by different countries, studies and transnational statistical sources. In broad terms, it is expected that the calculations leading to Assumption 1 are an over-estimate of the real share of 'employers with dependent employees' while the Assumption 2 is likely to be an under-estimate of their share. In our view, Assumption 1 presents the preferable option, as Assumption 2 excludes many of those active in the sector who should be considered to be employers and will have employers' obligations towards their employees (including in relation to health and safety protection). As indicated above, assumption 2 is not relevant under European health and safety legislation.

5.1.1.3 Assumption 1 – Agreement covering all others in the sector apart from self-employed hairdressers working on their own (owner-operators) without any dependent employees.

This figure has been calculated by deducting the number of owner-operated hairdressers (one-person hairdressing businesses) from the total working population in the sector. As identified above, this figure is likely to be a slight over-estimate of the share of 'employers with dependent employees' of the total working population.

However as Figure 5.57 and Figure 5.58 show, if this policy option (and assumption) is chosen, the data from the eight study countries suggest that the Directive will cover around three-quarters of the total working population in the sector. In the eight Member States in question, the share of 'employers and their dependent employees' of the total working population in the sector ranges from just 14% in Hungary to 92% in Germany, with the figure in most countries hovering around the three-quarter share (70%-77%).

Figure 5.57 Assumption 1 – The share of 'self-employed hairdressers without dependent employees' and 'employers and their dependent employees' from total employment in the sector



Source: GHK calculations on the basis of national data, 2011

By far the largest share of self-employed without dependent employees (which would not be covered under this option) can be found in Hungary (86%) followed by Italy (42%), France (30%) and the Netherlands (29%). Germany (8%) and the UK (16%) have the smallest share of employees who would not be covered under this implementation option.

Figure 5.58 Agreement covering all others in the sector apart from self-employed hairdressers working on their own (owner-operators) without any dependent employees.

| Countries | Working population in the sector | | Self-employed hairdressers without employees | | Employers and their dependent employees | |
|----------------|----------------------------------|---|--|---|---|---|
| | Number | | Number | Share (%) of the total working population | Number | Share (%) of the total working population |
| Denmark | 12,848 | | 3,202 | 25-26% | 9,646 | 75% |
| France | 173,500 | | 52,000 | 30% | 121,500 | 70% |
| Germany | 274,350 | | 21,462* | 8% | 252,888 | 92% |
| Hungary | 25,000** (42,300) | | 21,425 | 86% (51%) | 3,575 (20,875) | 14% (49%) |
| Italy | 150,000 | | 63,000 | 42% | 87,000 | 58% |
| Netherlands | 46,250 | | 13,502 | 29% | 32,748 | 71% |
| Slovenia | 6,300 | | 1,471 | 23% | 4,829 | 77% |
| United Kingdom | 161,819 245,795 | - | 26,536*** | 11%-16% | 135,283 - 219,259 | 84%-89% |
| Total | 850,100 – 951,300 | | 202,598 | 21%-24% | 647,502 – 748,702 | 76%-79% |

Note: Unweighted average

* Likely to be an under-estimate of the real figure.

**The first figure (25,000) is based on an estimate from stakeholders but seen as more accurate than the Eurostat LFS figure 42,300.

***There is no comparable data for the UK. The UK figure consequently calculated on the basis of information from Habia that some 67% of all businesses 39,607 businesses in the sector were proprietor owned micro businesses in 2008. Some of these businesses may have employees.

In terms of trends, in most Member States there has been an increase in the share of 'self-employed hairdressers without employees' (i.e. France, Germany, the Netherlands and Slovenia). Their share has remained stable in Italy and declined in Denmark. However, most countries have also seen an increase in the number of employees in larger hairdressing establishments, thereby making a clear-cut assessment of the trend in the share of 'employers and their dependent employees' from the total working population difficult.

5.1.1.4 Assumption 2 - the agreement covers only employers and their dependent workers who are not classified as self-employed.

This assumption looks at the share of 'employers with dependent workers' from the total workforce, excluding all self-employed hairdressers (self-employed with or without dependent employees). As well be seen below, using this interpretation significantly decreases the share of individuals working in the sector who would be covered by the framework agreement if this implementation option was used (with the exception of Hungary and Italy).

On the basis of this assumption, between 39% and 72% of all workers in the hairdressing sector are classified as employers with dependent employees (see Figure 5.59). A relatively low share of employers and dependent employees from the total workforce can be found in Hungary while their share is much more significant in countries like Germany and France.

Figure 5.59 Share (%) from total workforce in the sector, 2009

| Country | Share (%) of self-employed from all workers in the sector | Share (%) of employers and their dependent employees |
|-----------------|---|--|
| Denmark | 25-26% | 74-75%* |
| France | 30% | 70% |
| Germany | 28% | 72% |
| Hungary | 61% | 39% |
| Italy | 42% | 58% |
| The Netherlands | 44% | 56% |
| Slovenia | 40% | 60% |
| United Kingdom | 38-45% | 55% - 62% |

Note: The figures for HU (Eurostat) and UK (ONS) include hairdressers and workers from the beauty sector.

*No exact figures available. These figures are likely to be an over-estimate.

5.1.2 OPTION 2: The agreement covers in addition self-employed hairdressers working together with (dependent) workers and/or employers in the same workplace

The aim of this section is to provide information on self-employed hairdressers who are renting a chair or a room in a salon who do not have a contract of employment but pay rent for the use of the chair/salon space to the owner of the salon.

No statistics were obtained from any country to indicate the share of chair renters from the total hairdressing population or from the self-employed population. Despite this, some considerable differences can be discerned between countries in relation to the practice of chair renting:

- Firstly, it important to note that while chair renting is a more wide-spread practice in countries like the UK, it is not legal in all contexts. In our case study countries, this applies to Denmark and Italy where the national legislation does not recognise this form of hairdressing practice (see section 4.1.4 for further information on the situation in Denmark and Italy).
- Chair renting is an established practice in the UK and also appears to be growing in countries like Germany, Hungary and Slovenia. The increase for example in Germany is evident from suppliers in that the number of supplies to different "businesses" being delivered to one address has increased, which would appear to indicate the operation of different establishments (with different accounting systems) from one salon. However, the German employers' organisation for the hairdressing sector argues that in many cases the practice of chair renting is in fact shadow self-employment.

- Chair renting is still a marginal practice France and the Netherlands. In France in particular chair renting is a recent phenomenon being driven by influences from other countries. It is also strongly discouraged by the employers' federations in France. The legislation makes it unattractive for employers as the requalification of such work relation into an employment contract is very high in case of legal dispute.

Figure 5.60 Importance of the practice of chair renting in the hairdressing sector, 2009

| Illegal | Marginal | A more widespread or a growing practice |
|------------------|-----------------------|--|
| Denmark Italy | France Netherlands | Germany Hungary Slovenia United Kingdom |

5.1.3 OPTION 3: It additionally covers self-employed hairdressers operating their own salons from a fixed location that do not have dependent employees

This option covers self-employed hairdressers operating their own salons from a fixed location that do not have dependent employees.

There are no clear statistics on the share of this group of hairdressers in the total workforce. The following table is based on estimates and calculations prepared by using all available information from the Member States in question on the total working population in the sector, the number and share of self-employed hairdressers without dependent employees and on the number and share of mobile hairdressers. It would therefore be noted that these figures are *indicative only*.

The statistics however do suggest that:

- The number of self-employed hairdressers operating their own salons from a fixed location that do not have dependent employees is not drastically different from the number of self-employed hairdressers without dependent employees.
- The biggest difference can be seen in the Netherlands and France where the mobile hairdressers make up a more significant share of all hairdressers (8-23% and 6.4%, respectively).
- The size of this group as a share of the total number of individuals active in the sector ranges from less than 8% in Germany to just under 86% in Hungary.

Figure 5.61 Self-employed hairdressers operating their own salons from a fixed location that do not have dependent employees

| Countries | Assumptions made | Share (%) of self-employed hairdressers covered by this policy option as a share of all hairdressers |
|-----------|--|--|
| Denmark | 1-2% of all hairdressers are mobile hairdressers Working population of 12,848 of which 25-26% self-employed without dependent employees | 24-25% |
| France | 6.4% of the total working population and 14.2% of all self-employed hairdressers are mobile hairdressers Working population of 173,500 of which 30% self-employed without dependent employees | 26% |
| Germany | Number of mobile hairdressers increasing. Considered to represent around 10% of employment in the sector. Working population of 274,350 of which 8% self- | <8% |

| Countries | Assumptions made | Share (%) of self-employed hairdressers covered by this policy option as a share of all hairdressers |
|-----------------|---|--|
| | employed without dependent employees | |
| Hungary | No data on mobile hairdressers but the practice exists | <86% |
| | Working population of 25,000 of which 86% self-employed without dependent employees | |
| Italy | No solely mobile hairdressing activity in the country although hairdressing services can be provided in places of rehabilitation/cure (which are outside of a hairdresser's registered place of business). No statistics. | 42% |
| | Working population of 150,000 of which 42% self-employed without dependent employees | |
| The Netherlands | Non-mobile, self-employed hairdressers without employees make up around 15% of all workers and 65% of all the self-employed without dependent employees ⁸⁴ | 19% |
| | Working population of 46,250 of which 29% self-employed without dependent employees | |
| Slovenia | No mobile hairdresser activity in the country | 23% |
| | Working population of 6,300 of which 23% self-employed without dependent employees | |
| United Kingdom | Approximately 5% of all hairdressers are mobile hairdressers | 10-16% |
| | Working population of 161,819-245,795 of which 11%-16% are self-employed without dependent employees | |

Note: These figures should be seen as indicative only. Please also note that as earlier mentioned, the figures for the 'self-employed without dependent employees are likely to be an under-estimates of the real situation due to the fact the data is based in many countries only on the number of owner-operated salons without employees.

5.1.4 OPTION 4: It also additionally covers mobile hairdressers.

The fourth option also covers mobile hairdressers – hairdressers who are (generally) self-employed hairdressers without fixed premises, providing services in individual's home or in care homes, hospitals etc.

If the Directive was to cover mobile hairdressers, this would have an impact on Denmark, France, Germany, Hungary, the Netherlands and the UK as there are mobile hairdressers in these countries. Slovenia is the only exception where no impact is foreseen because it is illegal to set up a business as a mobile hairdresser. In Italy all hairdressers have a registered place of business, although they can also provide the service in another location if this is required by the client.

This option would have an impact on 8-23% of all hairdressers in the Netherlands, some 6.4% of all hairdressers in France, 5% of hairdressers in the UK and 1-2% of hairdressers in Denmark who are registered as mobile hairdressers.

⁸⁴ Based on calculations from HBA data on employment and economic structure of the sector.

Table 5.1 Mobile hairdressers

| Country | Legal background* | Share from all hairdressers | Other information |
|-------------------------------|---|--|--|
| Denmark | Legal | Mobile hairdressers make up 1-2% of all hairdressers | |
| France | Legal | Mobile hairdressers make up 6.4% of the total working population in the sector (some 11,000 individuals). Two out of three (66%) mobile hairdressers are self-employed: 2.1% of all hairdressers are mobile hairdressers registered as employees (3,700) while 4.3% are mobile hairdressers registered as self-employed (7,400) | The number of mobile hairdressers has doubled over the past decade Self-employed mobile hairdressers make up 14.3% of all self-employed hairdressers Mobile establishments make up some 15% of all hairdressing businesses |
| Germany | Legal | No data but the number of mobile hairdressers has grown | |
| Hungary | Legal | No data but the practice exists | Mobile hairdressers are typically self-employed |
| Italy | Illegal in its strictest sense through the service can be provided in places of rehabilitation/cure | No such practice as a separate type of business activity | |
| The Netherlands ⁸⁵ | Legal | Mobile hairdressers make up around 8-23% of all workers in the sector Mobile hairdressers are typically self-employed and self-employed mobile hairdressers make up to 33% of all self-employed hairdressers | Mobile hairdressers make up 19% of all hairdressing businesses |
| Slovenia | Illegal | No such practice | Stakeholders assume that this practice exists in the underground economy |
| United Kingdom | Legal | Approximately 5% of all hairdressers | |

Note: * Social partners from Denmark, France, Italy and Slovenia have confirmed the accuracy of this information through a follow-up survey. No confirmations were received from France, Germany, Hungary, the Netherlands and the UK

⁸⁵ Based on HBA data and information from ANKO.

5.2 Economic impact of different implementation options

Key findings from this section include the following:

- Evidence from the baseline indicates that the differential application of health and safety legislation to different segments of the market in hairdressing does not appear to be the main factor conditioning the diversified profile of the sector in different countries.
- Only very limited evidence is available on the impact of health and safety legislation on the cost structure of the sector. This shows that the cost of regular items of expenditure required by health and safety legislation are unlikely to impact on the market structure of the sector. However, it must be borne in mind that this only measures expenditure for items such as gloves and barrier creams and does not take into account “bigger ticket items” such as ergonomic equipment, lighting and ventilations systems or the impact of changes to work processes. More research would be required to estimate these costs and their impact on different types of businesses.
- The table below summarises our findings in relation to the nature and scale of the impact of different implementation options turnover and sales growth, prices and cost structures, market concentration and market areas. In looking at this is must be borne in mind that the evidence base to make such assessments is poor and further research would be required to make more reasoned judgements.

| Option 1 | Option 2 | Option 3 | Option 4 |
|---|---|--|---|
| Impact on turnover and sales growth | | | |
| Impact would be limited as all countries cover this market segment with existing health and safety legislation whose content is considered to be close to requirements of the framework agreement. Should different self-employed segments of the market not be covered by the implementation of new EU regulations, some limited cost advantages might arise for this market segment which would have to be balanced against potential costs related to ill-health effects. | Impact would largely be limited to countries which do not currently cover the self-employed in their health and safety regulation. However, it is likely that impact would be rather limited as this market segment has been growing in all Member States (except in DK) despite revisions and enhancements in national health and safety regulations (in countries where self-employed are covered). Regular costs of implementation are likely to be low. | Impact would largely be limited to countries which do not currently cover the self-employed in their health and safety regulation. However, it is likely that impact would be rather limited as this market segment has been growing in all Member States (except in DK) despite revisions and enhancements in national health and safety regulations (in countries where self-employed are covered). Regular costs of implementation are likely to be low, but there could be disincentive effects in increased first set up or refurbishment costs (ventilation, equipment etc). | Impact would largely be limited to countries which do not currently cover the self-employed in their health and safety regulation. However, it is likely that impact would be rather limited as this market segment has been growing in all Member States (except where this form of work is not recognised) despite revisions and enhancements in national health and safety regulations (in countries where self-employed are covered). There are a number of elements of the framework agreement which are considered difficult to apply to the mobile sector, which relate to the more “high cost” items of the agreement (lighting ventilation, work rotation). Adjustments would have to be made for mobile hairdressers |

| | | | |
|---|---|--|---|
| | | | in this regard. |
| Impact on prices and cost structures | | | |
| Impact would be limited as all countries cover this market segment with existing health and safety legislation whose content is considered to be close to requirements of the framework agreement. | Impact would largely be limited to countries which do not currently cover the self-employed in their health and safety regulation. There is limited evidence available on current cost structures, but regular costs of implementation are likely to be low. | Impact would largely be limited to countries which do not currently cover the self-employed in their health and safety regulation. There is limited evidence available on current cost structures, but regular costs of implementation are likely to be low and evidence of impact of cost of “bigger ticket items” is lacking. | Impact would largely be limited to countries which do not currently cover the self-employed in their health and safety regulation. Impact on costs likely to be limited as it is difficult to apply provisions potentially occasioning higher costs to mobile hairdressers. |
| Impact on market concentration and market areas | | | |
| Impact would be limited as all countries cover this market segment with existing health and safety legislation whose content is considered to be close to requirements of the framework agreement. Some market concentration could be considered to have taken place in the last 10 years as there has been some expansion in the number of chains and franchises at the expense of small salons with few employees, at the same time the number of owner-operators has also increased. Should different self-employed segments of the market not be covered by the implementation of new EU regulations, some limited cost advantages might arise for this market segment which would have to be | Impact would largely be limited to countries which do not currently cover the self-employed in their health and safety regulation. Chair renting tends to be a phenomenon in larger salons. Any disincentive effects for the use of such forms of employment arising from the legislation are likely to be limited. The impact of this option could be considered to be to push “potential chair renters” into dependent employment or into setting up their own business (or the underground economy), but this appears unlikely, as their numbers have grown in countries where this form of work is already | Impact would largely be limited to countries which do not currently cover the self-employed in their health and safety regulation. Evidence indicates that any additional regular costs arising from the legislation would be limited and unlikely to act as a disincentive, but there could be disincentive effects in increased first set up costs (ventilation, equipment etc). However, evidence on the expansion of this form of employment even in countries where the self-employed are covered would appear to indicate that such disincentive effects are limited. | Impact would largely be limited to countries which do not currently cover the self-employed in their health and safety regulation. However, it is likely that impact would be rather limited as this market segment has been growing in all Member States (except where this form of work is not recognised) despite revisions and enhancements in national health and safety regulations (in countries where self-employed are covered). There are a number of elements of the framework agreement which are considered difficult to apply to the mobile sector, which relate to the more “high cost” items of the agreement (lighting ventilation, work rotation). Adjustments would have to be made for mobile hairdressers |

| | | | |
|---|----------------------------------|--|-----------------|
| balanced against potential costs related to ill-health effects. | covered by existing legislation. | | in this regard. |
|---|----------------------------------|--|-----------------|

5.2.1 Introduction

The purpose of this section is to look at the likely economic impact of different options for the scope of implementation of the framework agreement on the market for hairdressing services. The Terms of Reference for the study called for an analysis under each implementation option of its potential impact on turnover and sales growth, prices and cost structures, market concentration and market areas, in each case providing an estimate of the size of the effect under each scenario.

The key impact question is *whether the application of different scenarios would lead to distortions of competition*. It is also strongly linked to the question whether the application of the sectoral framework agreement to employers and their dependent employees only would lead to a “crowding out effect” of existing hairdressing businesses by owner-operated (micro) salons and/or chair renters and whether it might push parts of the sector into the underground economy? However, for the sake of clarity, the latter two questions will be answered in the next section which relates to the labour market impact of the application of different implementation options.

In order to answer the questions regarding the impact of different options on market structure, the following underlying fundamental issues need to be addressed which relate to the baseline situation:

- Is there any evidence to show that countries which apply current health and safety legislation only to certain segments of the market in hairdressing display very different market, cost and pricing structures?
- Is there any evidence from previous changes in health and safety legislation that this has a significant impact a) on the cost base of businesses in the sector and b) on the overall structure of the sector?
- To what extent would the European framework agreement change existing health and safety legislation and how would this add to the cost structure of different businesses?
- How many countries would have to change the segments of their hairdressing sector health and safety legislation applies to and what might be cost and benefit implications which could change market structure?

5.2.2 Comparison of market structure between countries currently applying health and safety legislation to different segments of the market

As indicated above, there are two countries among our sample where health and safety legislation only applies to employers and their dependent employees (Option 1): Hungary and the Netherlands. In addition, there is one country (France) where the health and safety framework applying to workers and their dependent employees and the framework applying to self-employed and indeed mobile hairdressers is different, but both are covered by provisions which to a significant extent mirror those of the European framework agreement. In all other countries, all segments of the market are covered and existing legislation is considered to be unlikely to have to change significantly as a result of the implementation of the European framework agreement.

Having identified that only Hungary and the Netherlands would have to significantly change the coverage of health and safety legislation in the sector (efforts to achieve this are already under way in the Netherlands as part of collective bargaining on the Arbocatalogus), the next step is to assess whether the structure of the hairdressing market is significantly different in these two countries compared to the other four countries under study.

The main distinguishing feature of the market for hairdressing services in Hungary is the high number of owner-operated salons (91% of all businesses) and the high density of

hairdressing establishments. The size of establishments and their average turnover is therefore particularly small. No specific data is available from Hungary on types of establishments in the sector, but it appears fair to assume that the number of independent salons is high because of the structure of the sector. The number of mobile hairdressers is low but is considered to be growing (no precise data are available).

In the Netherlands the share of owner-operated salons without employees is also high (but only the sixth highest in our sample), with a medium density of establishments. The trend has been towards a growth in the number of owner-operated salons. No data are available on the prevalent type of establishment, but given the significant share of owner-operated salons it is fair to assume that the share of independent salons is relatively high. Again, as a result of the size of establishments their average turnover is relatively low.

No comparable data are available on the cost structure of businesses in different countries which might allow an assessment of the potential impact of health and safety regulations (and required adaptations) on cost structures. However, as the cost of non-personnel related items can be shared over more employees in larger establishments, it is possible to assume that non-personnel related costs make up a greater share of costs in smaller and owner-operated salons. The impact of any costs associated with health and safety legislation is therefore potentially greater. Having said that, this risk of health related absences is also greater as it can put entire livelihoods in peril.

While it is notable that both countries which do not currently cover self-employed hairdressers with their health and safety legislation have a high share of owner-operated salons, this in itself is insufficient to argue that health and safety legislation has considerably affected market structure and a differential application of the European agreement could have a similar impact. Italy, the UK, Slovenia and Denmark each have higher shares of self-employed owner-operators (as a share of all businesses) than the Netherlands for example, but their health and safety legislation already covers all self-employed.

Most countries have experienced an increase in self-employment and the number of owner-operated salons in recent years. Although there have been some changes in health and safety legislation during this time in most countries, we found no evidence to lead us to believe that such structural changes are the result of amendments in health and safety legislation. This structural change is more likely to be due to economic, societal and policy factors. The relative economic prosperity of the last ten years (up to the time of the economic crisis) has encouraged many individuals active in the sector to seek to set up their own business (also supported by policy level encouragement, see below). A greater individualisation of society and the greater participation of women on the labour market have encouraged this type of entrepreneurship (particularly in a female dominated sector). As indicated above, many women see independent working in the sector as an opportunity to be able to better reconcile work and family life. At the same time, demographic changes have supported the expansion of mobile hairdressing in countries where this form of supply is possible. In addition, policy measures implemented in many countries have sought to encourage self-employment and entrepreneurship. Figure 5.62 below (drawn from a recent thematic review of the European Employment Observatory) summarises some of these general measures to promote self-employment for the countries under study. In addition, Germany and the Netherlands witnessed the relaxation of business laws or hairdressing sector requirements for salon owners (e.g. in terms of qualifications needed) making it easier to set up in business.

Figure 5.62 Overview of generic national policies and measures taken to promote or increase self-employment

| Country | Name of initiative or law / policy |
|---------|--|
| Denmark | Regional business incubators The incubators have a website (http://www.startvaekst.dk) with information about their services and advice with respect to business creation and development. A part of the website is targeted at women with the aim of raising the share of women among entrepreneurs to 25 % of the total. |

| Country | Name of initiative or law / policy |
|-------------|--|
| Germany | Start-up Grant (2004-2006) Funding grants for business start-ups. Federal level funding for this initiative equalled EUR 4.01 billion. |
| Germany | Transition Allowance (1980s-2006) Income support grants for transition into self-employment. Federal level funding equalled EUR 6.18 billion in 2002-2009. |
| France | 'Auto entrepreneur' status This is a legal and fiscal status introduced in 2009 by the Law for Modernisation of the Economy to help employees, students and the retired to build their income. |
| France | New support for business creation or recovery (NACRE) This supports businesses with the overall goal of decreasing by a third the number of unemployed. It was introduced in 2009 and has a budget of EUR 37.5 million. |
| France | Contrat d'insertion à la vie sociale (CIVIS) Personalised and intense support over one year is given, with an allowance of up to EUR 450 per month (depending on individual circumstances) which can be dedicated to starting their own business. Accessible to all unemployed and low qualified young people (without a baccalaureate). |
| Italy | Start-up incentives Start-up incentives operating at national level target young entrepreneurs, unemployed and entrepreneurs in urban depressed areas. Six measures in favour of business creation, worth EUR 3.9 billion, were in force at the national level in the period 2003-2008, while 54 measures, worth EUR 500 million, were in force at the regional level. |
| Italy | Law 215/92 on incentives for female entrepreneurship This law funded start-ups or innovative business projects led by female individual entrepreneurs or by SMEs having a significant share of women (not less than 60 %) among their partners and on their boards. Periodical calls for proposals (six from 1997, when the law became operational) were published in order to define evaluation and funding criteria (a detailed business plan had to be presented in order to access funds). More than 16 000 female enterprises have been supported (out of 90 000 applications) through EUR 750 million overall funding. The incentives granted by this law were discontinued in 2006 when responsibility for female entrepreneurship was transferred from the Ministry of Economic Development to the Ministry of Equal Opportunities. From then on, no more funding for female start-ups has been available, excluding those granted at regional level. |
| Hungary | Subsidy scheme for the registered unemployed to enter self-employment Three schemes focusing on different target groups, providing subsidies for starting up a business. SROP 1.1.1 targets the disabled SROP 1.1.2 focuses on the low qualified, the 50+, labour market entrants and young mothers The third programme is focussed exclusively on providing the registered unemployed with a form of support to raise start-up capital and a kick-start wage subsidy. The first two programmes are funded through the European Social Fund (ESF) while the third programme is funded under the decentralised part of the Employment Fund. |
| Netherlands | Support services aimed at the unemployed Loans to the unemployed and welfare recipients to set up a business are available and the costs of receiving coaching and courses or market surveys can be refunded. |
| Netherlands | Measures in response to the economic crisis in 2009/2010 Financial guarantee for companies applying for bank loans; micro-finance initiative and change in criteria for entitlement to tax benefits. |
| Slovenia | Start-up support programme A programme for stimulating self-employment and entrepreneurship was introduced |

| Country | Name of initiative or law / policy |
|----------------|--|
| | in 1990 (slightly changed in 2010) seeking to reduce unemployment and to offer the possibility of a new start to those without any other option and those with new ideas and motivation. The programme consists of two stages: preparation for self-employment and subsidy. |
| United Kingdom | New Deal Plus and Flexible New Deal Provides advice and guidance for the unemployed who wish to become self-employed. It is funded by the Department for Work and Pensions. |
| United Kingdom | Self-Employment Credit Aimed at financially helping the newly self-employed who have been receiving unemployment benefit. It is funded by the Department for Work and Pensions. |

Source: European Employment observatory review on self-employment. Can be found: <http://www.eu-employment-observatory.net/resources/reviews/EEORReview-Self-Employment2010.pdf>

Note: These are general, national measures to promote self-employment and are not specifically aimed at hairdressers.

5.2.3 Impact of health and safety legislation on cost structures and competition in the sector

Our research at national level did not find any impact assessments previously carried out in Member States to assess the potential economic impact of the introduction or revision of health and safety legislation on the hairdressing sector. Similarly, only very limited data were available in some countries on the cost structure of hairdressing businesses which made it difficult to discern the potential impact of revisions in health and safety regulations which might arise from the implementation of the EU level agreement on different businesses.

Again it must be borne in mind that most countries already cover all types of salons in their health and safety regulations which are considered to be largely in line with the European framework agreement.

Only Germany has carried out some assessment of the cost of the implementation of the provisions of TRGS 530. In this calculation, the main costs are assumed to arise in relation to skin care products and gloves (regular rather than the one off costs for example to changes to ventilation or lighting systems, the placement of basins and ergonomically designed workstations – the latter costs are of course significantly higher). According to these calculations, the cost of the introduction of regular items of expenditure required by TRGS amounted to around 1.2% of total turnover. According to the employers' organisation in the sector, these costs are too low to have a significant effect on the economic and employment structure of the sector and indeed on the level of undeclared work in the sector. Similarly, this figure is also considered to be low in relation to the cost savings made which relate to ill-health absences from work and the cost of occupational health insurance.

5.3 Labour market impact of different implementation options

Key findings from this section include the following:

- The main factor affecting overall employment in the sector is overall national (regional and local) economic development and performance. Employment growth (or decline) cannot be shown to be strongly impacted by changes in health and safety legislation.
- No linear relationship can be shown between the structure of employment in the sector and the coverage and level of health and safety legislation. The expansion of self-employment has largely resulted from economic and societal factors as well as policy incentives.
- There is little evidence to support the existence of a "crowding out effect" to less protected parts of the sector resulting from improvements in health and safety legislation. However, there is insufficient data on the cost of certain items of expenditure which may be linked to the implementation of the framework agreement (big ticket items such as ventilation, equipment etc. or indeed changes in work organisation which may be required).

- As there is limited evidence of a crowding out effect, it is not possible to state that there is likely to be an important impact on wages, working conditions and collective bargaining coverage from the differential application of the agreement.

| Option 1 | Option 2 | Option 3 | Option 4 |
|---|---|---|---|
| Impact on employment and employment structure | | | |
| Overall employment growth unlikely to be impacted by different implementation options. See section 5.1 above with regard to employment structure | Overall employment growth unlikely to be impacted by different implementation options. See section 5.1 above with regard to employment structure | Overall employment growth unlikely to be impacted by different implementation options. See section 5.1 above with regard to employment structure | Overall employment growth unlikely to be impacted by different implementation options. See section 5.1 above with regard to employment structure |
| Impact on working conditions, wages and collective bargaining coverage | | | |
| Insufficient evidence of crowding out effect to make a difference, but data on cost of larger items of expenditure missing. | Insufficient evidence of crowding out effect to make a difference, but data on cost of larger items of expenditure missing. | Insufficient evidence of crowding out effect to make a difference, but data on cost of larger items of expenditure missing. | Insufficient evidence of crowding out effect to make a difference, but data on cost of larger items of expenditure missing. |

5.3.1 Introduction

Following on from the discussion in section 5.2, this section provides an analysis of the impact of each implementation option on employment in the sector, including effects on employment structure, employment growth, contract types, the level of (bogus) self-employment, wages, collective bargaining coverage, recruitment and working conditions. The key impact questions relate to *extent to which the application of the sectoral framework agreement to employers and their dependent employees only lead to a “crowding out effect” of existing hairdressing businesses by owner-operated (micro) salons and/or chair renters?* Another key question is *whether the application of the agreement to all individuals engaged in the sector would have an impact on the extent to which hairdressing activities are carried out in the undeclared sector?*

5.3.2 Impact of different options on employment and employment structure

Similar to the discussion in the section on the impact on the economic structure of the sector, the question to be addressed is *“do countries where health and safety legislation does not apply to self-employed hairdressers have a greater share of owner-operated salons, chair renters and self-employed mobile hairdressers and where this is the case, can this greater representation of this type of business be attributed primarily to the costs imposed by health and safety legislation?”*

Based on the available evidence, this question cannot be conclusively answered. Although Hungary and the Netherlands, where health and safety legislation currently does not cover self-employed individuals, do have large numbers of owner-operated salons without employees, we cannot show a clear linear relationship as the number these types of businesses is also high in other countries (Italy, the UK, Slovenia and Denmark each have higher shares of self-employed owner-operators than the Netherlands).

As indicated above, there has clearly been an increase in micro-salons and some increase in the number of chair renters and mobile hairdressers, although in relation to all of these the data available are scarce and not always comparable. The increase in micro-salons is evident in all countries with the exception of Denmark, where their number has declined. Trend data are not available for all countries but where it is, it appears to suggest that the

share of owner-operated salons has increased most significantly in the Netherlands, where it was already rather high.

No national impact assessments on previous amendments of health and safety legislation in the sector could be identified which may have contributed to an assessment of whether revisions in such national legislation have contributed to the scale and nature of employment in the sector. What we are able to observe is a widespread trends toward a growth in self-employment, largely in the form of owner-operators (with the exception of Denmark), but to some extent also chair renters and mobile hairdressers (with the exception of Denmark and Italy where chair renting is illegal and Slovenia where mobile hairdressing is not legally recognised). Insufficient national level data is available on the growth in chair renters and mobile hairdressers to assess any link with health and safety legislation or other factors. Other factors which have contributed to the expansion of self-employment (particularly owner-operators) have already been outlined in the previous section.

Therefore, the impact of different options on levels of employment and the structure of employment can be summarised as follows:

- All countries have seen employment growth in the sector during the period of economic expansion. As the sector reflects to some degree of “discretionary expenditure” by individuals, it is clearly affected by overall economic developments at national and regional/local level. It is unlikely that overall employment trends in the sector will be affected significantly by the application of any of the different implementation options.
- Overall, Hungary, UK, Germany, France and Slovenia have the largest hairdressing sectors when compared to total employment in the country. The overall size of employment in the sector therefore does not provide any clues as to the impact of different levels (of coverage) of health and safety legislation in the sector (this is very detailed in Germany and France, more general in nature in Hungary, Slovenia and the UK and does not apply to self-employed workers in Hungary. In France there is different legislation covering employers and their dependent employees and the self-employed).
- As indicated above, self-employment has been expanding in most countries, with Eurostat data indicating that this expansion has been greatest in Slovenia (doubling of self-employment between 2001 and 2009), the Netherlands (48% increase), UK (30% increase) and Hungary (15% increase). France is the only country which has data on the number of self-employed by type of establishment which shows that self-employment is most prevalent among hairdressers in independent salons, followed by those in mobile hairdressing. Chain affiliated salons tend to be dominated by employees. The distribution of self-employment in our study countries does not point to a significant impact of health and safety legislation on the structure of employment in the sector. The baseline situation provided no strong evidence to suggest a “crowding out” effect to less protected forms of employment arising from the implementation of health and safety legislation.
- The gender, age and skills profile of employment in the sector is generally rather uniform, with women and young workers qualified to ISCED level 3-4 predominating employment.
- Part-time employment is widespread in the sector, with the two countries not covering self-employed workers having respectively the highest and lowest share of part-time workers in the sector. It therefore appears that health and safety legislation and its coverage has little impact on contractual structures in the sector.
- Data on undeclared work in the sector is maybe unsurprisingly scarce, but its share of total turnover in the sector is considered to be not inconsiderable. However, the lack of data availability in all countries, and the lack of trend data mean that it is not possible to make a judgement regarding the impact of different factors (including health and safety legislation) on its expansion. On the whole, stakeholder considered other cost factors (VAT etc) to be more relevant in the decision to work in the underground sector.
- Similarly, the level of “bogus self-employment” is not measured. In France, there has been an increase in court cases on this issue since the introduction of the “auto-

entrepreneur” status, but there is no indication that any increase in bogus self-employment is in any way linked to changes in health and safety legislation. In Germany much of the practice of chair renting is considered to represent bogus self-employment.

5.3.3 Impact of different options on working conditions, wages and collective bargaining coverage

Working conditions in the sector in respect of health and safety are covered in subsequent sections. On the whole, the sector is characterised by relatively low wages (although these have increased substantially in recent years) and a high number of part-time contract (as indicated above), largely as a result of the predominance of women in the sector. No data were gathered on other factors such as opportunities for career progression, control over workflow etc.

Collective bargaining coverage varies significantly between Member States from 100% (e.g. France, Germany, Italy and the Netherlands) to 0% (Hungary and UK).

As there is little evidence of crowding out effects resulting from health and safety legislation, it is not possible to state that there are likely to be significant effects on working conditions, wages and collective bargaining coverage resulting from the different implementation options.

5.4 Impact on occupational health and safety of hairdressers and the related insurance systems

Key findings from this section include the following:

- Occupational illness particularly relating to skin conditions and respiratory disease, and to some extent also MSDs is more prevalent in this sector than in the economy as a whole and can lead to absences from work as well as relatively early exit from the sector. In the countries where such data are available skin conditions are between 10-30 times more prevalent than in the whole economy and MSDs 5 times more prevalent. In most countries where these data are available, the average length of stay in the sector is shorter than the average for all sectors. In Denmark, for example, it is 8.4 years (of which 4 years are training). In Denmark, work related illnesses are a significant factor explaining exit from the sector.
- A Dutch study calculated the cost of work related absences in the sector to be around EUR 13,500 per years per worker (in the Netherlands around 195 workers per year were found to be affected by such long term absences).
- The availability of comparable data and particularly data which distinguishes between different types of individuals working in the sector and different types of businesses is lacking, making impact assessment very difficult.
- The risk of ill-health effects could be considered to be significantly higher in segments of the market not covered by health and safety legislation. There is some anecdotal evidence to suggest that the incidence of ill-health is greater among self-employed workers and awareness of health risks is lower. A study from the Netherlands found awareness of eczema risk to be 10% lower among self-employed without employees than among employers and their dependent employees (and 20% lower among hairdressers not working from a fixed location).
- Enforcement is also an issue because of the small scale and dispersion of businesses.

The table below seeks to summarise the potential impact of different implementation options.

| Option 1 | Option 2 | Option 3 | Option 4 |
|---|--|---|--|
| Impact on incidence of accidents at work and occupational illness | | | |
| This part of the sector is covered by existing health and safety legislation in all | Chair renters are currently not covered by the same legislation in France and not covered by | Self-employed in the sector without dependent employees are currently not covered by the same legislation in France and | Mobile hairdressers are currently not covered by the same legislation in France and not covered by |

| | | | |
|---|--|--|--|
| countries which is considered to mirror the EU framework agreement closely, but is considerably more detailed in countries such as Germany and France and more general (risk assessment) in the UK, Slovenia or Hungary | <p>health and safety legislation in Hungary and the Netherlands although in the Netherlands steps are under way in collective bargaining to seek to include them. Chair renting is not a recognised form of business in Denmark and Italy at present.</p> <p>The size of this market segment is relatively small but growing.</p> <p>Because of the absence of differentiated health and safety data it is difficult to say whether chair renters are more or less likely to suffer accidents at work or ill-health than other workers in different legislative frameworks. However, as they are working on the same premises with employers and their dependent employees, the wider working environment is more likely to be conditioned by the rules applying to this sector (e.g. in relation to ergonomic equipment, lighting, ventilation. Anecdotal evidence appears to show that chair renters buy their own "products" which would include gloves and barrier creams.</p> | <p>not covered by health and safety legislation in Hungary and the Netherlands although in the Netherlands steps are under way in collective bargaining to seek to include them.</p> <p>This market segment is very large in Hungary and substantial in the Netherlands.</p> <p>Because of the absence of differentiated health and safety data it is difficult to say whether these self-employed are more or less likely to suffer accidents at work or ill-health than other workers in different legislative frameworks.</p> <p>As they are working from their own premises, a lack of coverage by health and safety legislation could lead to lower standards being implemented and there is some anecdotal evidence that ill-health and accidents are more likely among this group.</p> <p>A Dutch study indicates that awareness of health and safety risks is lower among self-employed hairdressers without dependent employees.</p> <p>A German study shows that risk of occupational ill-health is similar for employees and self-employed, albeit overall lower for the self-employed and with a greater tendency toward improvement for employees in the last decade.</p> | <p>health and safety legislation in Hungary and the Netherlands although in the Netherlands steps are under way in collective bargaining to seek to include them. Mobile hairdressing is not a recognised form of work in Slovenia or Italy.</p> <p>This market segment is growing in the countries where it is allowed but remains relatively low.</p> <p>Because of the absence of differentiated health and safety data it is difficult to say whether mobile hairdressers are more or less likely to suffer accidents at work or ill-health than other workers in different legislative frameworks.</p> <p>A Dutch study indicates that awareness of health and safety risks is lower among mobile hairdressers.</p> <p>As they work from clients' premises it is difficult to see how some of the provisions of the agreement can be applied to them (lighting, ventilation etc), so the impact could be limited.</p> |
| Impact on occupational insurance and social security systems | | | |
| This represents the current position in the countries | Self-employed hairdressers are not covered by statutory | Self-employed hairdressers are not covered by statutory | Self-employed hairdressers are not covered by statutory |

| | | | |
|----------|--|--|---|
| covered. | <p>occupational sickness insurance in Denmark, Hungary, Italy, the Netherlands and the UK. Insurance is voluntary in these countries and coverage is not considered to be widespread. In France they are covered by a different scheme from dependent employees.</p> <p>Although this segment is small, ill-health related absences have been calculated to cost around EUR 13,500 per annum. These costs would fall on the state in the absence of occupational sickness coverage. In France, a failure to cover the self-employed could lead to higher premiums for self-employed workers, which (depending on their level) could act as a disincentive.</p> <p>In countries where all workers are covered by the same insurance, not covering self-employed workers could lead to increases in premiums for all workers and therefore actuarial distortion.</p> | <p>occupational sickness insurance in Denmark, Hungary, Italy, the Netherlands and the UK. Insurance is voluntary in these countries and coverage is not considered to be widespread. In France they are covered by a different scheme from dependent employees.</p> <p>As indicated above, this segment of the workforce is significant in most countries. The cost of ill-health related absences has been calculated at around EUR 13,500 per year and this cost would call on the state in the absence of insurance cover. In France, a failure to cover the self-employed could lead to higher premiums for self-employed workers, which (depending on their level) could act as a disincentive. Inability to work could significantly affect livelihoods and lead to early exit from the sector.</p> <p>In countries where all workers are covered by the same insurance, not covering self-employed workers could lead to increases in premiums for all workers and therefore actuarial distortion.</p> | <p>occupational sickness insurance in Denmark, Hungary, Italy, the Netherlands and the UK. Insurance is voluntary in these countries and coverage is not considered to be widespread. In France they are covered by a different scheme from dependent employees.</p> <p>Although this segment is still relatively small (but growing), ill-health related absences have been calculated to cost around EUR 13,500 per annum. These costs would fall on the state in the absence of occupational sickness coverage. In France, a failure to cover the self-employed could lead to higher premiums for self-employed workers, which (depending on their level) could act as a disincentive.</p> <p>In countries where all workers are covered by the same insurance, not covering self-employed workers could lead to increases in premiums for all workers and therefore actuarial distortion.</p> |
|----------|--|--|---|

5.4.1 Introduction

In order to be able to make a judgement on the impact of different implementation options on occupational health and safety of hairdressers and related insurance systems, it is critical to be able to estimate whether there are significant differences in the health and safety performance (incidence of occupational accidents and illnesses) of different types of hairdressing businesses, e.g. particularly between businesses with employees and the self-employed. As mentioned above, this would be particularly relevant for countries where the

self-employed are currently not covered by health and safety regulation to allow us to assess whether this has led to different health and safety outcomes (however, it is also relevant for other countries as the implementation of a European Directive could have awareness raising impact even if they did not change current health and safety provisions).

The complete lack of such comparable data and indeed disaggregated data has been among the greatest difficulties faced by this study.

A further difficulty has been our limited ability to assess the potential costs arising from the implementation of the framework agreement (if any). This is particularly true in countries where the self-employed are not covered by current legislation and for countries which had concerns about all aspects for the framework agreement where captured by the current regulation, particularly where this was rather general (based on risk assessment) or governed in more detail by guidance or collective agreement (e.g. UK, France). Any remaining shortcomings in current regulations vis-à-vis the framework agreement could lead to differential health and safety outcomes should only certain elements of the sector be covered. However, on the whole, in countries where current legislation already covers the whole sector, social partners indicated that either no or only limited adjustments would have to be made to existing health and safety provision to implement the European framework agreement. The Netherlands are also currently making efforts to include self-employed workers in the health and safety provisions of collective agreements (which would closely mirror the European agreement). This would leave Hungary as the only one of our study countries which would have to expand their coverage of existing legislation to include the self-employed. It is currently not known whether other Member States not covered by this study tend to cover self-employed individuals with regard to their health and safety legislation. It would be important to know whether they would tend to follow the “Hungarian and Dutch” model or the model of the other four countries under study.

Another relevant factor is the coverage of the self-employed by statutory occupational sickness insurance (our research shows that they are covered by the same systems as dependent employees in Germany, France and Slovenia). The application of different implementation options for the coverage of the European framework agreement could potentially have the impact of distorting costs arising for occupational health insurance systems. For example, in systems where both employed and self-employed individuals are covered by the same occupational health insurance system, should the application of the agreement only to employed individuals lead to reductions in the incidence of occupational accidents and illnesses which is outweighed by an increase in such occurrences among the self-employed, the cost of such insurance could be distorted for the whole sector, although incidence statistics are improving in part of the sector. The assessment of such potential distortions depends on:

- Whether both employed and self-employed individuals are covered by the same system of insurance
- Whether premiums or services delivered are linked to actuarial estimates of likelihood of incidents triggering payments/services (costs to the insurer)
- Whether the determination of premiums is generalised to all organisations in a sector.

Distortions could also be seen to occur in systems where additional costs of funding ill-health (absences from work, sickness benefits, occupational pension etc) are funded by the state and additional costs would therefore fall on the taxpayer.

5.4.2 Impact of different scenarios on the incidence of accidents at work and occupational illness

Because of the absence of disaggregated data on this issue, our assessment in this regard has to be based on the qualitative views of stakeholders and our own judgement based on the limited data available.

Data on the incidence of accidents in the sector are not available for all countries and it is therefore not possible to compare countries which apply health and safety legislation to everyone active in the sector with those which currently display differential coverage. The

same is true for occupational ill-health data and related absences from work. All that can be said is that the incidence of skin diseases, respiratory complaints and in some countries MSDs is significantly higher than the national average; leads to significant costs and in particular contributes to a rather early exit from the profession for many individuals. In the countries where such data are available skin conditions are between 10-30 times more prevalent than in the whole economy and MSDs 5 times more prevalent. In most countries where these data are available, the average length of stay in the sector is shorter than the average for all sectors. In Denmark, for example, it is 8.4 years (of which 4 years are training). In Denmark, work related illnesses are a significant factor explaining exit from the sector.

A Dutch study calculated the cost of work related absences in the sector to be around EUR 13,500 per years per worker (in the Netherlands around 195 workers per year were found to be affected by such long term absences).

These issues are clearly of concern and any legislative option which has the potential of increasing (or rather retaining) such risk factors in substantial segments of the hairdressing market must be called into question. In this regard, the exclusion of self-employed workers from the implementation of the agreement is a significant concern, particularly in countries where the share of self-employed workers not covered by health and safety legislation is high. This is would be particularly true for Hungary, but also for the Netherlands.

There is some anecdotal evidence to suggest that the incidence of ill-health is greater among self-employed workers and awareness of health risks is lower. A study from the Netherlands found awareness of eczema risk to be 10% lower among self-employed without employees than among employers and their dependent employees (and 20% lower among hairdressers not working from a fixed location). Data from Germany partly point in a different direction and show that risk of occupational ill-health is similar for employees and self-employed, albeit overall lower for the self-employed and with a greater tendency toward improvement for employees in the last decade.

As indicated previously, it is assumed that those countries which currently cover all individuals in the sector with health and safety legislation would also implement any new EU provisions in this way. It would therefore be important to know how many other countries exclude the self-employed in the sector from health and safety coverage and how widespread self-employment is in these countries. In addition, it would be helpful to be able to access better and more differentiated data on the incidence of accident and work related ill-health for different segments of the market in different countries.

5.4.3 Impact of different scenarios on insurance and social security schemes

Occupational health insurance is regulated and funded in different ways in different Member States. Self-employed hairdressers are also covered by existing statutory occupational health insurance in Germany, France (albeit through a different system) and Slovenia, whereas occupational health insurance is voluntary for the self-employed in Denmark, the Netherlands and the UK (in Hungary coverage for occupational risks is through the general health care scheme). This means that potential distortions relating to premiums and services within the same insurance systems could only arise in Germany or Slovenia (where all individuals active in the sector are covered by the same legislation). In France, should the exclusion of self-employed individuals lead to an increased incidence of accidents and work related illnesses, premiums for self-employed hairdressers insured in the RSI system could rise disproportionately. In other countries where insurance for self-employed is voluntary, general findings are that the level of insurance coverage is low and any increased costs would therefore fall on the state.

5.5 Other impacts

Other impacts where were considered to be potentially relevant were impacts on training provision, should the exclusion of self-employed hairdressers working on their own from the new legislation lead to a “threshold effect” preventing them from recruiting apprentices or

trainees. The impact of the use of certain protective equipment such as gloves on customer perception was also considered to be a potential issue.

Our research found no persuasive evidence of a “threshold effect”, but this could be affected by the lack of data on higher cost items of expenditure which might be required by the implementation of the framework agreement, which could act as a disincentive.

There is also limited information on customer perception. There have been efforts in a number of countries to raise awareness among hairdressers as well as the public of the importance of wearing gloves to wash and treat hair, as well as attempts at making such gloves more attractive (different colours etc.).

It is important to note that stakeholders in many countries expressed concern about the level of enforcement of health and safety regulation, particularly among smaller premises and mobile hairdressers, which could impact on the effectiveness of legislation with regard to reducing occupational accidents and ill-health. Albeit critical, this aspect was not explored in more detail by this study, as its focus was on the impact of changing legislation in the sector and not on enforcement.

6 Conclusions

The main goal of this study was to determine the baseline situation in the case study countries in relation to the economic, employment and health and safety situation in the hairdressing sector. In looking at the baseline, it was also attempted to follow the impact of any previous changes in health and safety legislation and the scope of their implementation at national level on this baseline situation in order to draw potential lessons in regard to assessing the impact of different implementation options regarding the scope of coverage of the social partner framework agreement. The main impacts to be assessed were as follows:

- Implication for the overall social policy goals of the EU – for example, would it crowd people out from dependent employment into less protected forms of self-employment or even into undeclared labour, with potentially negative social consequences;
- Possibility of distortion of competition in the hairdressing sector;
- Increase in accidents and health issues in those parts of the hairdressing sector not covered by the agreement, which would not be outweighed by improvements in those parts of the sector where the agreement's provisions apply. The net effects on occupational health and social security systems could therefore be negative;
- Impact on training provisions (e.g. it could act as a disincentive to self-employed owners taking on trainees if it meant they would then be covered by the agreement), thus also increasing the threshold to becoming an employer;
- Impact on consumer perception of this profession if, for instance, hairdressers in certain sectors have to wear gloves when dyeing or washing hair, when this is not compulsory for other segments of the sector, namely self-employed hairdressers? What would different implementation options mean for consumer behaviour in general?
- The issue of representativeness of EU social partners for self-employed individuals: In some countries self-employed are members of employers' organisations, in others they are members of trade unions, or there may be members of other organisations. This raises the question of the "legitimacy" for these EU level social partners to legislate on their behalf.

In drawing conclusions about the potential impact of different implementation options and the need to include (various categories) of self-employed within the scope of the application of the framework agreement, it is important to bear in mind the following key features of the hairdressing sector:

- The sector is dominated by small establishments, generally run by self-employed hairdressers often working on their own. In the countries covered by the study up to two thirds of hairdressing businesses were run by owner-managers without dependent employees (in some countries this number is considerably greater and in some rather lower).
- Because of the relatively small average size of businesses their average annual turnover is rather modest.
- The share of self-employment among those active in the sector is between 2-10 times greater in this sector than in the whole of the economy.
- There is a lack of data on the prevalence of the practice of chair renting (self-employed workers working in the same establishment with employers and their dependent employees). The practice is not recognised in Italy (although a pilot project to introduce the practice is included in a recent collective agreement), and is marginal or not very widespread in other countries, but considered to be growing. The practice is most common in the UK.

- Mobile hairdressing is not a legally recognised form of work in Slovenia. In other countries, mobile hairdressers make up between 1-23% of the workforce. The practice is expanding as a result of demographic and other societal trends.
- The general trend development in the sector is towards an expansion of micro-businesses run by owner-operators and a growth in chain and franchise businesses, with a general decline in salons with between 5-10 employees. It is not possible to attribute this trend to changes in health and safety legislation, but rather to social, economic and policy changes.
- The sector is significantly more female dominated than the rest of the economy. While women make up 40-48% of all workers in the study countries, they represent 60-93% of all workers in the hairdressing sector. Partly as a result of this, the levels of part-time employment are at least 4 percentage points higher in this sector than in the rest of the economy. Temporary employment is also considered to be high in some countries, but no comparable figures are available on this.
- The sector is dominated by individuals with mid-range qualifications (ISCED level 3-4). Pay levels are lower than the national average in most countries.
- In some Member States there have been trends towards the sector becoming more dominated by migrant workers.

With regard to the health and safety performance of the sector, the following points are notable, which affect the assessment of the impact of different implementation options:

- Occupational illness particularly relating to skin conditions, respiratory disease and MSDs is more prevalent in this sector than in the economy as a whole and can lead to absences from work as well as relatively early exit from the sector. In the countries where such data are available skin conditions are between 10-30 times more prevalent than in the whole economy and MSDs five times more prevalent.
- Information from Germany shows that due to a substantial reduction in ill-health related absence and accidents in the sector following the introduction of sector-specific health and safety regulation in 1992 (TRGS 530) premiums payable by employers (and self-employed hairdressers) for statutory occupational health insurance coverage dropped significantly, thus demonstrating potential of such regulations to improve health and safety standards (and reduce costs of insurance across the board in systems where all business are covered).
- In most countries where these data are available, the average length of stay in the sector is shorter than the average for all sectors. In Denmark, for example, it is 8.4 years (of which four years are training). Work related illnesses can be a significant factor explaining exit from the sector, together with relatively low wages and difficulties in reconciling work and family life.
- One study calculated the cost of work related absences in the sector to be around EUR 13,500 per years per worker.
- The risk of ill-health effects could be considered to be significantly higher in segments of the market not covered by health and safety legislation. There is some anecdotal evidence to suggest that the incidence of ill-health is greater among self-employed workers and awareness of health risks is lower. One study found awareness of eczema risk to be 10% lower among self-employed without employees than among employers and their dependent employees (and 20% lower among hairdressers not working from a fixed location). However, German data show that risk of occupational ill-health is similar for employees and self-employed hairdressers, albeit overall lower for the self-employed and with a greater tendency toward improvement for employees in the last decade.
- Enforcement is also an issue because of the small scale and dispersion of businesses and can affect the impact of stricter legislation.

- In four out of the six countries studied, all individuals working in the sector are already covered by existing health and safety legislation (although in one of the four countries – France – slightly different legislation applies) and EU legislation covering the whole sector would therefore largely follow a pattern already established at Member State level.
- With a few exceptions, the standards set in the EU framework agreement are considered to be close of existing national legislation, with few additional costs anticipated. One study indicates that the additional cost of recurring expenditure resulting from skin protection measures amounts to 1.2% of annual turnover of an average business. However, the cost of “bigger ticket items” has not been calculated and it must be noted that the level of detail of health and safety provision in the sector differs markedly from country to country. In Member States where a general health and safety framework linked to risk assessment and the control of hazardous substance applies, it is significantly more difficult to clearly assess the potential impact of the implementation of the EU framework agreements on costs (and therefore impact on businesses). On the one hand, it might be argued that because of the low cost of implementation assumed by social partners consulted for this study, it could be argued that the benefits of implementation (in reducing occupational accidents and ill-health) outweigh the benefits (particularly if all segments of the workforce in the sector are covered. On the other hand, it could similarly be argued that in countries where current legislation is largely congruent with the requirements of the draft Directive and this applies to everyone working in the sector, any health and safety improvements would only be achieved through a “signalling effect” (publicity generated by EU legislation) rather than actual improvements in the regulation.
- Employers and their dependent employees and self-employed hairdressers are covered by the same system of occupational sickness insurance in two out of our five case study countries. In one further country different statutory systems apply, whereas in others insurance is voluntary and take-up is not considered to be widespread, which has obvious implication on who carries the cost of occupational ill-health and accidents.

Before making an assessment of the impact of different implementation options for the scope of coverage of the agreement, it is also critical to note a number of issues relating to data availability to inform such an assessment:

The most significant lack of data relates to comparable health and safety data (incidence of occupational accidents and work related ill-health). We have only been able to draw on data from a limited number of countries, cross-country comparisons are difficult and whole economy comparisons have only been attempted where available at national level. Even more significant is the absence of any data showing the differential health and safety performance of different segments of the sector (employees, self-employed, mobile hairdressers etc.). The absence of these data makes it impossible to draw a baseline regarding the impact of different models of coverage of health and safety legislation and therefore to estimate with any degree of accuracy the likely health and safety impact of different implementation options. There is only anecdotal evidence, some data on occupational health risks for employees and self-employed in Germany (showing that risks are similar but performance has improved more significantly among the employed over the last decade), and one study on the awareness of health and safety risk in different segments of the sector which would appear to indicate greater risk factors among the self-employed without dependent employees and mobile hairdressers.

There is also a lack of comparable disaggregated data for most other aspects regarding the economic structure and employment in the sector. We have had to work with different national and transnational data sets to perform our calculations and even this information must therefore be considered to be indicative.

The box below summarises our key findings regarding the impact of the application of different implementation options bearing in mind the restrictions in data availability. It also highlights what we would consider to be additional research requirements to improve the assessment of this impact.

In the absence of further research findings, our conclusions regarding the need include different types of self-employed workers in the coverage of the agreement are as follows:

- As the sector is more significantly dominated by self-employment (particularly self-employed owner-operators without employees), it appears counter-intuitive to exclude such important sections of the market from the scope of important health and safety regulation.
- With regard to this, it is important to note that in the majority of countries covered by this study, self-employed hairdressers are already covered by existing health and safety legislation. EU legislation covering the self-employed in the sector would therefore only confirm the existing position in most Member States. However, more information is needed on the situation in the remaining Member States, as the absence of coverage of self-employed workers with this legislation in more Member States could provide a strong argument for their inclusion at EU level, as this would lead to significant parts of the sector across the EU being excluded with likely detrimental health and safety effects.
- The impact of different implementation options on different countries varies depending on the current regulatory framework (particularly regarding the coverage of self-employed by health and safety regulation and occupational health insurance provisions) and the current structure of the sector (e.g. predominance of owner-occupied salons etc.)
- Evidence with regard to the incidence of health and safety risk among employees compared to self-employed hairdressers is limited and to some extent contractor. Data from Germany show a rather comparable performance (although greater improvements in health and safety performance were experienced by employees in the past decade). A study from the Netherlands, on the other hand appears to indicate a lower awareness of health and safety risks among owner-operators and mobile hairdressers, which could lead to a higher incidence of work related accidents and ill-health.
- In systems where all segments of the sector are covered by the same occupational health insurance, failure to cover some segments of the sector with the Directive could lead to actuarial distortions and potentially higher premiums for the whole sector. In systems where the self-employed are covered by their own statutory insurance system, a poorer performance linked to a lack of improvements in accidents and ill-health (which would be achieved in other segments of the sector) could lead to increased premiums which could act as a disincentive. In systems where insurance is voluntary (and where the take-up of such insurance is low) this cost would fall on the state / the taxpayer.
- With an estimated average cost per ill-health related absence of around EUR 13,500 per year, the cost of work related ill-health in the sector is considerable, particularly as the incidence of various occupational illnesses is considerably higher in this sector than in the economy as a whole.
- With regard to the impact of different implementation options on the economic and labour market structure of the sector, evidence of potential distorting or crowding out effects is scant and can therefore not significantly contribute to any recommendations regarding the application of different implementation options. Information available indicates that economic and labour market trends in the sector are more likely to be linked to other factors (other than health and safety regulation) including the overall economic climate and policies relating to the encouragement of self-employment and entrepreneurship, as well as the VAT and business taxation rules. However, this assessment could be impacted by the lack of data on the cost non-regular items of expenditure which could be linked to the implementation of the agreement. More evidence is needed in this area.

Summary of key impact conclusions

Coverage of the different options

- The application of option 1 would mean that around 76-79% of the sector would be covered by the provisions of the framework agreement (between 14% and 92% depending on the country). Therefore, the impact of the agreement in terms of both costs and benefits could be felt very differently in different countries. Research would be needed covering further Member States to establish the impact of the application of this option (and option 3) particularly for the self-employed segment of the sector (also in relation to option 3). Should it emerge that many countries have a very high share of self-employed without employees (or indeed other self-employed individual in this sector), especially if they are not currently covered by national health and safety legislation, the impact of the application of option 1 on health and safety indicators in particular could be significant.
- The impact of the application of option 2 (in terms of the additional coverage of the framework agreement) is the least clear because of the lack of precise data on the number of chair renters active in the sector in different countries. It is likely that the scale of the impact will be relatively small, as (with possibly the exception of the UK) this phenomenon is rather marginal in most countries. There would be no impact in Denmark and Italy as chair renting is not a recognised form of hairdressing practice. Further primary research would be needed at Member State level to obtain a better picture of the magnitude and driving forces behind this type of employment. This could only be done through surveys of individuals working in this sector as these data are unavailable elsewhere.
- As indicated above, the additional share of individuals working in the sector which would be covered if implementation option 3 were to be adopted varies significantly between countries and ranges from approximately 8% (in Germany) to 86% (in Hungary) of the workforce in the sector. Coverage of the agreement would also be significantly increased in Italy, where 42% of hairdressers are self-employed from a fixed location without dependent employees. Research would be needed covering further Member States to establish the impact of the application of this option particular for the self-employed segment of the sector.
- In terms of the share of the additional individuals active in the sector covered by option 4, the impact must be considered to be relatively small. Indeed there would be no impact in Slovenia where mobile hairdressing is considered to be illegal. The greatest share of mobile hairdressers can be found in the Netherlands, followed by France, Germany and the UK. Data availability regarding the share of mobile hairdressers is low in many countries and more primary research would be required to obtain better data.

Economic and labour market impact of different implementation options

- Evidence from the baseline indicates that the differential application of health and safety legislation to different segments of the market in hairdressing does not appear to be the main factor conditioning the diversified profile of the sector in different countries. It would be helpful to explore information from more Member States particularly to uncover any existing impact assessments of changes in health and safety regulations

in the sector.

- Only very limited evidence is available on the impact of health and safety legislation on the cost structure of the sector. This shows that the cost regular items of expenditure required by health and safety legislation are unlikely to impact on the market structure of the sector. However, it must be borne in mind that this only measures expenditure for items such as gloves and barrier creams and does not take into account “bigger ticket items” such as ergonomic equipment, lighting and ventilations systems or the impact of changes to work processes. More research would be required to estimate these costs and their impact on different types of businesses. Further research would be needed to obtain primary data on the cost structure of the sector and the impact of health and safety related expenditure.
- The main factor affecting overall employment in the sector is overall national (regional and local) economic development and performance. Employment growth (or decline) cannot be shown to be strongly impacted by changes in health and safety legislation.
- No linear relationship can be shown between the structure of employment in the sector and the coverage and level of health and safety legislation. The expansion of self-employment has largely resulted from economic and societal factors as well as policy incentives. Further countries would have to be covered by the research to establish whether there is any relationship between the structure of employment and the coverage and level of health and safety legislation.
- There is little evidence to support the existence of a “crowding out effect” to less protected parts of the sector resulting from improvements in health and safety legislation. However, there is insufficient data on the cost of certain items of expenditure which may be linked to the implementation of the framework agreement (big ticket items). Further primary data would have to be gathered on the cost of larger items of expenditure which could be linked to the implementation of the agreement. The coverage of additional countries would also be helpful in this regard.
- As there is limited evidence of a crowding out effect, it is not possible to state that there is likely to be an important impact on wages, working conditions and collective bargaining coverage from the differential application of the agreement. Remarks made above about the value of additional research evidence also apply here.

Health and safety impact of different implementation options

- The risk of ill-health effects could be considered to be significantly higher in segments of the market not covered by health and safety legislation. There is some anecdotal evidence to suggest that the incidence of ill-health is greater among self-employed workers and awareness of health risks is lower. A study from the Netherlands found awareness of eczema risk to be 10% lower among self-employed without employees than among employers and their dependent employees (and 20% lower among hairdressers not working from a fixed location). However, data from Germany show that self-employed suffer no greater risk of occupational ill-health (although performance among employees has improved more significantly in the last decade). Evidence from further countries would be required to establish any reliable assessment or trend in this regard.
- It is in the field of disaggregated health and safety data that further primary research appears vital in order to establish the performance of different segments of the hairdressing market. Strong evidence of different levels of occupational accidents and illness among dependent employees and

different types of self-employment workers in the sector could provide a decisive argument in favour of the inclusion of self-employed individuals in the scope of the agreement (if anecdotal evidence from one country that they face greater risk is proven correct). This is particularly true for countries where self-employed individuals are currently not covered by health and safety legislation and their share of employment in the sector is high. Unfortunately, a recent report from OSHA on the methods used to estimate occupational health and safety risks among the unemployed indicates that no comparable data is systematically kept on occupational accidents and ill-health among the self-employed in the relevant sector in any of the countries covered by this review (Belgium, Czech Republic, Germany, Hungary, Italy, Lithuania, Malta, the Netherlands and Poland).

- In order to determine how many countries currently do not cover self-employed workers with existing health and safety legislation and occupational sickness funds, further national research would be required.

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