WORLD EMPLOYMENT CONFEDERATION
The Voice of Labour Market Enablers

WEC Staffing Executive Regulatory Outlook

Q4 2021

WEC's Staffing Executive Regulatory Outlook (SERO) is a quarterly poll of top executives of National Staffing Federations around the world, asking them to self-evaluate the likelihood and impact of potential future regulatory changes on the staffing industry.

1 - Likelihood of regulatory change between Q4 2021 and Q2 2022

24 out of 28 countries included in this quarterly poll report at least some likelihood of regulatory change across 7 regulatory elements (scroll to the end of this document for information on methodology).

Country	Change Likelihood Index (1-5 scale)
India	4.3
Netherlands	4.1
Spain	3.9
Chile	3.6
UK	3.0
Russia	2.4
Italy	1.7
Germany	1.7
Argentina (FAETT)	1.6
Switzerland	1.4
Norway	1.3
Brazil	1.0
USA	1.0
Ireland	0.9
Poland	0.7
Sweden	0.7
Belgium	0.7
South Africa	0.6
Argentina (CAPE)	0.6
Lithuania	0.6
Romania	0.4
China	0.3
Mexico	0.3
Canada	0.3
Denmark	0.0
France	0.0
Japan	0.0
Austria	0.0

By regulatory element:

- Conditions for establishment to provide agency work services and contracts:
  5/28 countries report a rather strong likelihood of regulatory change (>= 3 out of 5)
  Argentina, Chile, India, Netherlands, Romania

- Conditions for use for agency work services:
  8/28 countries report a rather strong likelihood of regulatory change (>= 3 out of 5)
  Chile, India, Italy, Netherlands, Norway, Spain, Switzerland, UK

- Labour conditions for agency workers:
  8/28 countries report a rather strong likelihood of regulatory change (>= 3 out of 5)
  Chile, India, Ireland, Netherlands, Russia, Spain, Switzerland, UK

- Social protection coverage for agency workers:
  6/28 countries report a rather strong likelihood of regulatory change (>= 3 out of 5)
  Chile, India, Netherlands, Russia, Spain, UK

- Taxes/premiums related to agency work contracts/services:
  5/28 countries report a rather strong likelihood of regulatory change (>= 3 out of 5)
  Brazil, Chile, India, Spain, UK

- Other labour regulations:
  9/28 countries report a rather strong likelihood of regulatory change (>= 3 out of 5)
  Chile, Germany, India, Italy, Netherlands, Norway, Poland, Spain, Sweden

- Other regulations:
  6/28 countries report a rather strong likelihood of regulatory change (>= 3 out of 5)
  Chile, Germany, Italy, Netherlands, Spain, UK

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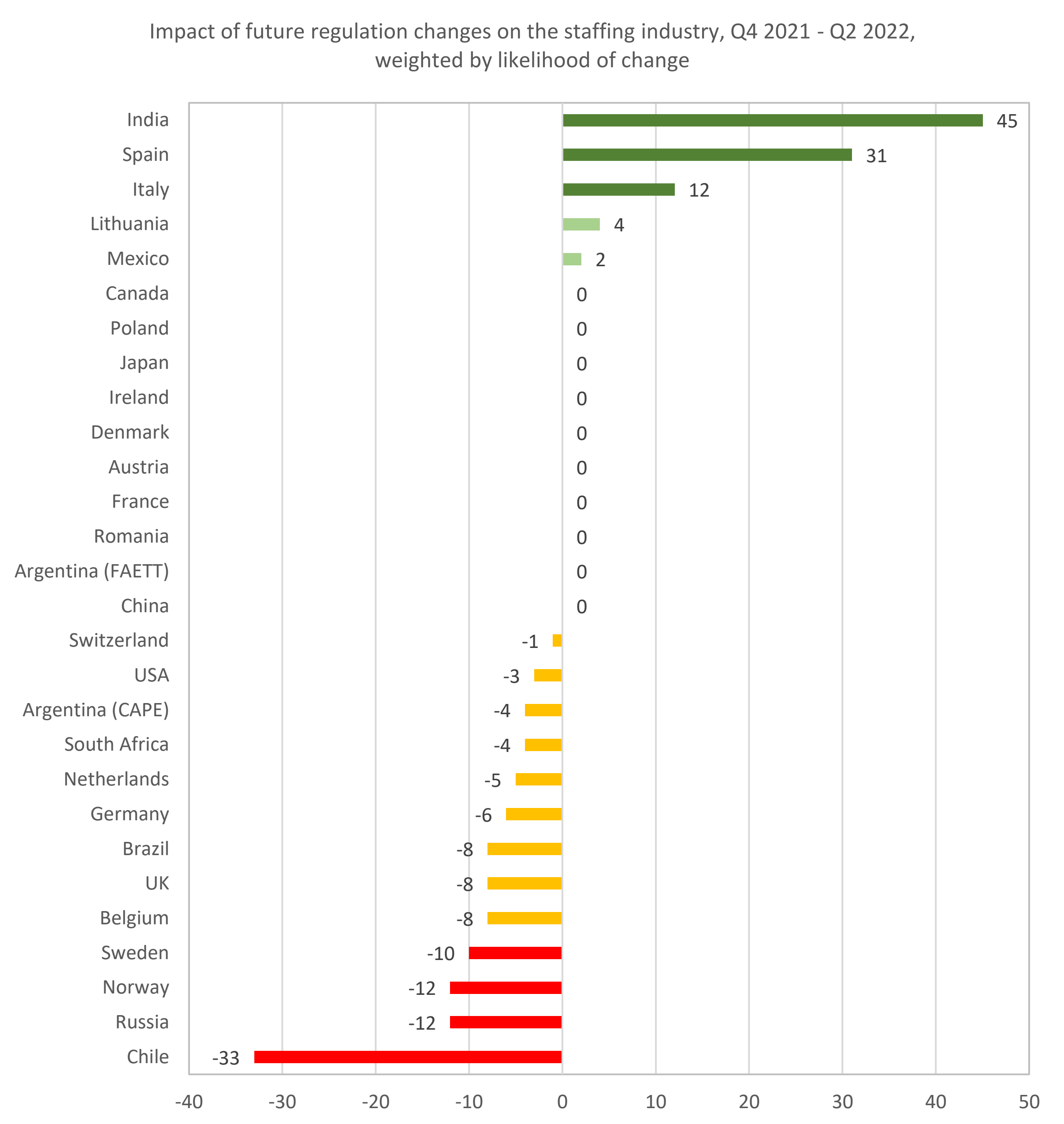
2 - Impact of potential regulatory changes on the staffing industry between Q4 2021 and Q2 2022

Out of the 28 countries surveyed, 5 countries foresee regulatory changes that will overall positively impact the staffing industry within the next 6 months. 10 countries expect a neutral impact of any regulatory changes on the industry. In 13 out of 28 countries, regulatory changes might have an overall negative impact on the staffing industry across 7 regulatory elements (scroll to the end of this document for information on methodology).



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By regulatory element:

- Conditions for establishment to provide agency work services and contracts:
  3/28 countries report a potentially negative impact of regulatory change
  Chile, Norway, Switzerland

- Conditions for use for agency work services:
  6/28 countries report a potentially negative impact of regulatory change
  Chile, Norway, Belgium, Netherlands, Argentina, Switzerland

- Labour conditions for agency workers:
  7/28 countries report a potentially negative impact of regulatory change
  Chile, Russia, Belgium, Germany, Netherlands, South Africa, Argentina

- Social protection coverage for agency workers:
  3/28 countries report a potentially negative impact of regulatory change
  Chile, Russia, Belgium

- Taxes and premiums related to agency work contracts and/or services:
  5/28 countries report a potentially negative impact of regulatory change
  Chile, Belgium, UK, Brazil, USA

- Other labour regulations:
  6/28 countries report a potentially negative impact of regulatory change
  Chile, Norway, Sweden, Germany, Argentina, USA

- Other regulations:
  4/28 countries report a potentially negative impact of regulatory change
  Chile, UK, Netherlands, South Africa

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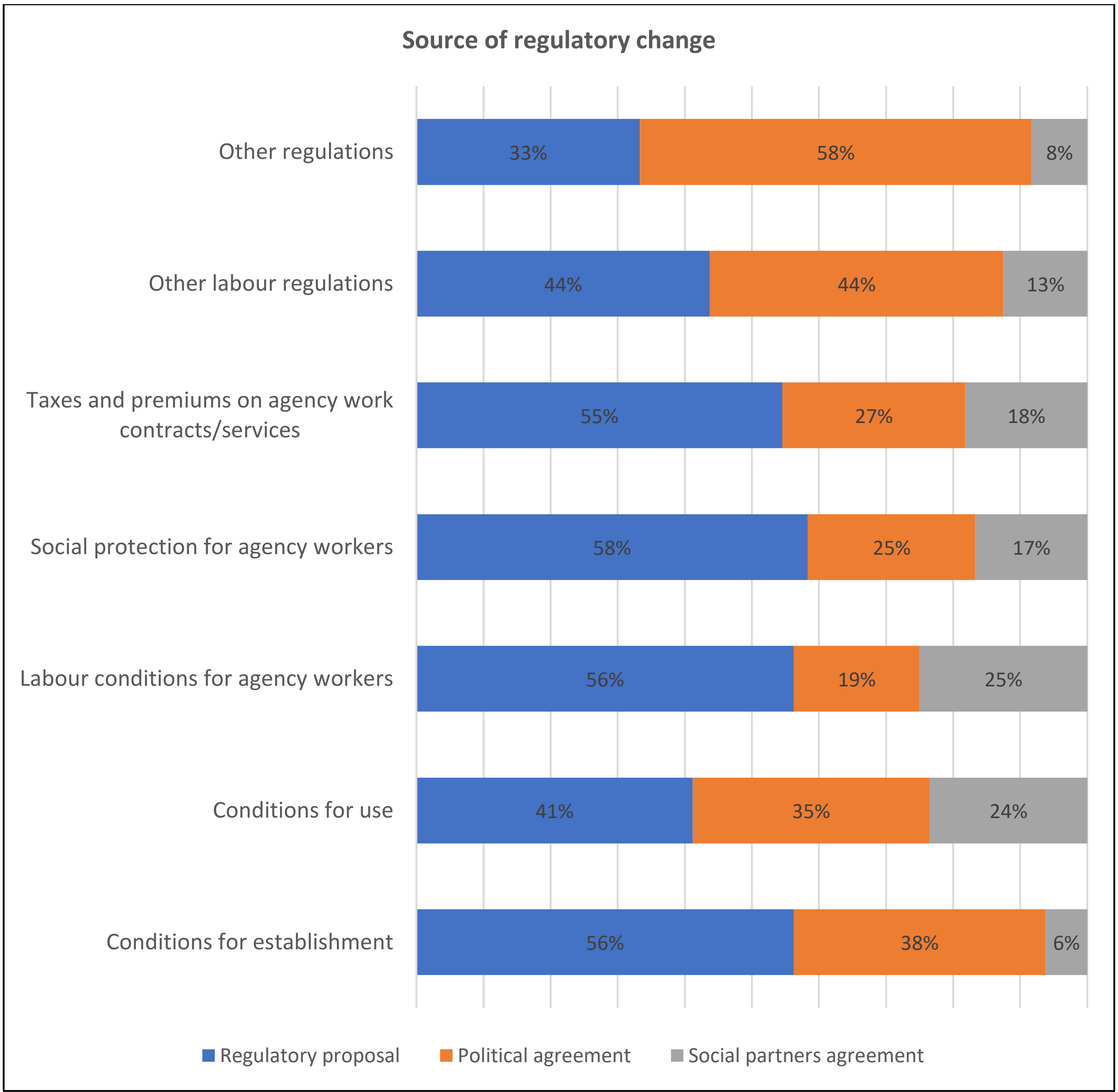
3 - Source of potential regulatory change between Q4 2021 and Q2 2022

Across most of the 7 regulatory elements, the source of any potential change comes from regulatory proposals, followed by political agreements. Social partner agreements play a role to a lesser degree.



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4 - Information on the SERO (methodology)

The SERO poll asks WEC Member National Federations about their self-assessment on the likelihood (scale: 0 to 5) of regulatory changes being implemented within the next 6-month period for the following 7 elements:

- Conditions for establishment to provide agency work services and contracts
- Conditions for use for agency work services
- Labour conditions for agency workers
- Social protection coverage for agency workers
- Taxes and premiums related to agency work contracts and/or services
- Other labour regulations
- Other regulations

The Change likelihood index is a number between 0 and 5 that is calculated by summing up the likelihood (between 0 and 5) of regulatory change for each of the 7 elements and then dividing the sum by the number of elements (7), therefore providing equal weighting to each element.
The SERO poll also asks about the impact (scale: -2 to +2) on the staffing industry of the potential regulation changes in the 7 elements listed above.

The **Total Weighted Impact** factors in the likelihood of change and is calculated by weighting the impact of a regulatory change on the industry (from -2: very negative to +2: very positive) by the indicated likelihood of the potential regulatory change to happen. This is done for all 7 regulatory elements, which are then summed up to generate the total weighted impact.

Example: The likelihood of regulation change in the regulatory element “labour conditions for agency workers” is expected to be relatively high (4 out of 5), and the impact on the staffing industry in the case where this regulatory change actually occurs is expected to be very positive (+2 on the scale between -2 and +2). The total weighted impact for this regulatory element would therefore be +8, i.e. the likelihood (4) multiplied by the expected impact (2). Another example would be a country which expects change in one regulatory element to happen with a high likelihood (5), but the impact is expected to be neutral (0). In this case the total weighted impact for this element would be zero. The country indicator of total weighted impact is gained by adding up the total weighted impact for each of the 7 regulatory elements.

Note: Due to the summing up of the weighted impact across the 7 regulatory elements, a country might have a positive total impact, even if it indicated a negative impact in one or more of the 7 elements. This would mean that the positive impact outweighs the negative in total, either because the likelihood of the positive change is higher, or because the impact of the positive change is stronger than the one of the negative change, or both.

Lastly, the poll also asks about the **source of the potential regulatory changes** (regulatory proposal, political agreement, social partners agreement).

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