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THE ROLE OF PRIVATE EMPLOYMENT AGENCIES IN THE NEW NORMAL

A view from WEC external stakeholders

This report captures, presents, and analyses the views and opinions expressed by 15 of WEC's international stakeholders regarding the role in the labour market played by private employment agencies in the aftermath of the global Covid-19 pandemic. The research was commissioned by WEC and conducted by ADAPT in 2020.

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1. Introduction

The economic and social crisis that is affecting the whole world due to the spread of the Coronavirus is shaping a new context for the socio-economic system and for the labour market. International reports, newspapers and media refer to this reality with the expression "New Normal" in order to underline the break between the world before and after the pandemic. We are probably in front of a watershed in the contemporary history, but we still do not know much about the new phase. But at the same time, it is easy to understand that the pandemic crisis is only an acceleration of the structural changes already undergone in the social and economic system, due both to the technological developments of digitalization and to the demographic and environmental transformations that were occurring. The growing availability of technological devices, widespread access to the internet as well as the aging of the population and greater international mobility of human capital, are all contributing to redefining the "New Normal". On the other hand, this scenario confirms some macro-trends of the so-called new "Great Transformation" such as the long wave of digitalization, demographic and environmental changes, all in the shape of new faces of globalization.

In this challenging context also the role of private employment agencies is put under pressure by the consequences of the economic crisis on its business and on the business of its stakeholders. But also from the point of view of finding new solutions for working in an unstable scenario with unpredictable shocks that have a deep impact on labour markets.

The main purpose of this research, commissioned by the World Employment Confederation to ADAPT, is to go deeper in this potential role of agencies by involving experts from international institutions, the business world, trade unions and research centers. Their ideas and scenarios will be the main character of the research and lead to insights and analysis that can guide agencies in the "new normal", doing better for a better world of work.

The research aims to explore the topic of agencies and the "New normal" through the involvement of the main stakeholders letting them expose their points of view, insights and analysis. In order to develop a set of questions for them a first desk research was conducted on reports and analyses published since the start of the pandemic with the aim of identifying the main transformations and macro-trends taking place. These evidence and insights were compared with the macro-trends already observed in recent years relating to the changes underway in the labor markets of western countries and in the business models of companies. Starting from this preliminary analysis, a list of questions was drawn up and submitted to 14 stakeholders.

The interviewees were identified among the main stakeholders of private employment agencies at European and international level. These belong to the world of social partners (Business Europe, IOE, WAPES, ITUC, UNI Global), international institutions (European Commission, ILO) research centers and research institutions (OECD, Eurofound) as well as some individual stakeholders and experts in the subject of job transformations. The interview structure was the same for each

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interviewee and included eight different questions. The central chapter of the research reports the results of these interviews and the last section presents the contents of the individual interviews in summary sheets. Some conclusions drawn from the interviews themselves conclude the research.

2. Is the pandemic shaping a “New Normal” for the world of work?

The Covid-19 pandemic is probably one of the greater watersheds of the contemporary history, defining a world before Covid-19 and a world after Covid-19. The scale of the economic and social shock, the forgotten vulnerability of our systems, the sense of unpredictability that we now carry within us in the face of the risk that a new pandemic could happen in the coming years. All this deeply marks our time, but it seems also that the so called “New Normal” is the mixed result of the acceleration of pre-existing trends together with the new impacts generated by the pandemic itself¹.

Old shapes in a new form

Among the impacts of the Covid-19 pandemic on the world of work, in fact, we could easily see that the pandemic has accelerated the digitalization and automation processes² in all the production sectors involving not only manual jobs but also intellectual ones and especially routine jobs. One of the main consequences of this trend is the ongoing polarization of labour markets between high-level, well-paid quality jobs and low paid jobs. A polarization that had deep consequences in a decline of the middle class and that is generated also by the delocalization process in today’s global labour market³.

The case of remote working

But digitalization also means the opportunity to spread diverse ways of working. The most visible during the pandemic is the use of remote work⁴ in order to reduce the case for physical proximity. This way of working, in which technology is the main driver, could also replace the business control model, based on vertical integration in the management of human resources, with an output-oriented work that allows employers to measure team members by their performance, results or output, and not only by their presence in the office or the hours they work, while giving them more autonomy over their projects. All with potential goals of productivity⁵ but also of a better work-life balance and positive environmental consequences due to the reduction of pollution connected to commuting. At the same time, it becomes more and more important to address the challenge of physical and mental health, by providing workers with secure working place and comfortable working conditions, able to avoid stress and psychosocial risks⁶.

¹ See the series of blog articles “Note on the New Normal” on WEC website.

² D. Bloom, K. Plettner, The macroeconomic effects of automation and the role of COVID-19 in reinforcing their dynamics, Voxeu.org, 25 june 2020.

³ A. Salvatori, T. Manfredi, *Job polarization and the middle class*, OECD, 2019.

⁴ Cr. ILO, *Working from home: from invisibility to decent work*, January 2021. The report is available at this link: https://www.ilo.org/global/publications/books/forthcoming-publications/WCMS_765806/lang--en/index.htm

⁵ OECD, *Productivity gains from teleworking in the post COVID-19 era: How can public policies make it happen?*, 2020.

⁶ ILO, *Teleworking during the COVID-19 and beyond*, 2020, pp. 12-15.

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During the pandemic, an average global increase of 37% in the use of remote work was recorded⁷, which reached peaks of 46% in Europe, and 35% in Asia and the Americas. It has also been calculated that this trend is likely to be around 28% at the end of 2020, with a marked increase compared to the situation before the pandemic. According to one study⁸, during the pandemic, 81% of companies have had temporary employees working remotely—an indication that such modified arrangements have not impeded temporary labor. Overall, the pandemic has accelerated the efforts of companies to make working conditions more flexible, thanks to the support of technological infrastructures which made it possible to work even away from the office. It was found⁹ that 65% of employers have invested in technological developments and digital solutions to help employees adapt to the new job situations.

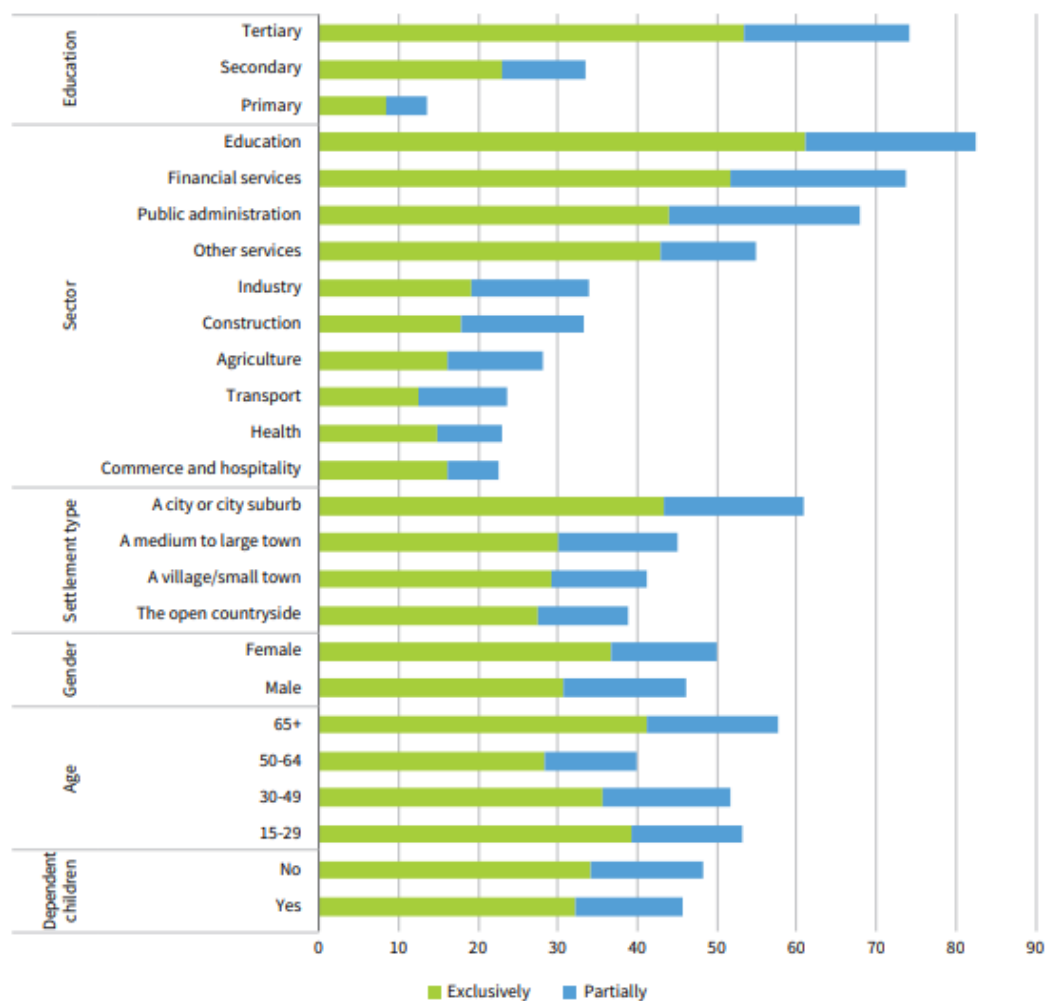
But, as shown in the Graph 1, this increment in the usage of the work from home was not uniform and was related to several aspects of the jobs and worker's profile. With respect to education, around 53% of people in tertiary education worked exclusively from home, when the same percentage of people with primary education is much less (9%). The most affected sector was the one of services with a majority in the education sector (61%). Noteworthy is that, considering the age, the percentage of 65+ people who worked exclusively from home (41%) was nearly the same as the 15-29 aged (39%), surpassing the other age groups.

⁷ Randstad, *Talent Trends Quarterly Covid-19 surveillance report*, 2020

⁸ McKinsey, *Taking a fresh look at temporary-labor sourcing amid uncertainty*, November 2020, p. 4

⁹ Randstad, *Randstad workmonitor global report Covid-19 edition*, June 2020

Graph 1: percentage of people from EU27 who worked from home during Covid-19



Source: data from the report: “Eurofound (2020), Living, working and COVID-19, COVID-19 series, Publications Office of the European Union, Luxembourg”.

Towards a hybrid work model

Remote working thus defined a new shape of the digital divide due to jobs that cannot be performed outside the physical structure of the company’s asset and jobs that are of mostly intellectual nature and can be done using only technological support. But remote working could also influence how companies hire and look for talents and deeply modify the integration dynamics in the labour market making it more global than before. In fact, companies with a great usage of remote working would be able to recruit the best candidates from anywhere in the world without geographical restrictions, and this could give more space to online platforms. It is widely agreed that agile workforce solutions will play a central and ongoing role in the future of work. Since many workers and organizations have experienced improved productivity, collaboration, and flexibility by adapting to this new business model, the hybrid model will shape up the “New Normal” of the world of work.

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In summary, the results of this use of technology is a more hybrid work organisation in which the boundaries between employee and employer are softer than in the past, a hybridization that complicates distinctions and at the same time opens up new spaces for new ways of working.

Labour market uncertainty

The pandemic crisis has also raised awareness of the uncertainty in the way of running business and of the flexibility within the labour markets. The general insecurity of the economic system affects the fluctuations in demand and supply of labour, since we are not yet able to hypothesize clear economic trends in a still complex pandemic context. We are witnessing sudden changes in the demand for labour, which is growing or declining across different sectors. So, in order to face the extreme volatility of labor supply and demand, companies and organizations are making use of a wider range of different forms of work, in order to adapt to the economic trends and keep their business resilient in a competitive and globalized market. In this case we can see a place for a new hybrid work model meaning a more agile organization of labour in which the relation between worker and company is less based on a legal arrangement (with increases in alternative work arrangements) and more on projects, phases and cycles in which skills and commitment are central.

But we have also seen new impacts generated by the pandemic on the world of work. Business had to face a scenario in which the level of complexity and unpredictability increased over any expectations so that companies started to switch from a just-in-time approach to a just-in-case one. But there is also more attention for aspects of the way we work and the way we perceive what working is. In particular, the health & safety dimension and the social dimension of work gained more importance, two aspects that could lead to a re-organization of work and priorities in companies and in labour markets trends overall.

A different crisis from the Great Recession

The main difference between this crisis and the Great Recession of 2008 is that the latter impacted mostly the industrial/manufacturing sector while this one is much harsher on the services sector. Moreover, the main cause of economic consequences of the Covid-19 crisis was the forced stop of some production activities aimed at containing the spread of the virus. This economic contraction happened without any graduality and it could not be analyzed and tackled according to market logics because of its administrative and normative origins. In fact, the solution of the crisis is not economic but scientific. Until vaccination programs have been sufficiently implemented it is difficult to imagine a full recovery¹⁰. The main consequence that we have seen is in the scale and the rapidity of the labour market shock, due to the loss of jobs after the forced stops. It has been calculated¹¹ that the first impact

¹⁰ WEF, *How does the COVID recession compare?*, 28 august 2020.

¹¹ OECD Employment Outlook 2020, p.36.

of the Covid-19 crisis on OECD labor markets was ten times greater than the one seen in the first months of the 2008 global financial crisis.

The ILO has estimated that 495 million full time jobs were lost in the second quarter of 2020¹². The OECD unemployment rate fell by 0.6 percentage points in August 2020, to 7.4%¹³, as economies gradually opened up again over the summer period. But the unemployment rate remained 2.2 percentage points above the level observed in February 2020, before the Covid-19 pandemic hit the labour market. In August 2020, it has been estimated by the OECD that 48.4 million people were unemployed in the OECD area, 13.5 million more than in February. With the existence and widespread usage of Job Retention Schemes, the change in unemployment indicators does not capture the full extent of the crisis' impact on labour market activity. In terms of the number of hours worked, it emerged from a survey¹⁴ that most countries recorded a decline in the index of total hours worked between the last quarter of 2019 and the first quarter of 2020. These data are confirmed by further research conducted by Eurofound¹⁵, which shows that in the first round of the survey, 49% of respondents indicated a decrease in working hours. This situation improved in the July survey round, when only 37% reported that their working hours decreased. According to the ILO monitor of September 2020¹⁶, the total working-hour losses globally in the second quarter of 2020 (relative to the fourth quarter of 2019) are 17.3%. Lower-middle-income countries are the hardest hit, having experienced an estimated decline in working hours of 23.3% in the second quarter of 2020.

In Europe, the pandemic led to the first increase of labour market slack since 2013¹⁷, meaning that demand and offer failed to match. The differences in origin and development of the two crises also had implications in terms of the impact across sectors. If the Great Recession primarily affected banks, insurance, real estate and construction, with consequences on manufacturing later, following the flow of credit crunch, the Covid-19 crisis especially impacted the sectors in proximity services as retail, HoReCa, tourism, personal services and entertainment.

Inequalities among workers

The effects of job losses are already subjecting the global labor market to stress, causing an acceleration of pre-existing processes of rising labour market transformations and difficulties to adapt which, among other, generated several inequalities. The main risk that we are facing is the potential

¹² ILO, *Monitor: COVID-19 and the world of work: 6th Edition*, 2020, p. 1.

¹³ OECD, *Unemployment Rates*, October 2020

¹⁴ OECD *Employment Outlook 2020*

¹⁵ Eurofound, *Living, working and COVID-19*, 2020, p. 10.

¹⁶ ILO, *Monitor: COVID-19 and the world of work: 6th Edition*, 2020, p. 1

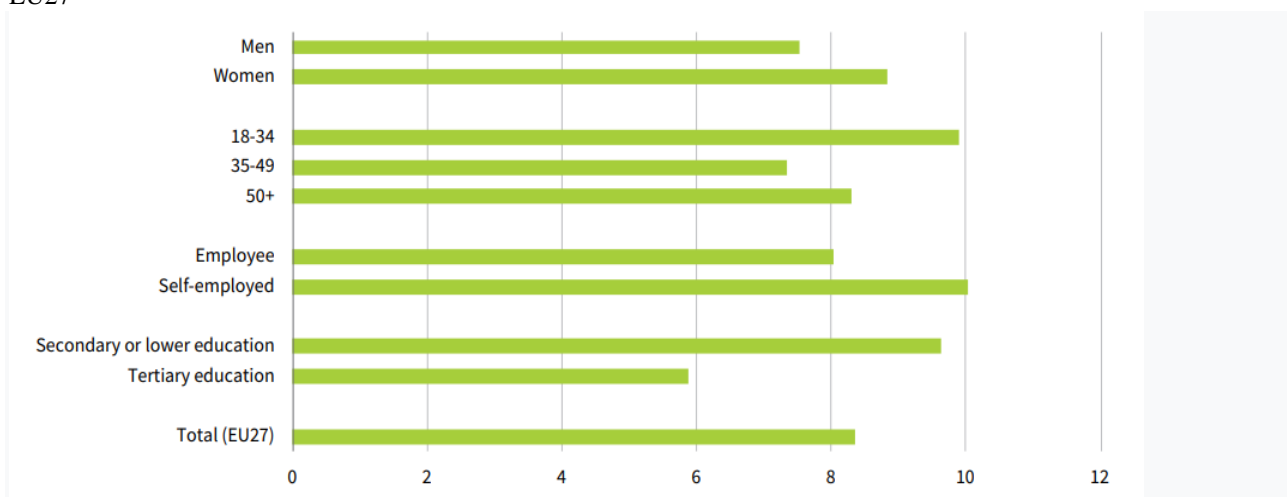
¹⁷ According to Eurostat "The labour market slack refers to the total sum of all unmet demands for employment and includes four groups: (1) the unemployed people according to the ILO definition, (2) the underemployed part-time workers (i.e. part-time workers who wish to work more), (3) people who are available to work but not searching for it and, (4) people who are searching for work but are not available for it".

increase of polarization between the most fragile categories of workers and those with more stable working hours, higher remuneration and adequate coverage of social protection systems.

Lower-paid workers, sometimes employed in the informal or in the so-called gig economy, have turned out to be the key to ensure the continuation of essential services during lockdowns, but they are also those who have suffered the most from the shock of the pandemic crisis due to the lack of protection¹⁸. Another group of workers that had a central role in the pandemic are the so-called "front line workers" such as health workers, but also cashiers, food production and processing workers, custodians and maintenance workers, agricultural workers and truck drivers, logistics workers and personnel employed in care and assistance services to the person. These jobs, which have not been able to benefit from remote work, are mostly performed by categories of workers who were already vulnerable before the outbreak of the pandemic, such as young people, women and foreign workers. Today, these categories are among those who are exposed to the risk of poverty and subject to a significant drop in their income and often require reskilling in order to adapt to a changing labour market.

Graph 2 shows the percentage of unemployed by age, gender, employment and education, clearly showcasing the inequality in terms of impact of the Covid-19 crisis. In the EU territory, the self-employed¹⁹ and less educated workers were the most hit by the unemployment shock, but also women and younger people suffered more than their counterparts. The greatest difference in the percentage of unemployed since the onset of the pandemic is between the secondary or lower educated and the workers with tertiary education, which is around 4%.

Graph 2: Percentage of unemployed since the offset of the pandemic, by age, gender, employment status and education, EU27



Source: data from the report: "Eurofound (2020), Living, working and COVID-19, COVID-19 series, Publications Office of the European Union, Luxembourg"

¹⁸ ILO, *COVID-19 crisis and the informal economy*, 2020.

¹⁹ For an analysis of the impact of the crisis on the self-employed, in terms of hour worked, income and future expectation, have a look at J. Blundell et al., *Covid-19 and the self-employed: six months into the crisis*, CEP COVID-19 Analysis No. 012, November 2020

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Women are over-represented in some of the economic sectors worst affected by the crisis, such as accommodation, food, sales and manufacturing. Moreover, as they are traditionally employed in personal care services without open-ended, full-time employment contracts, they have so far recorded a greater decline in employment than men. According to the ILO, almost 510 million (the equivalent of the 40%) of all employed women work in the four most affected sectors mentioned before²⁰. During the pandemic, an increase in their unpaid workload at home due to the closure of childcare facilities and schools was also recorded²¹. On the other hand, the young risk being once again among the big losers of the current crisis. For those who are entering the world of work for the first time, job opportunities are considerably reduced, both in quantitative and qualitative terms, while thirty-year-old are already going through the second serious economic crisis of their young career, with repercussions in their future life projects.

²⁰ ILO Monitor: *COVID-19 and the world of work. Fifth edition*, 30 June 2020

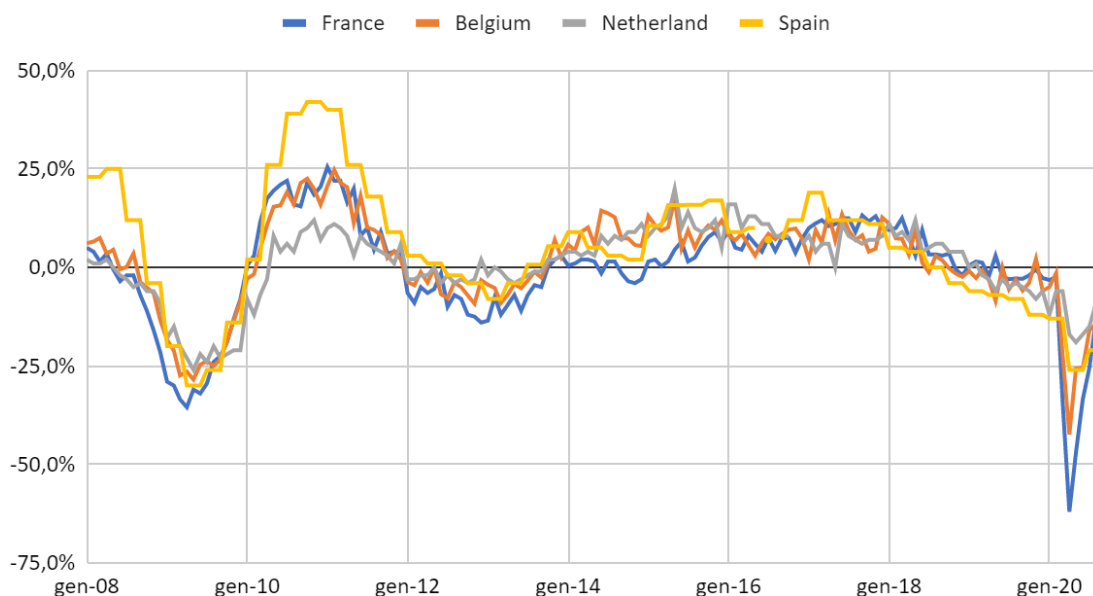
²¹ Cfr. J. Meekes, W. H. J. Hassink, G. Kalb, *Essential Work and Emergency Childcare: Identifying Gender Differences in COVID-19 Effects on Labour Demand and Supply*, IZA Discussion Paper n. 13843, available at this link <http://ftp.iza.org/dp13843.pdf>

3. The private employment services sector during the crisis

”Private employment agencies” offer a wide range of HR services, including direct recruitment, talent acquisition, placement, labour market intelligence, career management and advisory services in order to better manage occupational transitions. Amongst this range of delivered services, agency work – which is an internationally recognized and regulated form of employment - holds a unique place, because of its triangular relationship. The agency worker has an employment contract with the employment agency. They are then deployed to a user firm and work under the guidance and supervision of the user company in a triangular employment relationship.

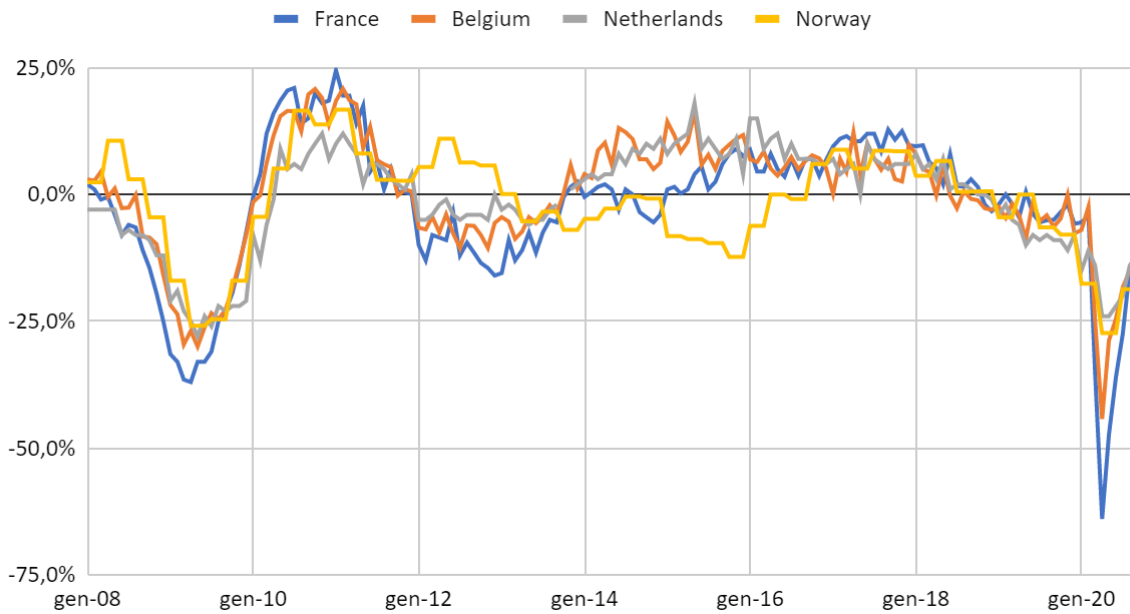
In a scenario in which economic sectors and labour markets in most countries have faced significant disruptions, the private employment agencies’ sector was no exception. The sector has been hit significantly and unprecedentedly due to the Covid-19 pandemic and consequent containment measures. In many countries, activity dropped even below the 2009 recession levels and the effects of the two crises are quite comparable, with agencies operating in all the productive sectors. The crisis generated by the state of emergency that we have been experiencing in 2020 is characterized by steeper and less gradual peaks, but which nevertheless resulted in levels far below the ones observed during the Great Recession. With respect to the 2009 crisis the minimum peak was during April-May in which France registered the biggest decrease (-35.5%) and the other observed countries registered an average decrease of -30%, divided over a period of nearly a year. Looking at the Covid-19 crisis, agency work sector revenues registered an average decrement of -32% but with steeper peaks, again France observed the biggest decrement (-62%) which almost doubles the value of precedent crisis, and also other countries like Belgium (-42%) and Poland (-34%) experienced similar disruptions.

Graph 3: Industry revenues, year-on-year % change period 2008-2020 (September).



Source: ADAPT elaboration on WEC data.

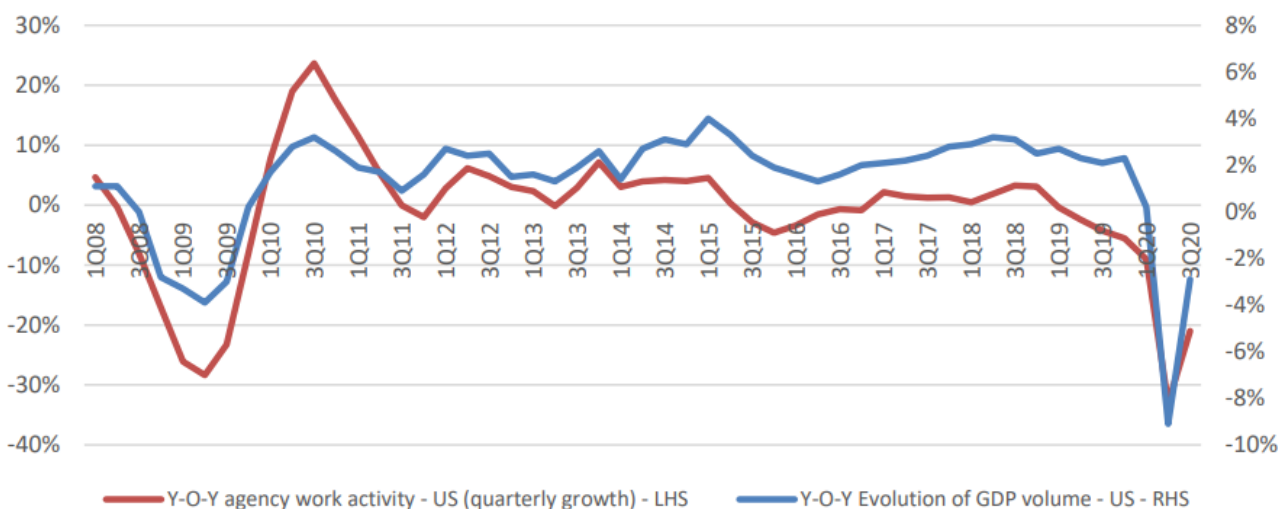
Graph 4: Evolution of hours worked, year-on-year % change period 2008-2020 (September).



Source: ADAPT elaboration on WEC data.

The weekly ASA Staffing Index, that tracks trends in temporary and contract employment, was set at 100 when it was publicly launched on June 12, 2006. It fell to 66 in midsummer 2009, as the first shock of the Great Recession ended. During 2020, the index sank to a record low of 60 amid the crisis caused by Covid-19. Because the ASA Staffing Index measures weekly changes in staffing employment, it became a near real-time indicator of current economic conditions, especially during volatile times for the labour market and economy. Given the fact that the index fell by 32.8% in the second quarter of 2020 this is not a good sign for the economic situation. GDP in the same period fell by 32.9%²².

Graph 5: USA – Agency work activity vs. GDP growth, 2008-2020, y-o-y % change



Source: WEC data and Federal Reserve Bank of St Louis <https://fred.stlouisfed.org/series/GDPC1>

²² From the dataset of the Federal Reserve Bank of St. Louis <https://fred.stlouisfed.org/series/GDPC1>

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The situation in the agency work sector seems to be similar across the world. Countries like Canada or Japan did not escape the disruptions of the Covid-19 crisis and the Canadian agency work sector in 2020 is in a much worse situation than the Great Recession. During May 2020 Y-O-Y percentage change for the Canadian staffing index describes a decrease of -35% with respect to the year before, 7% lower than the minor peak during July 2009.

Japan is no exception: looking at data is easy to note that there is a decrease in the number of the dispatched workers from temporary agencies (-11 % y-o-y), but is the largest drop in the number of agency workers in Japan since recording these statistics.

It is clear that Covid-19 crisis has impacted this business across the globe, but at the same time it has challenged companies to adapt to more flexible and resilient business models. In the following paragraphs we will focus on some crucial aspects for the sectors following opinions and analysis of stakeholders.

4. Private employment agencies in the “New normal”: role, challenges and opportunities

In this complex and changing scenario, how can private employment agencies support the mitigation of the Covid-19 crisis and prepare for the labour market recovery? How is the industry facilitating a safe return to workplaces and finding new solutions for making labour markets more resilient and inclusive? How can they adapt to this historical change?

The following sections are based on the assessment from the interviews that took place between November and December 2020 with the stakeholders. The purpose of this part is in fact to compare the opinions and arguments expressed by different institutions (e.g. trade unions, businesses, researchers) regarding the role that private employment agencies will play in the New Normal, the challenges they will have to face in order to be seen as a key actor in the recovery and the main interlocutors they should work with to adapt to the changing world of work.

4.1 Private employment agencies and flexible working arrangements

→ KEY INSIGHTS

- Private employment agencies are called to provide more flexible working arrangements, in order to fulfill the desire of autonomy of the workers.
- Private employment agencies are called to support workers in their transitions to the “New Normal” by ensuring them the possibility to benefit from full social protection, training programs and health insurance.

The pandemic has increased the need for more agile and flexible working arrangements as a strategy to adapt to the transformations that the labour market, and markets in general, are going through. Like companies, workers are seeking more flexible work arrangements to better achieve work-life balance, for example, by working from home. Among all the actors in labour markets, in times of uncertainty, private employment agencies could better fill the gap in the market than other types of contracts, by providing different services for temporary vacancies. As an HR Practice Leader from Gartner points out, private employment agencies could fit this workers’ desire for more flexibility. By working through a private employment agency, an employee may have access to different types of employment models, with different numbers of working-hours. For instance, Brian Kropp (Gartner) reported that in America there are a lot of employees (about 30%) that would rather work 80% of the time for 80% of the pay, than 100% of the time, for 100% of the pay²³.

²³ To have a look on how the Coronavirus has impacted on the American labour market, see this paper: *How Coronavirus has changed the Ways Americans Work*, Per Research Centre, December 2020. For instance, it has been reported that 54% of the workers interviewed would like to continue teleworking even after the pandemic. The report is available at this link https://www.pewsocialtrends.org/2020/12/09/how-the-coronavirus-outbreak-has-and-hasnt-changed-the-way-americans-work/?utm_content=buffer6d00e&utm_medium=social&utm_source=twitter.com&utm_campaign=buffer

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As private employment agencies provide flexible working arrangements, they also have to compare themselves to other forms of work outside the open-ended full time contractual relationship, such as casual work, self-employment and online platform work. During the pandemic, for example, online platform work experienced a new impetus, managing to overcome the limits of the anti-contagion measures. Like private employment agencies, online platform work could be considered an intermediary in matching labour demand and supply, in that companies are able to find workers through digital platforms and IT collaborative tools.

Online platform work is perceived as an emerging form of work by a labour market economist at the OECD, who suggests comparing it to private employment agencies a few decades ago. He explains how policy makers are still struggling with the status of platform workers, with particular reference to the level and types of protection they deserve. The increase in demand for work in this area is not always matched by an equal increase in the social and health protections offered to workers, who have often continued to carry out their duties irregularly, thus contributing to the emergence of a large slice of illegal work.

Eurofound, the European Foundation for the Improvement of Living and Working Conditions, also stresses the comparison between online platform work and private employment agencies at their beginning, assuming that online labour platforms are now going through a situation that is very similar to the one faced by agencies when they had started to expand. According to the institution, nowadays private employment agencies ensure a contractualization to their associates, while the platform economy is interested in making business with no regard to social protection. Mr. Menéndez-Valdés (Eurofound) argues that, while platform work is excellent in matching labour demand and supply, with the help of algorithms, they do not have the knowledge and the know-how about contractual relation and social obligations. While being efficient, platforms might not respect labour rights, while agencies are very much aware of labour rights and compliance with labour regulation.

Moreover, it is widely assumed that agency workers are better protected and integrated in the global regulation system than other forms of work. As it has been reported²⁴, current social protection systems are characterized by significant gaps between different employment statuses. Some groups of workers face greater risks than others. While in most countries, agency workers – as well as those with a direct employment contract – could benefit from full statutory coverage for unemployment benefits, paid sick leave, health insurance, labour accidents/disability insurance, parental and childcare benefits, and pensions, self-employed workers often miss out. Different institutions among the ones we have interviewed - such as the Confederation of German Employers' Associations, the World Association of Public Employment Services (WAPES), the International Organisation of Employers and the UNI Global Union - state that the main difference in working through a private

²⁴ WEC, *Social Impact Report*, 2020

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employment agency is to have access to social protection, training, and health insurance. The self-employed have access to statutory safety nets much less frequently than employees. They often have the right to access different social protection schemes only on a partial or voluntary basis, which sometimes involves prohibitively high costs. Since not all self-employed could afford to pay privately for their social benefit, the vulnerability among this group of workers has increased during the pandemic.

According to the Director for Employment, Labour and Social Affairs at the OECD, the added value of working through a private employment agency therefore is that it provides a framework of benefits and the assumption of a certain level of stability, for example by receiving a predictable salary. In particular, Stefano Scarpetta (OECD) argues that private employment agencies provide a certain stability and a career evolution perspective, since private employment agencies have improved a lot in recent years in terms of the quality of work they offer. He also stresses the fact that working through a private employment agency means being a part of a “structure and an organization” that not only provides services, but guarantees in many cases greater stability.

The ILO claims that the perception that people have of employment agencies themselves has also changed. The perception often used to be that they provided precarious jobs, with limited career prospects. The ILO’s representatives agreed with the OECD’s point of view, saying that, even if it is not possible to say that one flexible working arrangement is necessarily better than the other, it is possible to assume that working through private employment agencies is preferable because workers are in a framework that ensures regulated contracts and adherence to the labour standard.

BusinessEurope stresses a similar position, claiming that nowadays there is usually a longer relationship with private employment agencies, as the user company learns to know the worker, and vice versa. From the user company’s perspective, private employment agencies guarantee access to a qualified labour force, who could benefit from flexibility, while workers have a more structured relationship from which they could benefit in terms of development and qualification.

Moreover, BusinessEurope and the International Organisation of Employers also explain that private employment agencies provide benefits in terms of training opportunities and reskilling. They focused on the fact that the kind of jobs provided by private employment agencies try to combine business with the willingness to “invest in people”, which means giving workers the assurances of a workplace where they could be skilled and reskilled. BusinessEurope’s adviser mentions, as an advantage of working through a private employment agency, the “feeling of belonging” and being part of a bigger group, which is the same opinion expressed by Guy Standing, Professorial Research Associate at the SOAS University of London. He stresses the importance of having a “human contact” as a fundamental part of working that private employment agencies could assure. On the contrary, online labour platforms lack of personal contact, as they merely consist in performing tasks and mechanical tools.

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Different opinions are those expressed by Manuela Tomei, Director of the ILO's Conditions of Working and Employment Programme, regarding the differences between the forms of flexible working arrangements. She states that all the types of employment that are not open-ended and full time contracts are characterized by less security in terms of income, social protection, benefits, and opportunities for skills upgrading. In the "New Normal" temporary employment, and even casual employment, will be much needed because of the nature of business, characterized by seasonal activities. But at the same time, these forms of employment could be abused, and used to reduce labour costs. "There is no non-standard employment which is necessarily better than the other" – she said. With reference to temporary work, if proper conditions are not created, it may result in a future of precarious employment²⁵. It could also signify deskilling of workers and may push them eventually into inactivity. She also stresses the importance of the relative incidence of temporary workers among the whole workforce of a company. If the proportion of temporary workers is extremely high, this could translate into serious losses of productivity. From Mrs. Tomei's (ILO) point of view, there is a strong competition between agencies and online labour platforms, in terms of being more transparent in matching skills and jobs. Private employment agencies could win the competition by playing a great role in ensuring the wellbeing of workers. Since temporary workers will be highly demanded, private employment agencies might minimize the risks of these types of contracts, as well as their abuse, by ensuring that agency workers are not condemned to a future of precariousness. Similarly, the International Trade Union Confederation (ITUC)) highlights the responsibility of private employment agencies to respect the ILO standards and the social fundamentals rights, in order to provide better flexible working arrangements.

While today there is a huge discussion regarding platform workers in terms of guaranteeing them more rights and protection, Anna Kwiatkiewicz-Mory (BusinessEurope) suggests that it would be interesting to understand how private employment agencies could engage with platform work. In her opinion, we should start to consider the possibility that private employment agencies could manage platform work, or at least offer them a kind of association.

4.2 Adapting to provide more and better solutions to new challenges

→ KEY INSIGHTS

- Private employment agencies should help companies in managing remote work, as long as they try to adjust to the new way of working remotely.
- Among the future challenges that private employment agencies should face, we could mention the ones of supporting job-to-job transition, providing adequate training programs, supporting the relocation of the workforce, and filling the skills gap.

²⁵ V. Pulignano, *Including the precariat*, Social Europe, September 2020, available at this link:

<https://www.socialeurope.eu/including-the-precariat>.

In this article, the author argues that the welfare state of the future must include precarious labour, especially among youth.

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Private employment agencies, since their creation, have always been key actors in the labour market. They enable the adaptation of public and private services and the flexibility in those services. Now, the pandemic, together with the digital and generational transformations, produce a more pressing need for private employment agencies than before, while it offers an opportunity for private employment agencies to grow. The great challenge they face, first of all, is that of training and providing adequate skills to workers and organizations. In order to achieve this goal, agencies should not only invest in providing digital and hard skills, but also focus on creating programs and training to help people implement their soft skills.

According to Guy Standing (SOAS University of London), private employment agencies have a “sensitive role to play”: they have to be like a “weather vane, revealing whether the wind is blowing”. This metaphor tries to explain that, since they are close to the ground, they have the privilege to listen and see what is the reality of the labour market, and then to propose adequate solutions. He also hopes that private employment agencies could focus on the precariat, which the pandemic is leaving even more vulnerable than before. In his opinion, private employment agencies should not feel responsible for this situation, but they could easily be blamed and seen as opportunistic in the public’s view. In order to play a good role in the future of work, they have to be careful to make temporary labour an acceptable part of the “New Normal”, favoring a list of instruments such as the basic income.

From the ILO’s perspective, private employment agencies have, first of all, to increase their acceptance in different countries. In terms of adjustments that should be taken to reach this goal, the ILO suggests private employment agencies to direct their activities towards addressing the issue of discrimination, ensuring good working conditions and better job transitions, and that people are not locked in low-quality jobs. The ILO is in fact convinced that private employment agencies should be playing an “active role” in the future of the labour market, which is “much, much bigger now than before with the pandemic”. They refer to the overall responsibility private employment agencies have, not only in matching labour supply and demand. According to the ILO’s perspective, they are now called to provide much broader services, with reference to the challenge of the “relocation of the workforce”. The ILO is quite optimistic with regard to this new challenge, as private employment agencies have demonstrated that they could support workers in their transitions by providing them a legal framework and decent job conditions.

Eurofound also stresses the role that private employment agencies could play in the future, in particular regarding the management of remote work, as long as they try to adjust to the new way of working remotely and to the fact that people are more connected online. According to Juan Menéndez-Valdés (Eurofound), the role of private employment agencies is not anymore only the business of hiring a person and putting the person in the workplace. It is a matter of organizing people that come from different locations, and to provide services to companies that are in different locations. Nowadays, agencies have to prove able to accompany the transitions to flexible business models, while ensuring social security, access to rights and training.

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The International Organisation of Employers describes private employment agencies as the experts on bridging the labour market needs with the workforce. In their opinion, private employment agencies have large expertise, since they know, on the one hand, the needs of companies to overcome the crisis, and, on the other hand, what skills could be developed to fit labour market needs. First of all, private employment agencies could fit the skills gap, while governments and national employment services are limited in investing in skilling and reskilling, since they do not have the knowledge. Moreover, according to the International Organisation of Employers, jobs opportunities must be linked with conditions of social protection. Finally, private employment agencies should implement the set of activities they already do regarding life-long learning and career guidance, which represent an enormous contribution to achieving productive employment.

The contribution that private employment agencies could make with regard to skills shortages is pointed out also by an HR Practice Leader. Brian Kropp (Gartner) is convinced that, while a growing number of companies are struggling with developing new training strategies, private employment agencies could easily link the demand of companies to the competence of the workforce. He suggests that they could “specialize in a particular kind of skills” which are very requested by a group of companies they collaborate with. Moreover, he encourages the growth of private employment agencies in the field of career guidance, training and life-long learning, as the European Commission’s DG Employment Social Affairs and Inclusion does. They hope that private employment agencies could be a major player in unemployment & activation, life-long learning, training and individual guidance activities in the post Covid-19 context because they are in a very privileged position to understand the skills need and the skills gap, in order to support the occurring individual transitions from one job to another. They claim that private employment agencies would improve their effort in skilling and requalification, on two levels: reaching the individual in transitions, and working with a person to scan the skills that they already have. Moreover, they suggest certifying the learning outcomes and develop further training offers either themselves or in partnership with other training providers and ensuring that those training offers fit the current skill needs and the emerging skills needs on the labour market.

The World Association of Public Employment Services (WAPES) shares the same opinion of DG Employment Social Affairs and Inclusion, since the purpose of the private sector is helping people to find a job according to the new abilities and competences requested in the labour market. According to their point of view, private employment agencies should work together with the public sector in order to have a collaboration in training.

Training is identified as one of the great challenges of the future also by the Director for Employment, Labour and Social Affairs at the OECD. He explains that, as in any crisis, it has been estimated that many jobs will be lost and others will be created, which may not have different substantive characteristics (the title can be different, but the tasks to be performed could be similar). It has been

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stated by the OECD²⁶ itself that, in order to accelerate the creation of more and better jobs, it is important to shift to a skills-based economy. Investing in skills development creates a virtuous circle that could increase employability, and so enhance social inclusion. In line with this, the Director for Employment, Labour and Social Affairs at the OECD suggests that private employment agencies could support workers by providing them with the right information about new jobs' duties and tasks. He also stresses the opportunity to accompany the individual transitions that the pandemic offered to agencies, as the DG Employment Social Affairs and Inclusion also stated. The Director for Employment, Labour and Social Affairs at the OECD notes that, as the unemployment rate is rising, it is reasonable to imagine that many workers will have to be relocated. Private employment agencies can therefore help workers identify their skill needs and accompany them from old jobs that did not survive the crisis to new ones. BusinessEurope also recognized transition support and flexibility as one of the strategic roles for private employment agencies in the future. Their advisor referenced a transition service that the World Employment Confederation's Dutch member ABU is providing to workers in the Netherlands as a good example of "the flexibility of private employment agencies". She said that private employment agencies are moving people from companies that are suffering from the lack of demand, to companies that are experiencing an increase in demand for labour. She underlined how this service guarantees that an employee remains employed but, by going into another enterprise, they could learn new ways of working and gain new skills and experience. And, at the end of this period, the former company will get back someone who has gathered new skills and ideas. In her opinion, this type of service is very useful to facilitate job to job transition, and also the transition between sectors. She adds a consideration regarding the field of placement, saying that private employment agencies could help workers enter their second career, and keep older employees employable, by providing them, for example, with tailored training and special learning programs.

Moreover, according to the BusinessEurope's advisor, there will be an expectation from private employment agencies to participate, contribute and reform the social protection system, to ensure that employees receive appropriate coverage, in terms of unemployment benefits and pensions. As the Confederation of German Employers' Associations also points out, the pandemic has stressed the importance of providing workers with adequate social and economic benefits. In this perspective, private employment agencies could improve themselves to create a stronger and more universal social protection system for all agency workers, regardless of the form of contract they have.

The Labour Market Economist at the OECD stresses a similar point, saying that private employment agencies should make sure that all workers have the right protection. But he also highlights the issue of Occupational Health and Safety, remembering the impact of the pandemic not only on the economic system but on health too. As agency work in a tripartite relationship, it is important to understand who is responsible for Occupational Health and Safety in the work environment. Traditionally, the user company has the responsibility, but he encourages us to imagine a new role of

²⁶ OECD, *Social Dialogue, Skills and Covid-19*, 2020, p. 11

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agencies in this field. For example, private employment agencies could provide their employees the right training in terms of health and safety in the work environment, or, alternatively, they may share this responsibility with the user company, supporting in finding the right strategy to protect the workforce.

The General Secretary of the International Trade Union Confederation (ITUC) speaks about Occupation Health and Safety as “a fundamental right” too. She is convinced that the group of private employment agencies which do not exploit workers – according to her not every agency in every country respects the ILO’s standard²⁷ - could contribute in mitigating the labour market challenges related to Covid-19, by focusing their activities on activation, training and life-long learning, business resilience and workforce adaptation, with the possible exception of social protection, which is a joint responsibility. According to the General Secretary, private employment agencies have to make sure that their first responsibility is to respect the global rule of law, the ILO’s standard.

According to another union leader, private employment agencies have to address the issue of social protection, which consists of social security and health coverage. One of the greatest challenges that private employment agencies could face in the recovery of the labour market is, in his opinion, providing decent wages and better working conditions for those workers who are involved in the essential sectors (health, care, logistics), and ensuring Occupational Health and Safety and training for flexible workers. Moreover, he is convinced that private employment agencies must highlight that having part-time work through an agency is preferable to a part-time job directly at the company because it will give the worker an open-ended contract eventually. In other words, private employment agencies should “provide the guarantee that the placement will be in return for the investment, both for the worker (open-ended contract) and for the placing agency”.

In order to secure social protection for all workers, especially those who are facing job transitions, the Director of the ILO's Conditions of Work and Employment Programme suggests private employment agencies to invest in longer-term relation with workers, helping them to build their career trajectory. She speaks about “building a pathway of fidelization in order to ensure workers earn a proper reward for their competences” and give them an opportunity to regularly upgrade their skills to become more employable. Moreover, she is convinced that there is an important role to be played in the field of accompanying job transitions for agencies. Since transitions would require a re-shaping of active labour market policies, private employment agencies should ensure that people who are transitioning from one job to another could be able to do it without losing their security and social benefits every time. She suggests that agencies could provide a kind of passport which would prove the list of competencies and skills that workers have experienced. Finally, with regard to the spread

²⁷ The ILO’s International Labour Standards are legal instruments agreed by member governments and employers’ and workers’ organizations to figure out a set of basic principles and right at work. They are either Conventions or Recommendations, whose purpose is to ensure a legal framework and to increase the coverage of labour protection to the every reality of the world of work.

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of teleworking, she claims that private employment agencies should learn how to let managers be able to manage a geographically dispersed and not on-site workforce.

4.3 Investing in and improving activities in a changing world of work

→ KEY INSIGHT

- Private employment agencies should increase their effort in the field of social protection (to ensure that employees receive appropriate coverage, in terms of unemployment benefits and pensions) and occupational health and safety;
- Private employment agencies should improve a more holistic approach to human resource management and development, in order to support the worker throughout his career.

The Covid-19 crisis is challenging private employment agencies to be more resilient to transformations and managing the complexity of the current labour market. If they want to become a key driver in the “New Normal”, they must fill the gap of training and pension contribution and of health insurance coverage. Guy Standing (University of London) suggests that private employment agencies should stick to what they are good at, and not try to become too big for their boots. But at the same time, he adds, they must articulate their political message, which is not a partite political message (left or right), but it is a matter of articulating the challenge in a system of matching and distribution (economic distribution system of today) which does not correspond to the industrial model of the 20th century.

The Labour Market Economist at the OECD underlines the strategic use that private employment agencies could make of the information they have in shaping the future of work. Since they have information about what is happening in the world of work, and they know what types of skills are requested, they could use their knowledge to help match labour demand and supply. On the same point, the ILO argues that private employment agencies could contribute to making the transitions in the labour market much easier. To achieve this goal, they suggest that agencies could enhance their activities in collection, analysis and examination of information about the labour market in order to know whether the labour market is improving or going down and provide a quick response in terms of recruitment.

The Confederation of German Employers’ Associations shares the view that private employment agencies should share information with governments and public employment services, adding that private employment agencies should enhance efforts in training people, providing them with both digital and soft skills. They strengthen the fact that, in the future of work, softs skills, such as communication and coordination, will be of strategic value. According to the DG Employment Social Affairs and Inclusion, the future world of work would be “a matter of employability”, so that private employment agencies should continue their effort in the field of skills, scanning, training and

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guidance. They suggest for private employment agencies to use the skills intelligence they have in connecting individual skills with work opportunities.

The need to invest in skills, in order to facilitate career transitions, is at the core of the International Organisation of Employers' opinion regarding the role of the private employment agencies in a dynamic world of work. Their adviser is convinced that they could provide the skills necessary for the future of jobs - such as leadership skills, adaptation skills, interpretation of data, coordination, communication, and digital skills - and so accompanying the rise of the "New Normal". He is also sure that private employment agencies could play an important role with reference to mobility. Geographically, they have a deep understanding of local labour market needs which allows agencies to support transitions and mobility. In particular, he thinks they could provide decent working conditions to all workers that move from one country to another, or between sectors. As BusinessEurope's adviser said, private employment agencies could play a role in "enabling the employees in testing the possibility of a second career or a different work". This is very important, since the working life is becoming longer and it is not unusual that people are tired of their present job and they want to move to another occupation. She also speaks out about the support that private employment agencies could give to employees and employers concerning training and life-long learning and career guidance. On the one hand, they could provide workers with personal training programs apt to upskill or reskill them, while, on the other hand, they could be useful for the clients, since they are a "source of information for sector trends and the dissemination of the practices.

Looking at the side of companies, Brian Kropp (HR Practice Leader at Gartner) highlights how companies could take advantage of private employment agencies' training programs, since they do not have to spend a lot of money by developing skills that quickly become unsuitable. He also argues that private employment agencies should better map out the set of skills and capabilities that an employee already has, as well as the ones that agencies can provide to the employee. Companies could therefore benefit from the training programs and developing strategies of private employment agencies with reference to training activities. On the other hand, agencies could provide workers with flexibility, which is a significant benefit in terms of work-life balance. The OECD stresses the role that private employment agencies play in reducing the increasing uncertainty not only for workers but also for companies and organizations. They could in fact provide a planning of career paths and training processes and support especially for small- and medium-sized enterprises.

Eurofound shares this view. Its Executive Director says that one of the great challenges for temporary work agencies is to provide better opportunities to workers in terms of life-long learning and upskilling which are not provided by the companies for workers on short assignments. This is one of private employment agencies' main advantages. He also suggests for private employment agencies to implement their activities in the field of Occupation Health and Safety, as BusinessEurope's adviser suggests as well. In particular, BusinessEurope's adviser encourages private employment agencies to play a role in training the employee at the beginning of their assignment in the user

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companies. She also hypothesizes that, in the future, private employment agencies would provide a specific training about working from home. From the union leader's point of view, training in a life-long learning perspective and social security are two of the new challenges that private employment agencies should address to support the resilience and the recovery of the labour market and the economy. He is convinced that, while employability has always been a key point for private employment agencies, today it revolves around the acquisition and validation of soft and hard skills.

The International Trade Union Confederation (ITUC) is convinced that private employment agencies have a place in the landscape of employment in many countries. Their General Secretary underlines the importance for private employment agencies to ensure that the rules and the benefits that workers are entitled to are respected. She also focuses on the role that private employment agencies could play to provide security, jointly working with governments, as it is a mixed responsibility. In particular, she claims that private employment agencies should do a scan of their existing employment contracts to say that they adhere to the global rule of law. In the era of increasing internet-mediated work, she thinks that they must ensure that “the labour protection floor is there”, and, if workers do not benefit from universal social protection, they should work with unions to explore what they could do to improve the situation.

According to the Director of the ILO's Conditions of Work and Employment Programme, if private employment agencies want to be part of a better future of work for all, they should try to create of longer-term relation with workers by adapting a more holistic approach to human resource management and development. She suggests not to only focus on matching labour demand and supply, but to invest in life-long training. Moreover, they should try to establish a better articulation with the government in terms of “ensuring that social policies and active labour market policies are engineered in ways that reinforce each other”. With reference to the spread of online labour platforms, private employment agencies could try to be more transparent by “adhering to certain parameters and minimum standards”. The Director of the ILO's Conditions of Work and Employment Programme also addresses migrant work, noting its increased importance because of the pandemic. During the pandemic, it has emerged²⁸ that migrant workers, who were traditionally engaged in essential sectors such as food processing, delivery, and healthcare, are vital for the stability of the economic system. The Director points out the myriad of multiple players (formal and informal) that are now involved in the business industry across borders, suggesting for private employment agencies to start operating across borders in order to hire migrant workers in a transparent manner, and ensure adequate social protection coverage.

²⁸ L. Kleine-Rueschkamp, C. Özgüzel, *COVID-19 and key workers: the role of migrants across regions and cities*, VoxEu, December 2020. The aim of the article is to show the role that migrants could play in supporting regional economies. Check the article at this link <https://voxeu.org/article/covid-19-and-key-workers-role-migrants-across-regions-and-cities#.X9HTJtcJJD0.twitter>

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On the other hand, the World Association of Public Employment Services (WAPES) argues that they do not know what private employment agencies could do to assure more protection to workers, since they “want to do business”. But they also challenge private employment agencies to work with people with disabilities and difficulties, in order to support them finding a job.

4.4 Working with partners for more resilient labour markets

→ KEY INSIGHTS

- Private employment agencies should improve their reputation among the public opinion, in order not to be seen as “opportunistic”.
- Private employment agencies should be part of a network of collaborations with other players in the labor market, such as public employment services, governments, unions and education and training systems.

Private employment agencies have improved their reputation over the last decades, but in some cases, some of them are still seen as not complying with regulation and highest quality standards. While considering the differences between countries and agencies, it must be said that there is still some prejudice towards temporary work arrangements provided by private employment agencies. The pandemic, and the period of uncertainty and insecurity we are facing, however, are making flexible forms of work increasingly necessary. Since we need temporary employment because of the uncertainty of business trends, private employment agencies could redeem themselves. According to Guy Standing (University of London), private employment agencies have to be embedded in society as one of the strategic players able to support the recovery of the labour market. He claims that it is fundamental for private employment agencies to improve their image and reputation, in order to be recognised as strategic players able to fill temporary vacancies while providing different and basic services. In order to reach this awareness, he suggests for private employment agencies to allow the people who are working through them to have a voice and part in the governance of the agencies themselves.

All the interviewees agree that private employment agencies should be part of a network of collaborations with other players in the labor market, in order to better deliver their services in support of companies and workers. Most of the interviewees argue that public employment services should be among the first interlocutors of private employment agencies.

Eurofound suggests that private employment agencies should work with public employment services to improve their reputation within the labour market. The World Association of Public Employment Services (WAPES) encourages collaboration between private and public services since they share the same goal - the occupation of workers. A position supported by BusinessEurope, believing that it would be useful to reach and help the most vulnerable groups of the labour market, such as the inactive. In this perspective, their advisor describes public and private agencies as “complementary”

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partners for the recovery of the labour market, excluding any competition between them. In the OECD's point of view, a closer collaboration between private and public employment services is much needed in this time of insecurity and uncertainty, to facilitate the matching of labour demand and supply. Lastly, the unions interviewed agree with the other institutions, saying that private employment agencies should make an effort to be an active part of an ecosystem that tackles the skill gap.

Governments and trade unions are also widely identified as crucial partners for private employment agencies to work with. In a recent OECD publication²⁹, the collaboration between trade unions and companies is encouraged as a fundamental instrument in increasing adult learning coverage and ensuring adequate training programs. It is argued that both companies and unions could play a key role in evaluating the quality and outcomes of participation in training. Employers and unions could also work together to provide prompt assistance to those workers who have become unemployed, helping them find a new job.

According to the unions interviewed, in the era of increasing risks and insecurity, private employment agencies should provide “universal social protection” by working with unions, in order to ensure decent and secure jobs for all workers. They also agree that, since social protection is a joint responsibility, private employment agencies could work together with governments to adapt industrial relations to the incoming challenges. The ILO representative encourages social dialogue as well, so that trade unions should be crucial partners for agencies. She highlighted the importance for private employment agencies to engage with governments as key interlocutors in order to help shape public policies and ensure the connection between skills upgrading and recruitment and matching skills and jobs. To achieve this goal, they should establish relations with relevant ministers – in particular those who take decisions with regard to education, work, vocational training and security. The same opinion is shared by BusinessEurope, according to which private employment agencies should stay in close touch with politicians at the local level, so they can better understand the local employment specificities and labour market needs.

The International Organisation of Employers stressed the role that private employment agencies could play, together with governments, in ensuring and supporting the wellbeing of workers. They believe that trade unions could secure decent work conditions for workers through private employment agencies.

Moreover, a heterogeneous group of institutions among those interviewed argues that private employment agencies should establish a collaboration with education and training systems. According to the World Association of Public Employment Services (WAPES), private employment

²⁹ OECD, *Social Dialogue, Skills and Covid-19*, 2020, available at this link <https://oecdskillsandwork.wordpress.com/2020/12/09/the-role-of-the-social-partners-in-fostering-responsive-and-resilient-skills-systems/>

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agencies should work with different actors of vocational training. A union leader and an Economist at the OECD share the view that private employment services should relate to the education system and training institutions, in order to face the skill mismatch and provide adequate reskilling programs. The BusinessEurope advisor emphasized the importance of the collaboration with academics and intellectuals to better understand the developments in the labour market. It can therefore be concluded that it is a shared opinion among the interviewees that private employment agencies could benefit from the work carried out by education and training systems to position themselves on the labor market as accredited actors in the eyes of workers.

Interviewing Brian Kropp (HR Practice Leader at Gartner), the view emerged that private employment agencies should work closely with companies, especially with the HR departments. Since a growing number of companies rely on non-full-time employees, private employment agencies should collaborate with both procurement and HR departments in order to facilitate the matching between labour demand and supply, and to accomplish the workers' requests in terms of work-life balance. The Confederation of German Employers' Associations as well as the OECD are furthermore convinced that private employment agencies should collaborate better with user-companies and employers to create the best training opportunities for workers.

Finally, Eurofound invites private employment agencies to share their expertise regarding the platform economy with reference to the business models, while keeping strong relations with labour authorities.

5. Conclusions

The pandemic has forced organizations to accelerate restructurings and rethink sales strategies in order to surf the markets, to survive changing products and services and at the same time to freeze some activities. Employers are looking for a workforce that is able to prove resilient to changes, to provide agility and adapt when facing new labour demands. On the other hand, workers need the skills and learnability to remain employable in an extremely competitive market. In this insecure and constantly changing market, one's own personal skills package has never been more important. The scenario therefore raises an important and strategic need for training and life-long learning, representing a great opportunity for intermediate bodies, such as private employment agencies, in terms of new possibilities of engagement with regard to the re-skilling or up-skilling of workers.

Private employment agencies could provide training in several ways, in addition to the more traditional life-long training, which allows workers to be constantly updated. In a period of deep transformation of the labour market, it is worth investing in the re-skilling and up-skilling of the workforce. The importance of training the workforce is shared among all the interlocutors: companies and employers hope to benefit from the training programs of private employment agencies, while trade unions said that private employment agencies could support companies to develop targeted re-skilling programs or focus on large-scale up-skilling initiatives. The commitment to training and professional retraining could prove to be fundamental especially for the most vulnerable categories of the labour market, who were also the most negatively impacted by the pandemic. Private employment agencies could have a strategic role to play in the field of unemployment and activation, as the ILO stressed, in line with the views of the DG Employment Social Affairs and Inclusion and the International Organisation of Employers, which describe private employment agencies as experts in networking. As labour demand, hours worked, and employment dropped in non-essential sectors, the labour demand drastically increased in essential sectors. Therefore, private employment agencies could help in reallocating displaced workers to sectors with immediate demand for labour. In several countries, during the pandemic, restrictions (such as maximum lengths of assignment and sectoral restrictions) for providing agency workers have been loosened up to meet demand.

In addition to activities in the fields of unemployment and activation, as well as training and life-long learning, private employment agencies can implement the services offered with reference to career guidance. This challenge is crucial especially from the OECD's perspective, who believe that private employment agencies could support workers by planning career paths with them. On the other hand, companies are convinced that private employment agencies could help the employees in testing the possibility of a second career or different work. The complexity of today's labour market requires institutes which are capable of carrying out an important role of professional guidance. This service could benefit not only those who are looking for a job, but also those who already work. The implementation of career guidance activities would also help to improve market transparency through better match of supply and demand.

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However, the commitment of private employment agencies in favor of employment and career guidance must not be limited to providing a choice of job opportunities. The challenge that private employment agencies must overcome is to provide workers with quality job opportunities that balance flexibility and security.

In a time of extreme uncertainty, where it is not possible to make precise forecasts about the future, flexible working arrangements are more important than ever. Having access to flexible employment arrangements is a crucial outlet for both employers and workers. Agile workforce solutions will play a central and ongoing role in the future of work. As companies and employers have stressed, private employment agencies could provide workers with more flexible but secured and well-regulated working arrangements, in order to fulfill their need of more autonomy at work and to have a better work-life balance.

Indeed, private employment agencies can also match more flexibility with social protection coverage and the possibility of being skilled or reskilled. The request for a greater use of agile work is coming from workers themselves. For instance, they are asking for more autonomous arrangements at work, as well as for an output-oriented work organization in order to better balance their working activities with private life. According to this overview, we could assume that, looking ahead, speed and agility will supercharge the recovery of the economic system as well as the labour market. The intensifying unemployment challenge is also driving national governments to engage positively with the private services sector as a provider of agile workforce solutions.

The issue of training the workforce and supporting flexible business models must indeed converge in a process of updating the existing social protection systems. The uncertain situation we are facing raises the urgency of implementing new social protection systems, in terms of social benefits, decent income and the opportunity for skill upgrading, as both trade unions and companies hope. Current social protection systems are not prepared for labor markets characterized by diverse forms of work, since they are still based on legal-contractual and non-universal status. Nowadays, there are significant gaps regarding access to social protection on the basis of different employment statuses. Private employment agencies may face the challenge enhanced by the pandemic of ensuring social protection even for non-traditional forms of employment. By addressing the challenge of a universal social protection system, private employment agencies should provide not only social benefits, such as unemployment insurance, pension schemes, parental benefits, and occupational health & safety, but also equal income and the opportunity to be included in training courses and skills updating for all agency workers. It is assumed that particular attention will then be paid to occupational health and safety issues, to be included in a broader scenario of public health and well-being. To achieve this goal, private employment agencies could collaborate with user-companies, in order to guarantee a healthy and safe working environment for all agency workers. Already during the Covid-19 crisis, we have seen concrete examples of private employment services providers increasing their efforts to look after the temporary and contract staff. This has obviously included Occupational Health &

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Safety, with a special focus on mental health and psychosocial risks, such as work-related-stress, which are growing risks among workers. Private employment agencies also committed themselves to ensure that temporary and contract staff benefited from government support measures (e.g. short-time working schemes). This includes a specific focus of ensuring that temporary staff are covered for loss of activity. National federations and global recruitment businesses have developed new expertise on health and safety issues and built links with specialists in this area.

To conclude, private employment agencies can contribute to reducing the growing degree of job uncertainty, promoting as much as possible customized solutions and flexible measures for temporary workers. The complexity of the labour market, which is undergoing several major changes today due to technological transformations and the pandemic, will require the collaboration of different actors and labour market intermediaries. Private employment agencies can therefore become an active part of networks that facilitate dialogue between social partners, institutes responsible for training young people and adults, and governmental institutions. Only in this way will it be possible to overcome the challenges of unemployment and quality employment and enter a "New Normal".

6. The voice of actors

6.1 The questionnaire

Each of the 14 stakeholders was interviewed following the below list of questions. The interviews took place between November and December 2020.

- 1) Has the job market undergone permanent transformations due to Covid-19? If so, which ones? How would you describe the New Normal regarding the world of work?
- 2) What are the biggest labour market risks, challenges and opportunities arising out of Covid-19?
- 3) Can private employment agencies play a role in accompanying these transformations? If so, which one and how?
- 4) To what extent can private employment agencies contribute to mitigating the following labour market challenges related to Covid-19? Unemployment & Activation, Career Guidance, training and life-long learning, Occupational Health and Safety, Business resilience, workforce adaptation, social protection coverage. What adjustments should private employment services implement to improve the outcomes on these topics?
- 5) Compared to other forms of flexible working arrangements (direct temporary work, part-time work, self-employment, on-line platform work, casual work), what are the main differences (pros & cons) of working through a private employment agency?
- 6) Can private employment agencies play a role in reducing the increasing uncertainty and complexity of today's labour markets? What kind of protection and/or solutions can they offer to workers and organisations?
- 7) What is the field of activities in which private employment agencies should invest further or improve itself in order to adapt to the changing world of work?
- 8) Which are crucial partners for Private Employment Agencies to work with for the benefit of labour markets?

6.2 Stijn Broecke - Labour Market Economist at the OECD

Old problems in a new shape

Even if it is a little bit early to say whether the labour market has undergone permanent or just temporary transformations, we could certainly say that the pandemic has a significant impact on the labour market, where a lot of jobs have been destroyed while other sectors, such as the logistic one, have risen. Also, the acceleration of digitalisation and automation could be permanent transformations, as an acceleration of something it has already happened.

Risks and benefits of the pandemic

The pandemic has stressed inequalities among workers. Some people were more affected by the crisis than others, such as low paid and low skilled workers. The pandemic could increase the gap between those workers who have the right digital skills to operate in the labour market and to deal with the new emerging jobs, and those who have not. The traditional vulnerable groups in the labour market were not able to telework. Women were hardly hit by this crisis, forced to leave the labour market in order to take care of children and the elderly. These trends could be temporary, although they might be starting in effect in the long period especially for young people. By the way, this crisis may lead us to a more flexible way of working, thanks to the spread of the teleworking, and enable a better work-life balance.

The role of labour market intermediaries

Private employment agencies could be very important in the economic recovery and transformations of the labour markets. They could play a strategic role in matching demand and supply of the workforce, while some sectors in the labour market are arising, and some others are falling. Furthermore, private employment agencies might help workers in up-skilling or re-skilling in order to have the right competences to face new emerging jobs. The better private employment agencies match works, the quicker we fight the unemployment and uncertainty of this period.

Private employment agencies could play a critical role not only related to the economic system, but also in the field of Occupational Health and Safety. Since the pandemic has shown that every worker is exposed to health risks, private employment agencies might play a new role in ensuring a safe work environment for his workers. Moreover, private employment agencies might also advocate and make sure that workers have the right social protection coverage.

Agency workers could really fill the gap in the markets that other types of contracts maybe cannot. Since they provide different services, they do really help in this time of crisis by fulfilling temporary needs, while companies do not yet know how to plan their future work.

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6.3 Sharan Burrow - General Secretary of the International Trade Union Confederation (ITUC)

An overview on the labour market

The impact of Covid-19 on the world of work has been devastating, in terms of people losing their jobs, no income and lack of social protection for many workers. Moreover, the crisis is destabilizing the economic system and democratic institutions.

Even before Covid-19, we were already facing two other crises, which are now converging to this one: climate change and the rise of unemployment and exclusion of women and migrants from the regular labour market. Covid-19 exploded the fractures of the labour market over time. First of all, we saw the explosion of no-paid front-line workers, especially women and migrants, committed in care, retail or hospitality, and other services necessary to survive during the pandemic. It has been estimated that 2 billion people (60% of the labour-force) are in informal work, with no social protection at all. Then, a great part of the other 40% of the labour markets have insecure and precarious jobs. But, before letting the New Normal be the future of the labour market, we have to face the unsolved problems of the past, such as unemployment and inequalities among workers.

The role of private employment agencies in providing social protection

Private employment agencies could play a fundamental role in the future, by providing decent jobs for their workers. But it must also be recognized that not all agencies perform good services, since some of them exploit workers, and do not respect their fundamental rights.

In order to mitigate the labour market challenges related to Covid-19, private employment agencies should take some adjustments in the services they provide, with reference to Unemployment & Activation, training and life-long learning, Occupational Health and Safety, Business resilience and workforce adaptation. With reference to social protection, instead, they first of all have to respect the global rule of law and the ILO's standards, and then fight in order to get universal social protection for all workers, not depending on their job contract. Social protection is a mixed responsibility: private employment agencies could work together with employers and Governments to ensure decent and secure jobs for every worker. Private employment agencies should also play an important role by doing the analysis of social risks. In the era of increasing Internet-mediate work, private employment agencies should make sure that their social protection floor is there. And if workers do not have universal social protection, they could work with Unions to provide it. Furthermore, private employment agencies could also improve themselves in engaging the voice of workers and their needs, and allowing them for freedom of association, collective bargaining and universal social protection. In order to achieve their goal, private employment agencies should cooperate with the Government and Unions.

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6.4 Alison Crabb - Head of Unit “Skills and Qualifications” Union in DG Employment Social Affairs and Inclusion

The impact of Covid-19 on a fragile labour market

It is difficult to say whether the world of work has undergone permanent transformations due to the pandemic, but important changes are certainly underway. We could see the current pandemic as an accelerator of the digital and green transition we were already going through. The most evident change we are facing is the digital transformation: companies may learn how to do business online and to “thin digital first”, both in the field of manufacturing and offices. On the other hand, there is an evident need for digital skills at all levels. The main risk is simply the economic context, since we do not know yet when the pandemic will end, and how much damage it will do to the system. To a more cultural point of view, another great risk is to “rush back to the old normal”, instead of using this pandemic as an opportunity to build a different future for the world of work.

The contribution of agencies in the field of training

Private and public employment agencies are very well positioned to play a strategic role in supporting employability. First of all, they can make their own contribution in the field of training. While there is a global need for skilling, agencies could improve the experience they already had in this field. They could work on individual transition: they could do a scanning of a worker's skills, provide a specific training according to his needs, and then certify the learning outcomes of that training. The second kind of activities that could be very important for agencies is about their own “skill intelligence”. Since they are the intermediaries between the companies of the labour market and their need of competence and the individual skill set, they could “structure the knowledge around their own skill” in order to make the most of their privileged position with reference to understand both the skill need and the skill gap. In a post-Covid era, private employment agencies could use their expertise in the field of Unemployment & Activation and life-long learning, possibly developing other training offers, either themselves or in partnership with other training providers. They have to make sure that what they offer fits the current skills needed and the emerging skills needed on the labour market. Apart from that, private employment agencies could also improve their efforts in the field of Career Guidance, helping workers find the best job offer for them. By implementing skill scanning, training and guidance, private employment agencies could definitely reduce the increasing uncertainty of today's labour market. Agencies can also protect workers by reinforcing their employability. To conclude, private employment agencies could be a part of an ecosystem that tackles the skill gap, together with other institutions. What is needed is a close cooperation between agencies (private and public), social partners organizations, education and training providers and skills observatories as well. All together, they could imagine and provide original labour market's strategies.

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6.5 Brian Kropp - Group Vice President at Gartner and HR Practice Leader.

A new way of working is arising

The Covid-19 crisis is challenging the world of work from the bottom, since we have to create a new and global way of working and collaborating. The issue is not simply whether we work remotely or we come to an office³⁰: we are entering a new era of the future of jobs, where we will have to deal with hybrid forms of work. Companies have to build systems and processes that allow hybrid environments. Closely related to this, companies should virtualize their existing process and learn a new way to collaborate in a virtual environment. Another great challenge posed by the acceleration of the digital transformation is that we are going to deal with a huge amount of data about employers, so that companies should buy new software to collect and analyze data. According to these digital transformations, we are supposed to imagine a new role for managers, supposing they will have to develop more social and emotional competences and focus more on the attachment to work and on the wellbeing of their employees. The pandemic is arising new risks: an ethical one, connected to the use of the huge amount of big data, the location one, due to the fact that the physical workplaces are turning virtual, and the gender bias gap, according to which we could suppose that many women won't come back to work after the crisis.

The pandemic as an opportunity for agencies to grow

The current pandemic offers an opportunity for private employment agencies to grow. As location became less important, companies do not have the ability to look across different labour markets. So employment agencies have the opportunities to reach talents needed by companies. The demand of new and digital skills is really accelerating. But as it takes a lot to build new skills, the skill demands are changing rapidly. While more and more companies are struggling with developing strategies to face the skill gap, private employment agencies could play an important role. They could specialize in a particular kind of skills, linking the skills demand of companies to the competence of the workforce. Private employment agencies could grow in the field of career guidance and training and life-long learning. They can use their widespread presence on the territory to understand the skill shortage and develop new strategies to fill the gap. Private employment agencies should better understand the set of skills and capabilities that an employee has, and the set of skills and capabilities they potentially provide him. Private employment agencies should work with companies, especially with the HR people. Moreover, since more and more companies rely on non-full-time employees, they should collaborate with procurement sectors. Finally, as companies are growing much bigger and complex, they should collaborate with the general manager of companies.

³⁰ Cfr. The economist, Is the office finished?, September 2020. The article is available at this link <https://www.economist.com/leaders/2020/09/12/is-the-office-finished>

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6.6 Interview with Anna Kwiatkiewicz-Mory –BusinessEurope’s Social Affairs department

Entering the “New Normal”

We do not yet know which transformations are going to be permanent and which are only temporary. Among the long-term changes, it is not possible not to mention the telework, which asked employers to reorganize work and find a different way to manage people, while advantaging workers in terms of less fatigue and a better work-life balance. We can assume that we are living an acceleration of digitalization which will lead us to a hybrid form of work. In the “New Normal” we will probably see more local supply chains: maybe we will go more back to local providers that can enter local supply chains and create jobs and employment. According to this situation, the biggest risk is the growing divide between teleworking and non-networkable jobs, which could lead to more inequalities among workers. Moreover, for the labour market, also false political discourses concerning temporary flexible jobs perceived as precarious jobs could be considered as a risk, since the pandemic has proved that, from a business perspective, we need flexibility for the recovery. Another risk is concerning the negative circle of the short-time work schemes. Finally we do not lose the opportunity for structural changes (more green, more digital, more local businesses, slower way of life, working and living).

The role of private employment services in the “New Normal”

Private employment agencies are very important players for the recovery of the labour market, since they are very close to the ground, they know sectors, clients, local conditions. They are flexible in their way of working, they are able to adapt to changes. As intermediaries, they could facilitate job to job transition and the transition between sectors. They could also play an important role in the field of placement: they could help workers enter their second career, upskilling and reskilling themselves. Private employment agencies should also help keep older workers employable, by providing targeted services for them and tailored training to keep them skilled. With regarding training and life-long learning and career guidance, private employment agencies could not only be useful for the employees by testing the possibility of a second career, but also for the clients, since they are a source of information for sectors trends, disseminator of practices. Private employment agencies could play a strategic role in the field of business resilience, helping clients in facing challenges, and in the field of workforce adaptation, by helping companies in engaging temporary high skilled workers that are needed during some operations. Moreover, there will be an expectation from private employment agencies to participate, contribute and reform the social protection system in the future, by ensuring employees with appropriated coverage, in terms of unemployment benefits and pensions. They could also guide their associates through how to accumulate their social rights, how to position themselves through the social protection system and the contribution system. Finally, private employment agencies should cooperate with public employment services in order to better reach the vulnerable groups of the labour market. Today there is no competition between them, as far as they are complementary in supporting the recovery of the economic system. They should also work with social partners (at sector and national level), stay in touch with local level politicians to better understand

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the local specificity and labour market needs, and have dialogues with academic staff and intellectuals to understand the development trends.

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6.7 Sangheon Lee - Director of the Employment Policy Department of the ILO

How the pandemic is changing the world of work

The world of work is going through a lot of changes: the spread of teleworking, digital platform works, and the issue of health and safety which has assumed relevant importance during the pandemic. To be more precise, Covid-19 is facilitating these transformations, which were already underway in previous years. We already don't know if we are entering a New Normal but, from the ILO perspective, we could hope for a "Better normal", trying not to get back to the issue of economy and social protection of the pre-pandemic period. The "Better Normal" should go over the current digital gap, by investing in up-skilling and reskilling the workforce. As we hope to enter a "Better Normal", we should also address the inequalities issue and build a more universal protection system. For example, the pandemic has taught us that teleworking is not possible for every worker. Many workers do not have access to teleworking, especially those of non-developed countries, while other workers simply cannot do remote work. But the pandemic situation also presents new challenges. First of all, we have to find a way to create new job opportunities. Moreover, there are a lot of areas in which we could improve our investment: care and health as well as green jobs. Then, in order to face the current labour market discriminations and inequalities, we could improve the social protection system, by making it as universal as possible.

An active role to be played by private employment agencies

Private employment agencies could play an active role in accompanying the world of work through these transformations. The pandemic has made the role of agencies even bigger than before, while they are required to provide a list of services, in addition to the simple job matching. First of all, they have to facilitate and support the transitions from one job to another, by ensuring a legal framework and labour standard. In order to make the transition much easier, agencies could collect, analyze and disseminate information about the labour market. This could be very useful for industry as well as for workers, while they could know whether the labour market is improving or going down, and which sectors are growing. Agencies could improve their effort with regard to the issue of occupational health and safety and social protection, while trying to avoid the digital innovation gap which is excluding a lot of workers from the labour market. In order to adapt to the changing world of work, agencies could invest further in the field of training, by adapting their training offer and training programs to the labour market needs. Furthermore, it is necessary to increase the acceptance of private employment agencies in some countries, such as the Netherlands, as a strategic player for the shaping of the future of work. Private employment agencies could work together with public agencies in order to implement a coordination mechanism and better achieve the goals of the future of work.

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6.8 Renate Hornung-Draus - Managing Director, European and International Affairs, Confederation of German Employers' Associations

How the pandemic is changing the world of work

As we are still stuck in this pandemic, it is not possible to speak about a “New Normal” yet. We do not know yet when and how the Covid-19 related crisis will end, and how much its impact will affect the economic system and the labour market. For instance, the system has not already recovered from the financial crisis of 2008, and the labour market has already undergone deep transformations. The occurring pandemic is now accelerating the ongoing transformations, such as the digital and the ecological ones. According to these extremely changing situations, a lot of risks are arising. If, for example, the support of technological tools has allowed some activities to continue remotely, at the same time the technological transformation can increase inequalities within the labor market. As many jobs cannot be done remotely, the economic and social situation of some workers are getting worse. The pandemic has in fact exposed the already vulnerable situation of many workers who provided care and logistic sectors, so that the issue of the social protection system has become a priority. Moreover, the growth of the logistic sector has raised the ecological transition issue, which may be one of the main challenges for the future.

New goals for private employment agencies to achieve

Private employment agencies could play an important role in supporting the economic system and the labour market too. The great challenge they should face, first of all, is the one of training and providing adequate skills to workers and organizations. In order to achieve this goal, agencies should not only invest in providing digital skills (even if they are very well requested), but also make an effort to create programs and training to help people implement their soft skills. In the future of work, soft skills, such as communicative and coordination ones, will be strategic. In this perspective, private employment agencies should collaborate with companies and employers to create the best training opportunities for workers. While facing the challenge of training, private employment agencies could also play a strategic role in the field of Unemployment & Activation, as well as in Career Guidance. The Covid-19 crisis has not only increased the unemployment rate, but has also created new demand for work, especially in essential services, so that agencies could contribute in matching labour demand and supply. Moreover, the pandemic has stressed the importance of providing workers with adequate social and economic benefits. In this perspective, private employment agencies could improve themselves to create a stronger and more universal social protection system for all agencies temporary workers, no depending on the form of contract they have.

6.9 Juan Menéndez-Valdés - Executive Director of Eurofound

A new hybrid way of working

The pandemic is shaping up a new and hybrid way of working, based on teleworking, as the main change related to the breakout of Coronavirus is the increasing extension of telework. If working from home was already possible before, the pandemic has now increased this process. In the spring 2020, 40% of the working hours in Europe were from home, and about 80% of the workforce said they would prefer to continue teleworking even in the future, at least some days, so that we could also assume that this trend will certainly continue in the future. According to this, the main risk of the future of work will concern the use of technology. Remote work offers opportunities to both companies, which could organize work in very different ways, experiencing different business models, and workers, who could better balance working activities with their private life. By the way, if there is a great opportunity to create the culture of remote work, it is also necessary to face the risk of disconnection and the ones related to providing secure locations, in terms of ergonomics and physical risks.

The opportunities for private employment agencies

Private employment agencies can certainly play a role in the future of work, but they need to adjust to the new way of working remotely and to the fact that people are more connected online. So, their activities will no longer concern only the business of hiring the right person for the client, as far as it will be a matter of organizing people that come from different locations and provide services to companies that are in different locations. Today private employment agencies have a well-established role in society and have a better reputation than the one they had in the XIX century, when they started their expansion, since they are able to provide social security, access to rights and training to all their associates. Nowadays, private employment agencies are able to accompany flexible business models to assurance that addresses all the challenges pointed out by trade unions and authorities. At the same time, they should implement their activities in the field of Occupational Health and Safety, training and life-long learning and career guidance. One of the great opportunities that came out of the pandemic for agencies is to provide better opportunities to workers in terms of life-long learning skills which are not provided by the companies of short assignment. To conclude, private employment agencies should jump into the digital age join forces and share expertise with all the platforms economy, with regard to digital business models. At the same time, they should keep a strong relationship with labour authorities and public employment services in order to improve their reputation.

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6.10 Eve-Marie Mosseray - Executive Secretary, World Association of Public Employment Services (WAPES)

The impact of Covid-19 on the world of work

The pandemic has dramatically marked the world of work. We do not yet know how many sectors, such as air transport, tourism, restaurants, and hotels will recover from the Covid-19 crisis. But we must wait some more time to fully understand which transformations will be permanent. The impact of this crisis is not the same in all countries, according to the measures taken by institutions and Government and to the resilience of the local labour market. By the way, some transformations were already underway before the break of the pandemic. The Covid-19 crisis gave some countries the opportunities to follow the acceleration of digital transformation. We could also imagine that the new world of work will deal with the green economy as well. There are a lot of risks linked to this crisis. First of all, there is a high risk of a social fracture that could make the situation of vulnerable groups even worse. In the labour market, this fracture could assume the form of a generational fracture. The digital gap as well, which was already underway, could get worse, while not all workers could work remotely and have an Internet connection. Also, the spread of the informal economy could get worse. But every crisis is also an opportunity for the future, it depends on how we face its challenges.

The role of private employment agencies

In this changing world of work, private employment agencies have a role to play, in a very close collaboration with public services. Private and public services should work together in order to give workers the best opportunities in terms of job contract and social protection system. They should also collaborate in order to facilitate job matching and promote training, while they share the same goal: helping people find a good and decent job. Apart from the public services, private employment agencies might also work with actors of vocational training, in order to provide the best opportunities of training to all workers who need to be re-skilled or up-skilled. Moreover, public and private sectors should face the digitalisations challenges, supporting workers and companies' organization to new and more flexible ways of working. At the same time, agencies should continue to invest in their physical presence among cities, to strengthen the link between the various players of a local labor market. Since private employment agencies want to make business while matching labour demand and supply, it is not easy to see how they could contribute to implement the social protection system. According to this issue, private employment agencies may learn how to include people with disabilities and other difficulties in the labour market, by implementing new strategies and measures of inclusion. This could be a really challenging opportunity for private employment agencies to be part of a better future of work.

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6.11 Luis Rodrigo Morales - Senior Adviser at the International Organisation of Employers

Risks and opportunities for the future of labour market

The world of work is changing drastically, but there is not a “New Normal” yet. New and more resilient business models are emerging, and some of them will remain even after the pandemic. One permanent transformation would be digitalization: this pandemic has forced employers to accelerate digital transformation. Before the pandemic we were debating how disruptive the digitization process would be, and now it has turned the solution since it allows flexible work arrangements. The pandemic has also stressed the importance of Occupational Health and Safety as a fundamental tool for the future of work. The key value of the “New Normal” would be social protection. Nowadays, the most evident risk is uncertainty, as we already don’t know how long the pandemic will last. This uncertainty could lead to the failure of the labour market framework, if we do not create measures to facilitate transitions. We have to adapt to a more flexible way of working, and we have to be prepared to fulfill the demand of new competence and skills. Among the challenges posed by the pandemic, we must mention the fight against informal work and the shortage of skill needed by the labour market.

The crucial role of private employment agencies

Private employment agencies are the expert on bridging the labour market needs to the workforce. In fact, they are experts in networking: on one side, they know the current needs of companies and organisations and, on the other hand, they know what skills should be developed by the workforce. According to this, private employment agencies could also play an important role by providing life-long learning, by investing in up-skilling and re-skilling the workforce. So, they could prepare workers for the future of work, equipping them with the most requested skills, such as leadership skill, adaptation skill, interpretation of data skill, communication skill and digital skill as well. Private employment agencies could also contribute to achieve productive employment by implementing some of their normal activities, such as workforce adaptation, business resilience, unemployment & activation and career guidance. With respect to the theme of guidance in the world of work, since they are geographically present on the territory, they are more aware of labour market’s trends, so they can help workers find the best job opportunity. Moreover, private employment agencies could reduce the increasing uncertainty of today’s labour market by providing decent job conditions and social protection for their workers. For example, in a very connected world, where people can move from one job to another as well from one country to another very quickly, they could assure mobility in decent conditions.

In order to assure the goal of decent, secure and safety job conditions for every worker, private employment agencies could find in Governments and unions crucial partners to work with.

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6.12 Stefano Scarpetta - Director for Employment, Labour and Social Affairs at the OECD

The impact of Covid-19 on a fragile labour market

It is still early to say with certainty whether the crisis has undergone permanent transformations in the labour market, since we are still experiencing an emergency period. The longer the emergency will last, the deeper the economic and social effects will be. Today we can see the temporary effects of the ongoing crisis on an already fragile labour market, such as young people, women and low-skilled workers in general. Another change is that we have rediscovered the importance of workers in essential services³¹, such as childcare and the elderly, as well as the distribution and logistics sector. These are mostly precarious jobs, with low levels of education and low wages. Teleworking is also having a strong impact on work's organization: no economist could have predicted that 40% of the workforce in OECD countries could work remotely as it happened. As we better analyzed the data, we can see that, while high-skill workers were able to access telework, those with low qualifications were unable to telework.

Risks and opportunities arising out of the crisis

The main risk is that the economic crisis triggered by the first lockdown will continue, with heavy effects on the economic system and on the labor market, in terms of job losses in already vulnerable and precarious categories. This crisis, more than the previous ones, risks increasing the gap of inequalities among vulnerable workers. At the same time, the pandemic is also accelerating the opportunities of the future of the world of work. The spread of teleworking, for example, may create new forms of work organization, as many companies have announced that they will keep teleworking as a structural way of working even after the crisis.

The strategic role of the private employment agencies

According to the labour market transformations, private employment agencies can play a strategic role in shaping the future of work, by implementing a field of activities they had already invested on, such as Unemployment & Activation, Career Guidance, training and life-long learning and workforce adaptation. First of all, private employment agencies could address the increase of the unemployment rate due to the spread of the virus together with the digitalisation and automation process and the need of a huge amount of workers to be relocated. If the great challenge of the future is that of training, private employment agencies can identify the professional needs of companies and organisations, as well as provide training support to workers who need to up-skill or re-skill themselves. In this perspective, private employment agencies could accompany workers in different transitions, from one job to another, as well as from a state of unemployment to new job opportunities, showing them

³¹ For an overview of the condition of essential workers during the pandemic, have a look at J. O'Donnell, *Essential workers during COVID-19: at risk and lacking union representation*, Brookings, September 2020. The article is available here: <https://www.brookings.edu/blog/up-front/2020/09/03/essential-workers-during-covid-19-at-risk-and-lacking-union-representation/>

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which are the leading sectors today. Furthermore, the complexity of the current world of work requires good orientation skills in order to be able to seize opportunities. In this sense, private employment agencies can play a strategic role in promoting guidance in the world of work, providing good information on the most requested jobs in the world of work and on the leading sectors in the labour market. Employment agencies might also play an important role in ensuring health and safety in the workplace by adapting working conditions to specific standards. Finally, closer collaboration is hoped for between public employment centers and private employment agencies, in matching labor supply and demand in the complexity of the New Normal.

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6.13 Guy Standing - Professorial Research Associate SOAS University of London

Old problems in a new shape

A lot of the things that are happening during the pandemic are like an acceleration of what was already happening before, so we can see the pandemic more as a trigger, and not as the cause of what is happening. There was a crisis waiting to happen, while the global economic system has been incredibly fragile over the last 20 years. The key issue of the future of work and working relationships and the role of private employment services is that the inequality is greater than ever, and more and more the income is going to people who are not earning incomes from labour. In the labour market, wages in general have been stagnated, mostly for precarious workers. People who have temporary or casual jobs, who do not have real benefits, are incredibly insecure, and therefore suffer from stress and social illness. It comes out the precariat is an unhealthy work relationship. A lot of jobs have been outsourced, a lot of casual contracts have been spread but it would not matter if the economy were stable and million people were not in the precariat. In this context, where workers are not in good shape for temporary jobs, the pandemic is creating a storm, which could be seen as a great social challenge.

Risks and benefits of the pandemic

As a result, the major risks are that we are going to have an increasing divide between people who earn income from physical, financial or intellectual properties, and those who rely on labour. Particularly in Europe, the jobs retention schemes are protecting the relative well off, leaving the precariat increasing vulnerable and lacking any resilience. The risks are that millions more would be in this situation, due to the spread of the Coronavirus. The benefits are that we are moving away from a job-oriented culture and economy. An increasing number of people are looking for a portfolio of activity that may involve more forms of work that are not jobs. The pandemic is teaching us that other forms of work, which are not regarded as work in our economic system, such as care services, are very important in people's lives as well in society.

The role of labour market intermediaries

In this complex situation, private employment services could be the intermediary facing problems that are taking place. Potentially, they must perform themselves to avoid being criticized as exploiters. They have a sensitive role to be played, making temporary labour an acceptable part of the New Normal, by favoring basic income, for example. Private employment agencies also have to be a "weather vane", revealing trends of labour markets. They could see the reality and listen to the voice of people in need, but they also have to pay attention because, as far as they are not responsible for the precariat, they could easily be blamed and seen as exploiters. Working through a private employment service is deeply different from other forms of flexible working arrangements, since you still have human contact and the concept of a job as something manageable. Online platform work, for example, are much more similar to performing a task, while avoiding any personal contact.

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Therefore, private employment agencies have to be careful to be genuinely political in articulating what is needed by Governments. To conclude, they must be embedded in society and not seen as exploiters.

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6.14 Dimitris Theodorakis - Director / Post & Logistics / Hair & Beauty / Youth responsible for UNI Global Union

Risks and opportunities for the future of work

The pandemic has created a demarcation within the labour market. There has not been only an increase in inactivity, since there has been the explosion of the so called “essential services”, from care to logistic sectors. Also the e-commerce deliveries and e-commerce has increased their activities, since it was the only way to ensure economic resilience. The trend of digitalization, and the flexibility that comes with the application of digital tools in work organization has been accelerated by the pandemic. One of the main risks coming out of the pandemic is concerning digital platform work, which it is considered indeed one of the essential services. The non-standard forms of work have exploded. Platform work both represents an opportunity for those workers who lost their jobs, to pick up a new occupation, and both a risk, if they are not insured with job security and contractualization. The teleworking instead could represent both a risk and an opportunity. In terms of industrial relation, it could be considered as an opportunity for the work environment to change, but it also involves a lot of risks that we have experienced during the pandemic, from Occupational Health and Safety to stress and psychosocial risks.

The great challenge of adaptation

Private employment agencies have always been key actors within the labour market. They have always enabled the adaptation of public and private services and the flexibility in those services. The pandemic is producing a more pressing need for agencies, since companies have to rely on their services more than before. In this context, we could assume that agencies would have prioritized essential services (health, care, logistic sectors), whereas in the past these services were not their target group. Regarding these essential sectors, private employment services have also to address the issue of decent wages and the status of working conditions. The Covid-19 related pandemic has put private employment agencies in a difficult position. They have to adapt in the sense of being resilient to transformations. To become a key driver in the “New Normal”, they have to fill the gap of training and pension contribution, of health insurance coverage, but they should also provide the guarantee that the placement will be in return for the investment, both for the worker (permanent contract) and for the placing agency. There are a lot of adjustments that private employment agencies should take. Training in a life-long learning perspective and social security are two of the new challenges that private employment agencies should address to support the resilience and the recovery of both labour market and economy. Employability has always been a key point for private employment agencies, but today it comes through the acquisition and validation of soft and hard skills. To conclude, in order to address the new challenges, private employment agencies should cooperate with public employment services and with the education system (school, education and vocational training institutes). Finally, to encourage social dialogue, at a national level, private employment agencies should speak to trade unions in order to adapt the industrial relations to the incoming challenges.

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6.15 Manuela Tomei - Director of the ILO's Conditions of Work and Employment Programme

Entering the New Normal

The spread of Coronavirus has accelerated a process of change that was already ongoing, in terms of production process and work organization. We are seeing an increase in job losses, as well as an increment in the use of digital labour platforms and a growing reliance on telework, which may continue in the future. This phenomenon, necessary for keeping business alive during the pandemic, has raised a lot of other challenges, in terms of Occupational Health and Safety, including violence and harassment, and in terms of manager by control versus manager by results. Moreover, pre-existing inequalities and the disadvantages in terms of insecurity of work and income, lack of social protection, have exploded during the pandemic: we have now a further polarization in society. Furthermore, in a society in which knowledge is becoming strategic, the divide between the rich countries and the emerging ones, as well as between cities and urban areas, is getting bigger and bigger. In this context, women are among the main losers. As a result of the pandemic, many women have left the labour market, in order to take care of children. In the digital economy, the participation of women even before the pandemic was significantly lower than the one of men, and this trend is going to increase. But, at the same time, now we are more aware that we can no longer allow gender discriminations. Another great opportunity came out of this pandemic is that we have realised how fundamental are health, care, education. These key sectors offer a huge potential in terms of the degeneration of the jobs of the future.

Some adjustment that private employment agencies could implement

Private employment agencies are important players for the shaping of the future of work, since they are strategic brokers. First of all, they could play an important role in the next future, using some tools which could empower their work. For example, the use of algorithms could increase the efficiency of the recruitment process. But the way in which these algorithms are developed also carry some past biases, which could become another vehicle of discrimination. Private employment agencies could also ensure that people who are transitioning from one job to another may be able to do it without losing social protection and security in general. There is an important role to be played in terms of ensuring safe transitioning, supporting workers with active labour market policies and regular training program to up-skilling or re-skilling their competence. In order to achieve these goals, private employment agencies could address a longer relationship with their workers, by constructing a “path of fidelization”. If private employment agencies want to be part of a better future for all, it is important to embrace a more longer-term and holistic approach, especially in the field of human resources and development. Moreover, private employment agencies could engage a strong dialogue with Governments, as a strategic interlocutor to face the current challenges. First of all, they could address the challenge of the upskilling or reskilling of a huge number of workers. They should provide a personal portfolio for each worker that certifies his competence, in order to make the transition from

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one job to another safer. With reference to digital labour platforms, the main challenge of the future is finding a way to stabilize these workers, while ensuring them some basic social protection, for example by upgrading their competence and knowledge. The goal of life-long training could be addressed by social dialogue, at a European level, as well as a national level. They could also work together in order to ensure the access to social policies or active labour market policies to every worker.