

# **Advocacy Report**

N° 10/2022 – November 2022

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### **WEC Positions**

WEC-Europe issue paper on labour shortages

### **Upcoming Events**

### 4<sup>th</sup> November 2022

WEC-Europe takes part in conference on digital solutions for labour mobility

### 8<sup>th</sup> November 2022

WEC-Global takes part at Randstad Public Affairs Conference 2022

### 18th November

WEC-Europe to act as speaker at Research Conference on platform work

### 22<sup>nd</sup> – 23<sup>rd</sup> November

WEC-Europe to contribute to conference of the European Labour Mobility Practitioners Network

### 24th November

WEC event to support ILO ratification campaign Convention 181

### 8<sup>th</sup> December

WEC-Europe panel debate on work mobility, linked to WEC-Europe governing body

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## **Global Public Affairs**

### ILO Meeting of Experts on decent work in the platform economy

The World Employment Confederation has been an active stakeholder to the regulatory debate around the digital economy, and in particular on platform work.

<u>Our report "Diverse forms of work in the platform economy"</u>, published in partnership with the IOE, allowed us to deepen our knowledge and expertise of the platform work landscape. The report highlighted the work opportunities provided by platform work as well as the diversity of platforms' business models. WEC believes that a regulatory one-size-fits-all generic approach would not capture the complexity of the platform economy.

During the week 10-14 October, took place the ILO tripartite Expert Group Meeting on "Decent work in the platform economy" which gathered three delegations representing employers, workers and government.

Menno Bart (The Adecco Group), Sonja van Lieshout (Randstad) and Xavi Gomila (WEC HO) participated in the process as part of the employers' delegation.

The purpose of the meeting was to agree on conclusions that provides guidance to the ILO Governing Body on the way forward.

Following an intense week of negotiations, the delegations representing employers, workers and governments did not reach an agreement on the text that was under negotiation.

Different reasons led to that outcome, including the overly long text provided by the ILO Office and the divergent views of the delegations on their fundamental positions on the platform economy.

### **Assessment and next steps:**

The lack of agreement during the Meeting of Experts leaves the ILO Governing Body with no specific guidance and therefore with an open door to decide on the way forward. The Governing Body will gather in November 2022 and the agenda includes an item on the follow up of the meeting of expert on decent work in the platform economy.

WEC will continue participating in the next steps of the process to achieve a balanced regulatory approach to platform work, to address disguised employment and promote fair competition.

### WEC webinar to support ILO ratification campaign of C181

In May 2022, the International Labour Organization presented a campaign to encourage more countries to ratify and implement ILO Employment Service Convention (C88) and Employment Agencies Convention (C181). C88 calls on governments to maintain a free nationwide public employment service, and C181 establishes the effective regulation of private employment agencies and the protection of workers and employers that use their services.

While C88 was adopted a half-century before C181 and has more than twice the number of ratifications, it is clear that wider ratification and effective implementation of both conventions are crucial to support resilient





dynamic and inclusive labour markets that are better fit to deliver decent work and full employment for all. These two instruments are really complementing each other.

The purpose of the ILO campaign is to raise awareness of the importance of these two Conventions and how they can lead to better services and outcomes while minimizing abuse and exploitation of working people. It also aims at raising awareness of the technical support that the ILO can provide to its member States to help them prepare for their ratification and implementation.

### Assessment and next steps:

On November 24<sup>th</sup>, WEC is organizing a members-only webinar to support the objectives of the ILO ratification campaign. The event will count with the participation of an ILO official to present the latest developments regarding the ratification campaign of C88 and C181. Several WEC members will share their views on the challenges and opportunities in regards the ratification of C181 in their respective countries. All WEC members are invited to attend the event.

### **Update on potential regulatory changes in Peru**

The 22<sup>nd</sup> August was the date set to start the implementation of the Supreme Decree that bans outsourcing/agency work in Peru.

AETT, the WEC member in Peru, has been consistently voicing their concerns on the implementation of that Supreme Decree challenging the constitutionality of the norm.

For the time being, the Peruvian government has not enforced the implementation of the Supreme Decree and the norms remains in standby.

The norm had a strong opposition from multiple economic sectors and institutions that have been warning about the negative impact of that measure for the Peruvian economy and labour market. Such a wide opposition might have triggered the norm to be reconsidered.

The staffing industry in Peru is currently following two legal fronts:

- It brought an action of unconstitutionality against the Supreme Decree to the Supreme Court, requesting the derogation of the norm. Additionally, it was also requested a provisional measure for the industry to keep operating with legal certainty until the case gets resolved.
- The staffing industry also put forward a legal recourse to INDECOPI (Peruvian public institution in charge of defending competition and intellectual property matters). It was requested the elimination of bureaucratic barriers to PrES that hampers the business. That claim was admitted and is currently under evaluation.

### Assessment and next steps

The Economic Commission at the Congress recently published an opinion report declaring illegal the Supreme Decree and requesting its derogation.

AEET is currently working together with that Commission and waiting for the resolution of the Supreme Court. WEC holds regular contact with our industry in Peru to support them with data and advocacy insights.





### **WEC visit to LATAM**

In October, Bettina Schaller (WEC President) and Denis Pennel (WEC Managing Director) visited several countries in Latin America and met with the newly WEC Latam board.

Their visit started in Brazil in Sao Paulo with a policy event organized by FENASRHTT (WEC member for Brazil) to discuss appropriate level of regulation on agency work and outsourcing. The event brought together around 100 participants and lined up a high-level range of stakeholders: trade unions, law professor, business representatives etc. Both Bettina & Denis were invited to speak during the event, calling for the need for appropriate regulation on our industry in order to ensure a level-playing field for diverse forms of work.

Denis Pennel then went to Brasilia to meet with José Carlos Oliveira, Brazil's Minister of Labour. A good opportunity to explain the positive role played by agency work in better functioning labour market and to stress the importance of social dialogue in reaching appropriate regulation for our industry.

While in Brazil, Bettina and Denis attended a meeting of the revamped WEC Latam regional organization, during which the election of its board has been finalized. José Augusto Figueiredo (The Adecco Group/LHH) has been elected as the new WEC Latam President. He will be flanked by 2 Vice-Presidents, one representing corporate members (Damian Wachowicz from Bayton) and one representing national federations (Fernando Calvet from FENASERHTT). In addition, Alfred Budschitz from AGEST/Chile and Miguel Garcia (ACOSETT/Columbia) have been elected respectively as Secretary and Treasurer.

Bettina continued her visit to Latam by attending and speaking at AMECH 20<sup>th</sup> anniversary event in Mexico City on October 12<sup>th</sup>. The Mexican member of WEC organized a full day event to promote our industry and the need for diverse forms of work to fight informal work. As of 2022, agency work has been banned in Mexico and AMECH is now fighting for the regulation to be eased. Bettina presented the WEC position on labour market challenges and how WEC is shaping a future world of work that works for all.

### Monitoring evolution of agency work regulation: New SERO survey launched

In October 2022, the WEC Head Office launched the new edition of the biannual Staffing Executives Regulatory Outlook survey, which is a key tool to monitor and anticipate Agency Work regulatory developments and expected changes in WEC member countries. Members are requested to complete the survey based on the individual emails circulated so that the results of the Staffing Executives Regulatory Outlook can be compiled and shared with members in November.

A session of the WEC National Federations Committee will as in the past years serve as a forum to discuss main regulatory trends and developments under the theme "The good, the bad and the ugly". This session will take place in a webconference format on 23<sup>rd</sup> November 2022.

In parallel, the World Employment Confederation Head Office is currently finalising the 2022 Regulatory Report, which is the most comprehensive WEC publication on the regulatory framework of our industry.

### Assessment and next steps:

The WEC Regulatory intelligence tools, especially the Regulatory Report and the Staffing Executives Regulatory Outlook (SERO) are key instruments to support appropriate agency work regulation, to assist and support WEC members in their national advocacy. Members who have not yet completed the SERO survey are requested to do so and WEC members are invited to attend the National Federations Committee webinar on 23<sup>rd</sup> November 2022.





### **WEC represented at Reshaping Work annual Conference**

Last October 14<sup>th</sup>, Denis Pennel (WEC Managing Director) attended the Reshaping Work annual conference in Amsterdam, focusing on platform work and artificial intelligence.

Since early 2022, WEC has been a partner of the Reshaping Work initiative, an innovative international series of events and projects, based on a multistakeholder approach in discussing the latest trends around digital innovations and the future of work by promoting research and collective thinking.

The conference aligned a line of key stakeholders to WEC, including the OECD, the European Commission, the European Parliament and many academic people. Several on-line talent platforms were also present, including Malt, Wolt and Deeploy.

The conference was a good opportunity for WEC to convey its position on platform work and to get additional insights about key issues related to the use of artificial intelligence in matching candidates.

### Assessment and next steps:

Being a partner of the Reshaping Work initiative is a great opportunity for WEC to expand its network in the digital world and to deepen its knowledge of potential new developments.

It is good to see that our industry is actively engaged in this network (The Adecco Group is also a member of the initiative), being able to influence discussions and to convey our strategic messages.

### **WEC attends BIAC 60th anniversary**

BIAC, the voice of business within the OECD, celebrated 60 years of cooperations with the OECD. On October 4<sup>th</sup> in Paris, a high-level BIAC event brought together representatives of the private sector and OECD officials.

Business, governments, and OECD leaders reviewed past achievements, current challenges, and future areas of work. The program featured multinational CEOs and leading entrepreneurs including Paul Hudson, Sanofi Chief Executive Officer; and Seiji Inagaki, Dai-ichi Life Chief Executive Officer.

The event counted with the participation of Mathias Corman, Secretary General of the OECD who indicated that the OECD counts on BIAC to stay in the fight to end the health, economic, and social crisis caused by the COVID-19 pandemic and build a green, inclusive, and resilient recovery for all.

### Assessment and next steps:

WEC works in cooperation with BIAC and participates regularly at BIAC's Employment, Labour and Social Affairs Committee to promote a more aligned employers' voice towards the OECD.





# **European Public Affairs**

Digital labour platforms: Discussions remain controversial and EP Employment Committee vote has been postponed

Discussions on digital labour platforms remain controversial at European level. In the debate on the European Commission proposal for a Directive on platform work, the vote in the European Parliament Employment and Social Affairs Committee has just been postponed from October to November to give more time to the political groups to find compromises. With regard to one key element of the directive, the legal presumption of an employment relationship, the EP seems to move to a very general framework for the presumption at European level, while the detailed criteria triggering an employment status would be settled at national level. Such an approach would help to reflect national differences and different labour market approaches in dealing with digital labour platforms and the balance between self-employment and the employment status as a worker.

At EU Council level, the current Czech EU Council Presidency aims to reach a provisional agreement by December 2022. A compromise text has been tabled in October and several working group meetings are scheduled for the coming weeks.

The WEC-Europe has been maintaining close contacts and has had meetings with the Czech EU Council Presidency and the incoming Swedish Presidency, as we well as with several members of the European Parliament, who are leading on the file. WEC-Europe also attended and contributed to an EU stakeholder debate on platform work, which was hosted on 18 November 2022 and brought together several Members of the European Parliament and stakeholder.

### **Assessment and next steps:**

The debate on the digital labour platforms remains controversial but is clearly moving forward towards first reading positions of the European Parliament and of the EU Council in 2022. WEC-Europe maintains close contacts with the main policymakers and stakeholders throughout the legislative debate to make the position of our industry heart and taken into account.

European Commission adopts Guidelines on collective bargaining by solo selfemployed

On 29 September, the European Commission adopted the final version of the EU Guidelines on the application of EU competition law to collective labour agreements regarding the working conditions of solo self-employed persons. The Guidelines clarify when certain self-employed persons can get together to negotiate collectively better working conditions without breaching EU competition rules. These guidelines are particularly relevant in the digital economy and platform work, but their scope is broader and cover solo-self-employed more generally.

The Guidelines clarify that competition law does not apply to solo self-self-employed that are in a situation that is comparable to workers. This includes solo self-employed people who provide services exclusively or predominantly via one undertaking or solo self-employed who provide services via digital labour platforms. The European Commission will not enforce EU competition rules against collective





labour agreements made by solo self-employed who are in a weak negotiating position, for example due to an imbalance in bargaining power due to negotiations with economically stronger companies.

The EU Commission will monitor how these Guidelines are reflected at national level through the European Competition network and dedicated meetings with the European cross-industry social partners.

### **Assessment and next steps**

WEC-Europe broadly welcomes these new guidelines on the application of competition law to solo self-employed. Having contributed to the EU stakeholder consultation that preceded the launch of the draft guidelines, the WEC-Europe Head Office followed the debate and finalisation of the guidelines, mostly with regard to its interrelation with the proposed EU Directive on digital labour platforms and the EU debates on working conditions in platform work.

Inclusive labour markets: Strategic issue paper on work mobility, contribution to EU stakeholder group meeting and WEC-Europe event in December

Work mobility and labour migration continue to be an important topic on the EU agenda. In October 2022, discussions on a WEC-Europe strategic issue paper on labour mobility and labour migration have been advancing based on an exchange with members and in the context of the European Public Affairs Committee. The Strategic Issue Paper will focus on the benefits of labour mobility, but also stress the need for compliance and enforcement of labour standards. As for the strategic issue paper on skills and labour shortages published in August, this paper will be less technical/legal, but more striving to contribute to the overall policy debate and positioning the private employment services industry as an actor allowing for well-regulated labour mobility.

On 11 October 2022, the World Employment Confederation contributed actively to a meeting of the European Labour Authority on labour mobility. Discussions focused in a first part on actions to promote decent and fair labour mobility with an exchange of information on working conditions, enforcement, cooperation between authorities and social partners and capacity building support. The meeting also centred on the impact of the digitalisation of the world of work and on labour markets. These aspects will also be discussed during the European Labour Authority Tech Conference on 4 November, which WEC-Europe plans to attend. Activities of the European Labour Authority in the coming months will include a focus on the road transport sector and the construction industry, covering analysis of the role of the agency work industry in providing workers to the construction sector.

There is also a focus on the role of EURES in fostering labour mobility and matching with the aim of involving social partners more closely into EURES based on the new partnership approach. The concluding section of the meeting of the European Labour Authority focused on policies and actions to support displaced workers and refugees from Ukraine. Here, WEC-Europe gave a short presentation on actions of the private employment services industry to support people fleeing the war in Ukraine by providing labour market integration support and access to work opportunities.

In December, WEC-Europe will host a panel debate on labour mobility and legal migration, bringing together EU policymakers, business representatives and social partners to provide a platform to discuss the benefits of labour mobility. With this event being organised next to a WEC-Europe Governing Body meeting, we hope that many members will be able to attend the meeting.





### Assessment and next steps:

The role of work mobility and legal migration in building more dynamic and inclusive labour markets remains a controversial topic at European level. While the European Commission, employers' organisations and other actors clearly recognise the positive role of well-regulated labour mobility, there is also a strong focus on ensuring appropriate regulation, compliance and enforcement. As also highlighted by WEC-Europe in the labour mobility debates, labour mobility needs to be combined with the appropriate protection of workers and there is a need for compliance and enforcement, also to ensure a level-playing field and fair competition.

# European Commission published proposal for a Council Recommendation on adequate minimum income

On 28 September 2022, the European Commission presented a proposal for a Council Recommendation on adequate minimum income for active inclusion. The Recommendation is aimed at encouraging Member States to modernise their minimum income schemes while promoting the labour market integration for those who are able to work. The Commission proposal aims to strike a balance between actions to reduce poverty, incentivise work and maintaining the sustainability of public budgets. A special focus is laid in the proposal for a Council Recommendation on designing minimum income schemes in a way supporting labour market transitions, particularly with regard to the digital and green transition and foster the labour market participation of disadvantages groups.

### **Assessment and next steps:**

WEC-Europe assesses the European Commission proposal for a Council Recommendation on adequate minimum incomes overall as positive. The focus on labour market reforms and minimum income/social protection schemes is welcomed, as well as the recommendation to strike a balance between alleviating poverty, incentivising work and maintaining the sustainability of public budgets. The EU Commission focus on supporting labour market transitions and the labour market integration of disadvantaged groups is certainly also welcomed by the HR services industry.

### **EU Talent Pool to support people fleeing Ukraine launched**

On 10<sup>th</sup> October 2022, the European Commission launched the pilot project for an EU Talent Pool to support people fleeing the war in Ukraine. The talent pool aims to help workers from Ukraine through support and solidarity by matching employment opportunities with workers who have uploaded their profile to the talent pool. The talent pool is designed to give Ukrainians staying in the EU easier access to the EU labour market. With the launch of the EU talent pool, it was also announced that EU Temporary Protection Directive will continue to apply to displaced people from Ukraine until at least March 2024.

The EU Talent Pool pilot will be linked to the European job mobility scheme EURES, which is managed by the public employment services of the EU Member States, but in which private employment services can act as partners. The EU talent pool pilot has been designed by the European Commission as a concrete step to integrate displaced people from Ukraine into European labour markets. The EU talent pool as labour market matching platform is available in English, Ukrainian and Russian and implemented through EURES. People registered under the Temporary Protection Directive who are searching a job can make their CV available to public employment services, private employment agencies and employers across the





EU. In October 2022, already five EU countries have joined the pool, including Poland, where most refugees from Ukraine arrived. For employers, the EU talent pool can be a valuable instrument in times of skills and labour shortages. Complementary to the EU talent pool, the European training foundation has established a resource hub to assist Ukrainians in the recognition of their skills and qualifications.

### Assessment and next steps:

The concept of an EU Talent pool to support the labour market access for displaced people from Ukraine is supported by WEC-Europe. At the same time, the way the pilot for an EU talent pool is currently designed relies very strongly on the role of Public Employment Services in the EU Member States and the labour market matching role of the EU job mobility platform EURES.

Experience of the past has shown that the involvement of the private employment services industry and of employers in general in EURES is more limited and against this background, a more market focused approach building on the commitment of employers and the private employment services industry would have been preferred.

### European Commission Work Programme 2023 presented in October

The European Commission published on 18<sup>th</sup> October its 2023 Work Programme, which is put under the overall theme "A Union standing firm and united".

A strong focus is laid in the work programme on addressing the changed political, geopolitical and economic context in Europe. Following a general introduction and a focus on putting citizens at the heart of European democracy, the work programme focuses on progress made and planned actions in the context of the 6 strategic priorities of the von der Leyen European Commission. These focus on:

- The European Green Deal
- A Europe fit for the digital age including a human-centric approach and the 30th anniversary of the European single market.
- An economy that works for people, including a focus is laid on the new uncertainties, but also an
  emphasis on skills, labour mobility, the need for social safety nets in support of labour mobility.
   The European Year of Skills will be an important political framework for next year, as proclaimed
  by EU Commission President von der Leyen in her State of the Union speech.
- The strategic priority "a stronger Europe in the world", focuses on the EU external relations, the war in Ukraine and the global food and energy crisis.
- Under the theme of "promoting our European way of life" attention is given to mobility of those
  in education or training, health policy and, of interest to the private employment services
  industry, policies on legal migration in the context of the Skills and Talent Package.
- A new push for European democracy, democratic values and governance. A last section of the work programme looks at better regulation, implementation and enforcement of EU law.

### Assessment and next steps

WEC-Europe welcomes the European Commission Work Programme, particularly regarding its employability and skills initiatives, but also its focus on legal migration and the need to address gaps in the European Single Market.

Reflecting on the European Commission Work Programme, the ongoing legislative files and topics the World Employment Confederation wants to push and position in the European debates, a WEC-Europe Advocacy Plan for 2023 will be developed in the coming months and presented during the Governing Body meeting in December.





### **Useful resources of international and European institutions**

**OECD** 

Union

European

Labour market situation update for OECD countries -October 2022

European Commission Quarterly Labour Market Review - October 2022 (europa.eu)

### **Abbreviations**

**BIAC** Business and Industry Advisory Committee at the OECD

ΕP European Parliament European Union EU

European Union job mobility schemes **EURES** ILO International Labour Organisation

**OECD** Organisation for Economic Cooperation and Development

