

## Contents

### Global Public Affairs

|                                                                                                                                           |   |
|-------------------------------------------------------------------------------------------------------------------------------------------|---|
| WEC President participated and contributed to B20 meetings in India                                                                       | 2 |
| OECD Employment Outlook on Artificial Intelligence was presented during the webinar. Debates on the regulation on artificial intelligence | 3 |
| ILO Report on Generative AI and Jobs: A global analysis of potential effects on job quantity and quality                                  | 3 |
| WEC to continue webinar series with ILO on Convention 181                                                                                 | 4 |
| Annual WEC Regulatory Survey conducted in July/August                                                                                     | 4 |

### European Public Affairs

|                                                                                                                                     |   |
|-------------------------------------------------------------------------------------------------------------------------------------|---|
| Successful WEC-Europe Stakeholder event "Making ends meet."                                                                         | 5 |
| EU Platform Work Directive: Update on the Trilogue negotiations                                                                     | 6 |
| EU Recommendations on Social Dialogue adopted                                                                                       | 7 |
| Skills and labour shortages: Strong message of European employers and opinion of the European Network of Public Employment Services | 8 |
| HR services industry contributes to EU discussions on legal migration and an EU Talent Pool                                         | 8 |

### WEC Publications

WEC Strategic Issue  
Paper on agency work  
in Healthcare

### Upcoming Events

#### 20 September:

WEC-Europe at  
European Parliament  
event on Skills for  
people, Skills for  
competitiveness, Skills  
for sustainability

#### 25 – 29 September

ILO Technical meeting  
on digitalisation in the  
retail sector as an  
engine for economic  
recovery and decent  
work

#### 26 September

EU event on the  
European Parliament  
elections of 2024

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## Global Public Affairs

### B20 process – Bettina Schaller addressed B20 meetings in India

Diverse Forms of Work foster Labour Market Participation and are a solution to formalising jobs and one of the pathways to tackle labour Shortages. These have been the main messages brought forward by Bettina Schaller during a B20 Task Force meeting on the Future of Work, Skills and Labour Mobility, which Bettina Schaller co-chaired. During a B20 Stakeholder Conference, the WEC President also provided insights to global stakeholders on the most secure diverse forms of work, which are provided by the private employment services industry. During the B20 Conference on the Future of Work, Skilling, and Mobility, invited experts highlighted challenges, ideas and policy recommendations on the transition to formal economies and on promoting an inclusive and diverse workforce. The Conference was co-organised by the B20 Secretariat, the IOE and Deloitte.

During the B20 Taskforce meeting, the B20 Recommendations on the Future of Work, Skilling and Mobility to the G20 Summit were finalised. These will now be sent to the G20 India Labour Ministers. Three areas are particularly relevant for HR services and include positive outcomes for the HR services industry. These focus on:

- Fostering Inclusive and Sustainable Growth in Transforming the world of work with Recommendations on the Promotion of Diverse Forms of Work, the Ethical Use of Technologies, Ensuring the Well-being of Workers, Empowering SMEs, Dialing up the Role of Public-Private Partnerships
- Skilling: shining a spotlight on Skills Predictions, Digital Skills Libraries, Continuous Learning and Green Skills
- Talent Mobility: calling for Barriers to be removed, Technology for Cross-border Mobility to be leveraged, and Cross-sector Mobility to be enhanced.

At the G20 Ministerial Dinner hosted by the G20 Indian presidency, the IOE highlighted three key messages on behalf of the international business community:

- The new realities of the world of work, which will require adaptive labour and social policies,
- The need to accelerate efforts on skills anticipation to address urgent skills shortages
- Promoting an enabling environment for business to grow and thrive.

During her stay in India, Bettina Schaller furthermore acted as a panellist during a high-level event of our Indian WEC member ISF, focused on skills.

### Assessment

The B20 process provides an important forum to profile the private employment services industry, interact with high-level stakeholders and business leaders and strive for better recognition of the contribution of the private employment services industry to better functioning labour markets and fostering cooperation between public and private employment services. WEC will continue to monitor and update its members on the developments of the Indian Presidency in the B20 process and contribute where relevant.

## Artificial Intelligence: OECD Employment Outlook presented during webinar and debates on the regulation on artificial intelligence

The 2023 OECD Employment Outlook, which includes a special focus on artificial intelligence, was presented and discussed at several high-level meetings. The World Employment Confederation participated in an event hosted by the OECD in the context of the OECD Forum series on how AI might change our jobs what we can do about It.

It takes a deep dive into the positive and challenging impacts of Artificial Intelligence on labour markets, urging governments to adopt policies ensuring the trustworthy use of AI and adequate training of workers through the transition. On both dimensions, the HR services industry has been ahead of the game. The OECD Employment Outlook references the WEC Guidelines on the ethical use of Artificial intelligence.

Artificial intelligence and its impact on economies and labour markets also feature prominently on the political agenda. In Europe, the EU institutions are expected to finalise an EU Artificial Intelligence Act in 2023 or early 2024, which will be the first regulatory industry at the international level on AI. The WEC Head Office has prepared an explanatory note on the Artificial Intelligence Act, available to members via the members area.

Debates on regulating artificial intelligence also feature prominently at the national level of several WEC member countries, particularly in Asia. The WEC Head Office drafted a note on these national debates, which will be addressed by the WEC Digitalisation Taskforce and made available to members as a mutual learning and national practices exchange resource.

### Assessment

Policy debates and discussions on artificial intelligence at the workplace are gaining momentum globally, especially in the OECD context. In parallel, WEC sees discussions on artificial intelligence and the world of work gaining momentum nationally in several countries worldwide. Ensuring a trustworthy use of artificial intelligence, ensuring human oversight and control and ensuring ethical use of artificial intelligence are key elements the HR services industry strives for, as also reflected in the WEC guiding principles on artificial intelligence released in July 2023.

## ILO Report on Generative AI and Jobs: A global analysis of potential effects on job quantity and quality

Generative AI is more likely to augment jobs than destroy them. However, employment of women is likely to be more impacted by AI than that of men, according to a report released on 21 August 2023 by the International Labour Organisation. It found only a small share of tasks in occupational groups such as managers, professionals and technicians were highly exposed to the automating effects of AI on jobs, while about a quarter had medium exposure levels. On the other hand, the job area with the highest exposure level was clerical work. Also, in high-income countries, 5.5% of total employment is exposed to the automating effect of generative AI, but in low-income countries, only 0.4% of jobs are exposed, according to the report. On the other hand, the potential for augmentation by AI is nearly equal across countries. Women's jobs will also be more impacted, with twice the share of female employment exposed to generative AI. This is because women are overrepresented in clerical work, especially in high and middle-income countries, it said. However, the report cautioned that proper regulatory policies must be put in place, or there is a risk that only some of the well-positioned countries and market

participants will be able to benefit from the transition to increased AI. The full report is available [here](#).

### Assessment

The ILO Report on Generative AI and Jobs: A Global Analysis of Potential Effects on Job Quantity and Quality provides a valuable analysis and source of information on the rising importance of artificial intelligence in the labour market and the world of work. It also reflects national, European and global policymakers' rising interest and attention devoted to artificial intelligence. At the European level, the EU institutions are expected to adopt the EU Artificial Intelligence Act, which will be the first transnational legal instrument to regulate the use of artificial intelligence. The World Employment Confederation continues to contribute actively to policy debates on artificial intelligence, and the WEC Digitalisation Taskforce provides the framework for internal discussions and gathering expertise from WEC members for advocacy at the global and European level.

### WEC to continue webinar series with ILO on Convention 181

The World Employment Confederation continues to work with its members to promote appropriate regulation on private employment services and to promote further ratifications of the ILO Convention 181.

Following a successful regional seminar on Latin America, a further webinar shall be organised on 7 November 2023. The webinar will involve regional offices of the ILO and shall include some government representatives. WEC will use the findings of the 2023 Regulatory Report survey to call for appropriate regulation on private employment services, and the webinar shall include a focus on the main reasons for ratifying Convention 181 and the most important steps to reach that goal.

### Assessment

In its current strategic plan, the World Employment Confederation strives for appropriate and balanced regulation on private employment agencies. It will most certainly continue to be a significant pillar in the forthcoming Strategic Action Plan. Hosting seminars with the ILO Office to showcase the value of appropriate agency work regulation and promoting further ratifications of ILO Convention 181 has proven to be highly valuable for WEC members and the relationship of the World Employment Confederation with the ILO.

### Annual WEC Regulatory Survey conducted in July/August

The Annual WEC Regulatory Survey was conducted in July/August. WEC members have been requested to provide information on the regulation on private employment services based on a revised format, through which members received the previous years' regulatory data in an Excel file and were requested to review and update their country information. As an additional element of the regulatory survey, WEC members have been offered to cooperate with lus Laboris, a global network of labour law experts which WEC has secured a partnership with, to complete the regulatory survey. By 31 August, the WEC Head Office received 26 survey replies, which is already quite close to the level of survey replies in 2022. The WEC Head Office will contact the non-respondent members in early September, review and validate the regulatory

data and prepare the 2023 Regulatory Report, which shall be ready and made available to members in December 2023.

#### Assessment:

The WEC Regulatory Survey and the Regulatory Report are key labour market intelligence resources of the World Employment Confederation. They contribute to the impactful advocacy of the World Employment Confederation by providing relevant facts and figures. They are key tools to support WEC members in their advocacy for appropriate regulation at the national level.

## European Public Affairs

### Successful WEC-Europe Stakeholder event “Making ends meet.”

With inflation reaching a concerning level and the cost of living rising across the European Union, we are witnessing increasing pressure on Europeans’ purchasing power and concerns about workers’ wage levels. As Managing Director Denis Pennel pointed out, the discussion organised by WEC-Europe on 29 June around ensuring adequate and fair wages could not be more timely.

During the one-hour webinar, EU stakeholders discussed the current regulatory framework around remuneration and whether this was still fit to guarantee fair and decent work. As Denis Pennel remarked, the recent annual conference of the International Labour Organisation made social justice a high stake in shaping the future of work.

The agency work sector has certainly always strived for fair remuneration. As Menno Bart, a WEC-Europe’s Executive Committee member, explained, Europe’s agency work industry is a socially responsible employer. WEC research shows that the principle of equal pay and equal treatment are set by law, collective labour agreements, or a combination of both across all 27 EU member states and in Norway and the United Kingdom. Research across 17 countries by WEC corporate member Adecco finds that its agency workers earn, on average, 2.5 times the minimum wage of the country where they work.

Menno Bart also stressed that keeping some flexibility in the regulatory frameworks was important. For some workers, agency work is their primary source of revenue, but for others, like students, it is only a side income. The notion of ‘living wages’ may thus be considered differently, and such debates should be avoided. In defining what constitutes adequate and fair wages, it makes more sense to define criteria to be met than to set an absolute amount.

Yet, remuneration goes beyond pay. Compensation and social benefits provided to agency workers should also be considered. The agency work sector has also acted proactively, putting a broad range of voluntary and collective labour agreement-based benefits in place. Dimitris Theodorakis, Director at UNI-Europa, the European trade union confederation representing agency workers, reminded of all the additional rights for workers gained through effective social dialogue at the European and national levels. He then insisted on the need to ensure the sustainability of those rights. He said that a clear objective of the EU Sectoral Social Dialogue in the Agency Work sector is to keep improving the situation for agency workers, adding that the recent recommendations by WEC-Europe in its strategic issue paper on adequate and fair wages constituted a good starting point.

Social dialogue is indeed a vital piece in the intricate legal framework around fair remuneration, said Adam Pokorny, Head of the Unit on Labour Law at the European Commission's Employment department. He shared that the Commission hopes to see this being further reinforced, moving forward, with more ability given to social partners to negotiate agreements that will be implemented as EU directives.

But this balancing act between EU legislation, national regulation and collective labour agreements – at the multiple levels they are concluded – makes the discussion around fair remuneration quite complex. The webinar also largely addressed the recent Time Partner case where a German agency worker has challenged the lower salary received compared to permanent staff in the same undertaking. The debate revolves around whether the agency worker benefited from an overall similar level of protection because of being employed under an open-ended contract; meaning she was getting paid between assignments. That derogation from the equal pay principle had been negotiated through a collective labour agreement, as allowed under the EU Directive on Temporary Agency Work. The EU Court of Justice and the German Federal Labour Court have both issued their judgements on the case, but the German Court's detailed reasoning is not yet available. The sector closely monitors this case as it could affect other European countries.

As Sonja van Lieshout, chair of WEC-Europe's Sectoral Social Dialogue Committee, concluded, the debate is far from over. Still, the discussion has certainly reinstated the strong commitment from social partners in the agency work sector to collaborate further on advancing workers' rights.

#### Assessment:

The WEC-Europe online event "Making ends meet" was a very successful and impactful event in terms of attendance, content and policy discussions and in linking European and global debates. It was encouraging to see several WEC members from outside Europe attend the event to learn about agency work regulation on pay in Europe and the European approach to settling working conditions through collective labour agreements. An online survey run among the webinar participants confirmed the positive assessment. As a follow-up of the event, an event summary was published on the WEC-Europe website, and several speakers got back to the World Employment Confederation-Europe welcoming the constructive and inspiring debate.

## EU Platform Work Directive: Update on the Trilogue negotiations

In July 2023, interinstitutional negotiations were launched between the EU Council, the European Parliament and the European Commission on the EU Directive on platform work. These follow the adoption of the respective positions of the EU Council in June and the European Parliament in January.

The first trilogue meetings focus on the legal approach and concept for the presumption of an employment relationship and the criteria for triggering the legal presumption. The negotiations are further complicated due to the national elections in Spain, the country holding the EU Council Presidency, which has yet to lead to a clear majority. Reaching an agreement on the EU Directive on platform work by the end of 2023 or early 2024 is an important social affairs priority for the von der Leyen European Commission and EU Commissioner Nicolas Schmit. Overall, the position of the EU Council is more favourable for employers, as the European Parliament's position includes some challenging elements. At the same time, one amendment

proposed by the European Parliament on the interrelation of agency work and digital labour platforms, which aims at establishing a level playing field, is welcomed by WEC-Europe.

#### Assessment:

The World Employment Confederation-Europe welcomed the progress achieved by the EU Council and the European Parliament in the debate on an EU Directive on platform work. At the same time, it must be noted that the positions of the European Parliament and the EU Council are quite far from each other regarding key provisions of the Directive, such as the legal presumption of an employment relationship. Against this background, reaching an agreement on the Directive in 2023 will be challenging, which is still the ambition of the European Parliament and the EU Council Presidency. Given the fact that the positions and advocacy focus of BusinessEurope as the main European cross-industry employers' organisation and WEC-Europe have been converging and are quite aligned at this stage, WEC-Europe will not prepare a new position paper or recommendations for the trilogue phase, but instead focus on maintaining close contacts with the relevant EU policymakers.

### EU Council Recommendations on Social Dialogue adopted

The EU Council adopted a Recommendation on Social Dialogue in the EU Member States at the end of June. This recommendation forms part of the EU Social Dialogue initiative presented by the European Commission in Spring 2023. The Recommendation aims to support Member States in reinforcing social dialogue and collective bargaining at the national level. This includes a focus on ensuring that social dialogue frameworks are fit for the future, better involvement of social partners in the policy design, promoting the benefits of social dialogue and strengthening the capacity for social partner organisations.

In parallel with adopting the EU Council Recommendation, the European Commission agreed with social partners on a new format and framework for organising and managing sectoral social dialogue committee meetings. Due to the strong concerns of sectoral social partners, the initial proposal to outsource the meeting organisation to sectoral social partners will not be pursued. Instead, the European Commission will contract an external service provider who will be in contact with social partners for the organisational and logistical elements of the EU Sectoral Social Dialogue.

#### Assessment:

Sectoral social dialogue and collective bargaining are important to the private employment services industry, and against this background, WEC-Europe was very actively involved in the EU-level discussions on the Sectoral Social Dialogue Initiative of 2023, which has led to the adoption of the Recommendation. The key messages and actions of the adopted Council Recommendation are fully supported by the World Employment Confederation-Europe. The EU Council Recommendation could also provide valuable input and guidance for a new EU Capacity Building Project to be launched by the World Employment Confederation-Europe and UNI-Europa in September 2023, which will be focused on strengthening the capacity of national social partners to implement practices of social innovation.

## Skills and labour shortages: Strong message of European employers and opinion of the European Network of Public Employment Services

Addressing skills and labour shortages in Europe has been a key public affairs and advocacy priority for the World Employment Confederation-Europe in 2022 and 2023, as many WEC member federations report on increasing challenges linked to labour and skills shortages in their domestic labour markets.

In 2022, WEC-Europe published a strategic issue paper on skills and labour shortages, combining empirical evidence, industry case studies and policy recommendations. This was complemented at the end of 2023 by a further strategic issue paper on labour mobility and legal migration, which addressed, among others, the role of mobility and migration in addressing skills and labour shortages. Based on the agreed WEC-Europe positioning and messages, the WEC Head Offices had a series of interactions with EU policymakers, including the European Commission (DG Employment and DG Migration and Home Affairs), Members of the European Parliament, the European Labour Authority and the European cross-industry employers' organisation BusinessEurope. The WEC-Europe messages on skills, labour shortages, and mobility have received positive overall feedback. The European Labour Authority shared the WEC-Europe content via their social media channels and network, and BusinessEurope included a call for cooperation between public and private employment services in a statement issued on 27 June, which was published on the BusinessEurope website and sent to EU Commission President von der Leyen. Besides a focus on reducing inactivity rates, including the call for cooperation with private employment services across Europe, the BusinessEurope paper called for education and training reforms, the improved recognition of skills and qualifications for both regulated and non-regulated professions, entrepreneurial education, improved European coordination on shortage occupation lists and valuing the role of labour market tests.

### Assessment:

The positive feedback and improved recognition of the role of the HR services industry in addressing labour and skills shortages is a positive outcome of a comprehensive advocacy strategy of the WEC Head Office, including membership-driven content input based on the issue papers drafted, impactful public affairs events organised in 2022 on the topics of labour shortages and skills and reinforcing communication actions through opinion pieces published and a proactive social media strategy. The positive outcomes at the European level are also expected to have a tangible impact at the national level, as the WEC-Europe strategic issue papers and the BusinessEurope Action Plan can and should be used at the national level where appropriate.

## HR services industry contributes to EU discussions on legal migration and an EU Talent Pool

In Q4/2023, the European Commission will present an initiative for an EU Talent Pool to foster legal migration and reduce skills and labour shortages in Europe. The World Employment Confederation-Europe contributed to a series of hearings and expert workshops in 2023 to shape the EU Talent Pool and contribute to its design in a demand-driven way. In July 2023, the WEC Head Office met with European Commission officials and external experts and provided a written input note to the European Commission/DG Home.

The messages in the note have been primarily based on the WEC Strategic Issue Paper “Making Smart Moves” on work mobility and legal migration, published in December 2022.

#### Assessment:

Contributing to the EU policy debates on an EU Talent Pool is important to the HR services industry in the context of its advocacy on inclusive labour markets and labour mobility. The discussions on the EU Talent Pool have nevertheless proven rather challenging, as the EU initiative risks establishing heavy, administrative procedures for recruitment and matching of third-country nationals, which market players such as the private employment services industry could perform well or even better if appropriate and balanced labour market regulation and migration laws are established in the EU Member States. The discussion of the EU Talent Pool showed, however, that core elements of legal migration, such as the conditions for entry and for accepting third-country nationals, remain a national competence.

### Useful Publications

- SHRM Research Paper “What worker want”
- ILO Report Financing mechanisms for promoting social inclusion in skills and lifelong learning systems: Global overview of current practices and policy options
- European Commission Strategic Foresight Report: Sustainability and well-being at the heart of Europe’s strategic autonomy, including a call for a new European Social Contract with renewed welfare policies

### Abbreviations

|      |                                                                    |
|------|--------------------------------------------------------------------|
| BIAC | Business and Industry Advisory Committee to the OECD               |
| EU   | European Union                                                     |
| DG   | Directorate General (policy department of the European Commission) |
| ILO  | International Labour Organisation                                  |
| OECD | Organisation for Economic Cooperation and Development              |