

## Covid-19: The Road to Recovery

### *Private Employment Services stand ready to play their part*

As the labour market impacts of the Covid-19 crisis unfold, the Private Employment Services Industry – associated through [the World Employment Confederation](#) – stands ready to play its part in the re-activation of the economy. This policy paper presents how the industry seeks to partner with workers, businesses, and society to shape the Road to Recovery in the wake of the pandemic.

#### Key Messages

Covid-19 presents an unprecedented health and labour market crisis; creating unemployment, threatening business continuity, and exposing gaps in safety nets. These challenges need to be overcome to shape a better normal. In doing so, private employment services stand ready to play their part.

#### How can HR-Services and Agency Work support the Road to Recovery?

Create decent jobs and speed up recovery

Improve market transparency through better match of supply and demand

Increase labor market participation, including through partnership with public employment services

Enhance the innovation of safety nets

Society



Provide access to decent & quality job opportunities

Provide career guidance and skilling for employability

Facilitate access to work for (long-term) outsiders and new entrants

Provide work-life balance solutions by increasing availability of choices

Workers



Provide access to talent and workforces

Enhance adapting to change and disruption

Supporting a safe & healthy working environment for all workers

Tailored workforce solutions

Manage complexity of workforce planning and risks

Support regulatory compliance and quality of work

Businesses



#### What policies will support the Road to Recovery?

- **A framework for activation and transition ensuring agency work and other diverse forms of work to support job growth**
  - o Labour institutions need to support agility, activation, and transition
  - o Public resources need to be allocated towards skilling
  - o Unjustified restrictions for agency work need to be lifted immediately
  - o Partnerships between Public and Private Employment Services need to be promoted
- **Reformed safety nets to ensure all workers have access to effective transition and income support as they take cautious steps back to the labour market**
  - o Basic minimum protections need to be available irrespective of how people engage with work
  - o Reforms need to speed up to ensure effective access to skilling and social protection across diverse forms of work
  - o Accept that diverse forms of work sustain employment of all. Thus, benefits, costs and risks need to be proportionately shared
- **Maintaining and improving the operational and digital conditions for safe working and re-allocation across the labour market**
  - o Create and share the health & safety protocols to allow a safe return to work
  - o Ensure recruitment specialists can play their role throughout stages of lockdown
  - o Maintain and increase digital infrastructure and solution to allow online labour matching
  - o Support business continuity and cashflow

### Covid-19 Has Pushed Existing Labour Market Challenges to the Surface

The overlapping supply and demand shocks following the outbreak of Covid-19 have crippled national economies. The labour market has changed overnight: workplaces have turned into health risks, many find themselves working from home and/or caring for loved ones, others are in dire need of immediate income substitution, while the heroes in essential occupations are struggling to meet the urgent and immediate demand for their work. Normal healthy businesses and services have seen their liquidity, sustainability, supply lines, continuity and business case turned upside down by this crisis<sup>1</sup>.

The world will move from immediate response and resilience measures to the various stages of recovery. As lockdown measures fade out, the employment crisis will further materialise, millions will be(come) unemployed and businesses - already strapped for cash - face a fragile economy. All the while the risks of new outbreaks, lockdown measures and workplace contamination will remain a reality. In addition, workers and businesses stay confronted with ongoing economic trends and disruptions that might even accelerate.

The crisis has exposed **some inadequateness of labour market institutions and safety nets** to mitigate economic disruption and cushion impact for all workers, irrespective of the way they engage with work. Yet, at the same time government, businesses and workers have showcased resilience, flexibility, and determination to mitigate the crisis. This provides inspiration for shaping the road to recovery.

### 1. Leveraging Lessons Learned for the Road to Recovery

As the crisis hit, governments, businesses<sup>2</sup> and workers took action that changed the labour market. These actions and changes provide inspiration for a labour market framework for recovery:

**Securing health, safety, and incomes, irrespective of work status** - Almost overnight societies implemented measures to secure health and safety for all. Through remote working and reductions of working hours, the risks for workplace contamination were reduced. Governments and social partners stepped in to cushion the drop of personal incomes. Key in this was – exemptions aside – **the provision of relief to all workers, irrespective of their work status (employees and self-employed, open-ended contracts as well as fixed-term or agency work contracts)** to allow people to stay at home. Business and worker organisations played a key part in ensuring that the measures were tailored to their constituents' immediate needs. Through social dialogue, public-private engagement, and updated information, they secured that relief measures made it to the people in need.

**Supporting the transition role of HR services** - As labour demand, hours worked, and employment dropped in non-essential sectors, the labour demand drastically increased in essential sectors. Many governments identified that **private employment services play a key role in reallocating displaced workers to sectors with immediate demands for labour**. In several countries, governments reached out to industry bodies to leverage their membership to match supply and demand (including for the public sector). Also, **restrictions (such as maximum lengths of assignment and sectoral restrictions) for providing agency workers have been loosened** up to meet demand. Finally, several jurisdictions classified **the agency work sector as 'essential' to ensure staffing agencies could continue to operate under lockdown** and provide employment in sectors in urgent need.

**Supporting business** - Many countries have implemented measures to ensure business liquidity, continuity, and sustainability by delaying tax payments and easy access to liquidity. These are of crucial importance for private employment services given their exposure to high volumes of labour fluctuations. **Those working for a HR service, either as agency worker or HR consultant, are immediately and positively impacted by these measures to support the continuity of the employer**. Governments engage actively with the industry to ensure that support measures can be implemented quickly and effectively.




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<sup>1</sup> For a full and up-to-date overview of the impact on private employment services and hours worked by agency workers across the world, please consult this [overview](#).

<sup>2</sup> For a full overview of responses of the private employment services industry across the world, please consult this [overview](#).

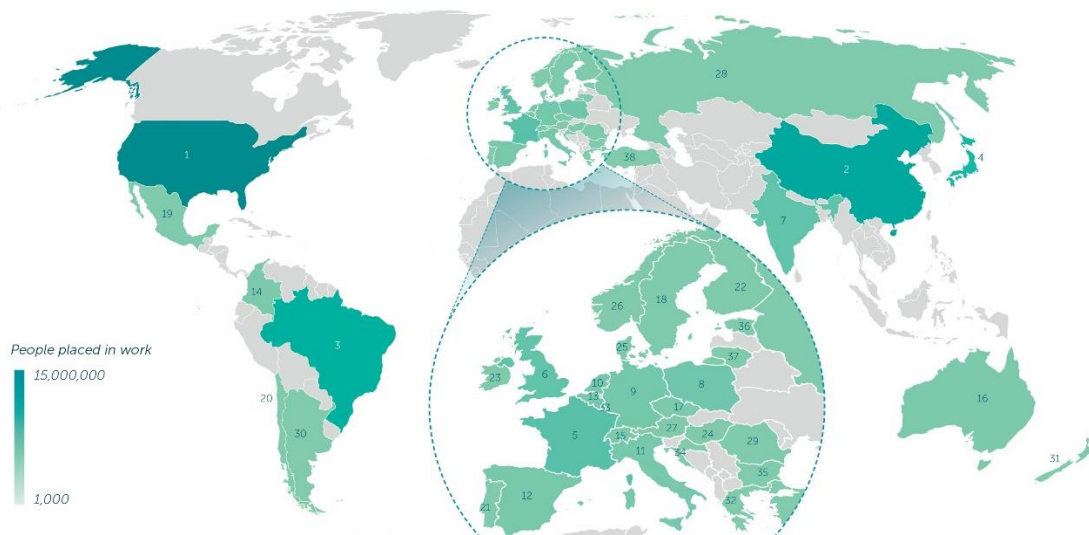
## 2. How Can HR Services Help in the Road to Recovery?

Private Employment Services' business case is shaping pathways to work in fluid and agile situations. In doing so, they support society, workers, and businesses.

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|---|--|---|
| <p>Create decent jobs and speed up recovery</p> <p>Improve market transparency through better match of supply and demand</p> <p>Increase labor market participation, including through partnership with public employment services</p> <p>Enhance the innovation of safety nets</p> <p><b>Society</b> </p> | <p>Provide access to decent &amp; quality job opportunities</p> <p>Provide career guidance and skilling for employability</p> <p>Facilitate access to work for (long-term) outsiders and new entrants</p> <p>Provide work-life balance solutions by increasing availability of choices</p> <p><b>Workers</b> </p> | <p>Provide access to talent and workforces</p> <p>Enhance adapting to change and disruption</p> <p>Supporting a safe &amp; healthy working environment for all workers</p> <p>Tailored workforce solutions</p> <p>Manage complexity of workforce planning and risks</p> <p>Support regulatory compliance</p> <p><b>Businesses</b> </p> |
|---|--|---|

### A) HR Services provide on-the-ground solutions

To support immediate mitigation and recovery, the HR services sector stands ready to play its part. Through its operational footprint (**2.4 million career and recruitment specialists, working with 160.000 large and small agencies, placing on a yearly average more than 50 million workers across a great variety of countries, sectors, businesses, workplaces and supply lines**) the HR services industry has expertise in managing workplace training, preparation and flexibility.



**Placements of workers through agency work and direct recruitment** - Source: 2019 WEC Social Impact Report ([link](#))

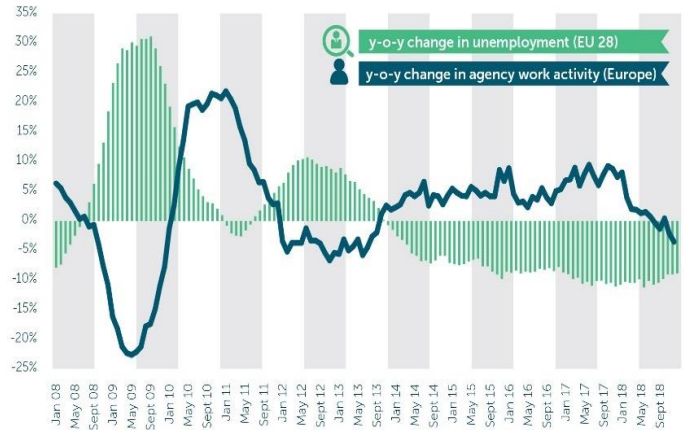
This includes extensive experience with the occupational health & safety training, processes and protocols required to safely bring people into work. The HR services' intermediary role between workers and businesses brings the understanding of both sides needed for re-activation. Beyond the operational integration, the sectoral infrastructures on national and international level are highly integrated with trade unions, business organisations, governments, and international institutions. **This global and cross-sectoral coverage can deliver both an early indicator on labour market developments as well as an avenue to scale up best practices for the recovery of employment.**

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### B) Agency work supports businesses to accommodate disruptive circumstances

Businesses will turn to employment agencies when the first signs of recovery appear. As such, beyond acting as early indicator for revival, **agency work creates jobs that would otherwise not have existed**. By doing so it acts as a flywheel for recovery: (1.) it contributes to the transition out of unemployment and (2.) it supports further growth of employment, production, and demand.



Evolution of unemployment and agency work activity in Europe

Source: [2019 WEC Social Impact Report](#)

### C) Agency work delivers decent work

All the while agency work is a quality form of work that balances flexibility with security. It has been recognized in **national, EU and international standards and regulation that ensure the (fundamental) rights and interests of the agency workers**. Beyond gaining work experience, agency workers often have access to general and specific training and benefits that support their overall employability. Finally, especially in Europe, agency workers and employment agencies bargain collectively to tailor labour and working conditions to the mutual benefit of business and workers.

| Country     | Percentage of workers trained | Number of workers trained | Budget spent on training provision (million €) |
|-------------|-------------------------------|---------------------------|--|
| Mexico      | 58%                           | 98,956                    | -  |
| France      | 42%                           | 1,092,000                 | 450  |
| India       | 32%                           | 960,000                   | 14.7   |
| Italy       | 35%                           | 239,400                   | 200  |
| Netherlands | 14%                           | 119,929                   | 64.9   |
| Brazil      | 15%                           | 1,170,000                 | 79   |
| Belgium     | 16%                           | 105,005                   | 11.9   |
| Switzerland | 14%                           | 51,000                    | 11.3   |
| Chile       | 14%                           | 25,200                    | -  |
| Japan       | 51%                           | 2,195,735                 | -  |

Training provision for agency workers

Source: [2019 WEC Social Impact Report](#)

### D) Agency work provides a sustainable steppingstone onto the labour market

Internationally, agency work is recognized to provide a steppingstone into the labour market. **After returning to the labour market a vast majority of agency workers is still in employment 12 months later**. This steppingstone function is strengthened by research showing that 40% of agency workers come from inactivity and unemployment.



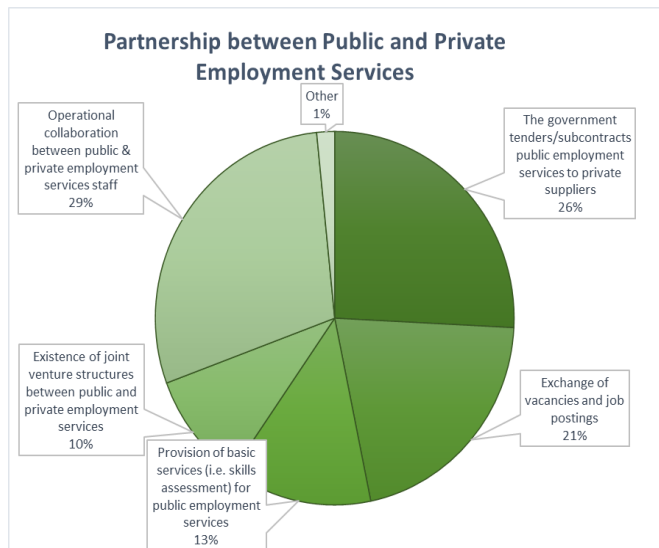
Situation of agency workers 12 months after their assignment

Source: [2019 WEC Social Impact Report](#)

### E) HR Services partner with Public Employment Services (PES)

To support transition and activation HR services pool labour market expertise and resources with Public Employment Services. These partnerships vary from the outsourcing of specific tasks to operational collaboration between recruitment specialists and the exchange of vacancies.

**Through this partnership and exchange, labour market transparency is improved and a platform is created for the most efficient allocation of public activation resources.** This contributes to (long-term) unemployed people finding a way back to the labour market.



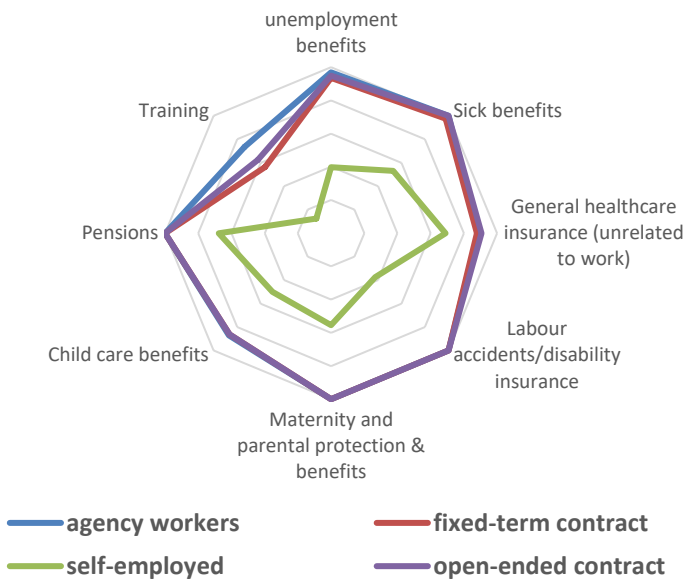
**Different forms of Partnership between Public and Private Employment Services**

Source: 2019 WEC Regulatory Survey

### F) Agency work is a regular employment contract that provides social protection

Agency work is a recognised contractual employment arrangement. **Although often done on a temporary and/or part-time contract, it can also be done on an open-ended, full-time contract.**

As such, agency work is a regular employment contract that is generally covered for the social protections available to all other dependent employees on the respective labour market such as unemployment insurance, pension schemes, parental benefits, and occupational health & safety. Although inadequate thresholds and conditions raise issues on equal treatment, effective access and transferability, agency workers are formally covered by safety nets.



**Social Protection in Diverse Forms of Work**

Source: WEC Survey 2019; EU (2017); Eurociett/UNI Europa (2015); OECD (2019)

### 3. Which Labour Market Policies Are Needed for the Road to Recovery?

The Road to Recovery will need to build on the lessons learned during the pandemic and take stock of the increasing labour market diversification and dynamism that was already ongoing before Covid-19 hit the global economy. Regulatory frameworks need to be ready for recovery and for cushioning more frequent disruptions. HR services stand ready to support. Still, like all sectors, the Private Employment Services industry will need support to sustain its transition role in these stages of recovery. In this context the World Employment Confederation identifies the following priorities for developing a quick and safe road to recovery:

#### A) Operationalising the return to work

- Employers, trade unions, governments and international institutions should come together to create the conditions for a safe return to work. One way to do so would be to **create, collect and share 'Covid-19 proof' Occupational Health & Safety protocols** for the benefit of all and create adjusted workplaces that people can quickly return to.
- Private Employment Services will need to be classified as essential during these phases of recovery to **secure that recruitment and career specialists can continue to connect people with immediate job opportunities** allowing for the essential parts of the economy to function.
- **Increasing, maintaining, and securing digital infrastructure to allow the flexibility** to return to higher levels of health and safety restrictions and remote working.
- Digital solutions enacted to sustain remote skilling and matching such as **Online Training, eSignatures, online identification, and skill checks need to be further promoted** and sustained.
- Continue to **support business continuity** and ensure tailoring to sectoral specifics of relief measures. This relief needs to be easily accessible to ensure business sustainability.

#### B) A framework for activation and transition

- With unemployment and labour fluidity expected to remain high, **labour regulations need to support agility, easy activation, and transition**. Diverse forms of work including agency work allow for efficiency and flexibility in matching supply to nascent and immediate labour demand as sectors return to business in a fragile and uncertain economic environment.
- This crisis takes the pre-Covid skilling challenges to new heights. **Public resources need to be leveraged towards providing people in and out of employment with futureproof and relevant skills**. (Digital) tools readily available in the private sector can be scaled up and delivered to those that need it most.
- During the crisis unjustified restrictions were already suspended and loosened. This needs to be promoted and sustained. **Unjustified restrictions for providing agency workers to specific sectors and occupations need to be lifted** immediately.
- Now is the time to **upgrade the partnerships of public and private employment services** to ensure people exposed to unemployment, informality and transition have access to the pooled expertise, digital tools, and quality of public and private employment services.

#### C) Speed up Social Innovation to ensure access to minimum levels of social protection

- If anything, **this crisis has shown that basic minimum levels of protection need to be available to all workers irrespective of how engage with work**. Key lesson learned is that schemes such as those for unemployment, sick-leave and reducing working time are inadequately available and tailored to that majority of global workers outside of the open-ended full-time contract. Fixing this has been 'work in progress' for too long.
- As Covid-19 shows us the face of profound disruption, **now is the time to innovate our safety nets to cover all and accept that diverse forms of work sustain all employment and that benefits, costs and**

**risks need to be proportionately shared.** Let us take stock on the many governments taking their responsibility to cover all forms of work in their Covid-19 relief measures and move towards safety nets that hold value add for all workers and deliver on the agility businesses need.

- Agency sector experiences provide inspiration for reforming social protection schemes. **Across the world specific protections have been put in place by the private employment services industry for agency workers.** These mechanisms have tailored their support to a group of workers that inherently work across various sectors, jobs, and businesses. They leverage lessons learned on shaping safety nets for a dynamic workforce.
- In April 2020, the World Employment Confederation-Europe and UNI-Europa, the European Services Workers Union, together agreed on [a set of joint recommendations for European policymakers](#). This includes: “[...] **Speed up reforms to ensure effective access to skilling and social protection across diverse forms of work**”. This is a recommendation that holds value beyond the confines of Europe.

### **About the World Employment Confederation**

The World Employment Confederation is the voice of the private employment services industry at a global level, representing national federations as well as workforce solutions companies from across the world. Members of the World Employment Confederation represent a wide range of HR services, including agency work, direct recruitment, career management, Recruitment Process Outsourcing (RPO) and Managed Service Provider (MSP).

The World Employment Confederation works to broaden recognition of the positive economic and social role which the private employment services industry plays in enabling work, adaptation, security, and prosperity. This role involves building networks with relevant stakeholders such as policy makers, social partners and the academic world; setting high recruitment and employment standards and practices; acting as a thought-leader shaping futureproof and competitive labour markets and providing strategic data on employment issues.