

A photograph of a woman with glasses and a man in a white cap high-fiving each other in a factory setting. The woman is wearing a blue polo shirt and has a tattoo on her left arm. The man is wearing a white polo shirt and a white cap. They are both smiling and looking at each other.

fair and quality

work for all.



randstad

human forward.

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# fair and quality work for all.





# introduction.

## the imperative for a new social protection system

The world of work is experiencing transformative change, driven by a poly-crisis environment, technological innovation, the rise of the platform economy, high inflation rates, demographic shifts in society and climate change. In addition, the COVID pandemic has accelerated the shift to new ways of working. Randstad believes that we should expect continued change. People and businesses will need to be able to constantly adapt and be flexible.

In this context, new ways of working and new ways of organizing work pose challenges for labor markets across the world. This includes ensuring access to social protection systems for talent. Current labor laws and social systems are not adequately equipped to keep up with today's rapidly changing realities, which are characterized by complexity, volatility and uncertainty.

The question of how to organize labor markets holistically in order to make them more inclusive, sustainable and future-proof has never been so urgent. Not only is the nature of work changing, but the way we work is also evolving. This has resulted in non-linear career paths with more labor market transitions and the need for lifelong learning in order to remain employable at all times.

The main objective should be a future-proof, sustainable and well-functioning labor market that is accessible for everyone, while facilitating labor market policies aimed at ensuring that everyone has adequate security and that everyone participates. It's an ambitious view, but not impossible. The involvement of all stakeholders: governments, employers and workers is essential to move forward towards a contract-neutral social

protection system that allows for all talent to earn a fair income, while providing access to solid social protection schemes and enabling talent to keep strengthening their employability through skilling.

In order to establish a new social protection system and transform the world of work according to the challenges of today, a clear and concerted policy response is needed.

Specifically, it will be necessary to focus on the following policy points:

- work:  
create sustainable and open labor markets by ensuring access to fair and quality employment for all.
- income:  
introduce a contract-neutral social protection system that provides security combined with flexibility.
- learning:  
facilitate skilling to empower talent to navigate the changing world of work.





# work.

## create sustainable and open labor markets by ensuring access to fair and quality employment for all

A future-proof, sustainable and well-functioning labor market can only be achieved if governments, employers and workers are all involved in a structured way. This requires a constructive social dialogue. Importantly, a newly to be developed social protection system should allow for all talent to earn a fair income through quality employment that includes job flexibility and skilling opportunities, while offering full and equal access to solid social protection schemes.

The ILO report (2018) reveals that there are still more than two billion people worldwide working in the informal economy, with limited rights at work or access to social protection.<sup>01</sup> This translates into more than 60% of the world's working population. Clearly, this situation needs to be addressed urgently. Diverse forms of work, such as part-time work, fixed-term work and temporary agency work, if well-regulated can help to decrease informality. The increasing variety of work forms need to be regulated appropriately. This requires a level playing field for all stakeholders, thus providing for decent work and income, equal opportunities, and adequate social security on the part of workers. The global HR services industry is regulated by ILO Convention 181 and Recommendation 188 on Private Employment Agencies. This convention defines minimum standards for agency work and recruitment, especially recognizing the importance of flexibility in the functioning of labor markets. In the European Union, temporary agency workers fall under the European Agency

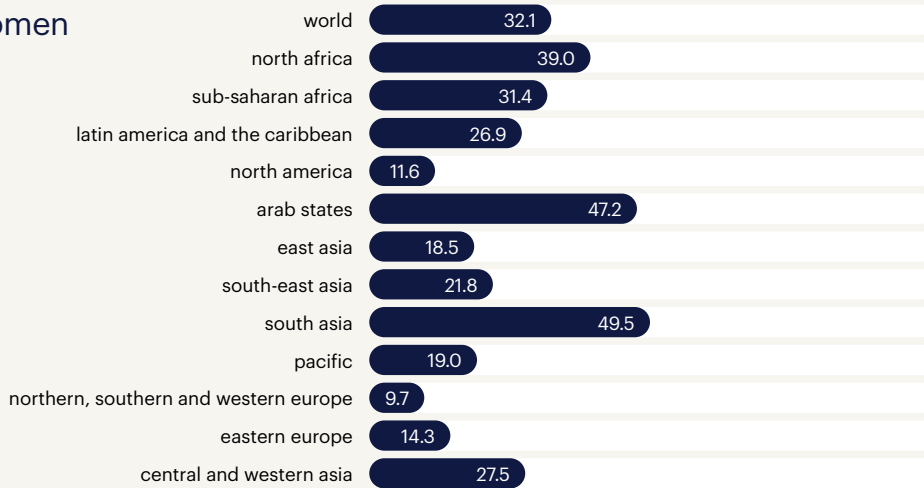
Work Directive ([2008/104/EC](#)). This Directive aims to ensure the protection of temporary agency workers in Europe and to improve the quality of temporary agency work by ensuring the principle of equal treatment is applied to temporary agency workers, and by recognising temporary-work agencies as employers.

Given the current rate of progress, UN Sustainable Development Goal 8 (which focuses on the promotion of sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all) is unlikely to be achieved by 2030. A large body of people from vulnerable groups are still encountering difficulties in accessing the world of work, including women, migrants, people with disabilities, senior citizens, refugees and students.<sup>02</sup> Furthermore, the latest OECD Employment Outlook indicates that 23.5% of all youth worldwide are NEETS (not in employment, education or training).<sup>03</sup> While the NEET rate has declined among young women, it is a



### youth aged 15–24: not in employment, education, or training, 2022 by sex, world and by subregion (in percentages)

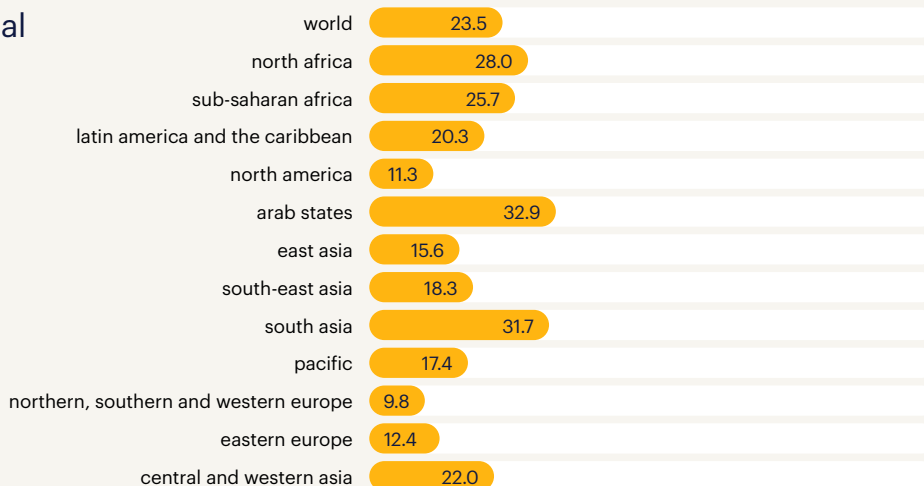
#### women



#### men



#### total



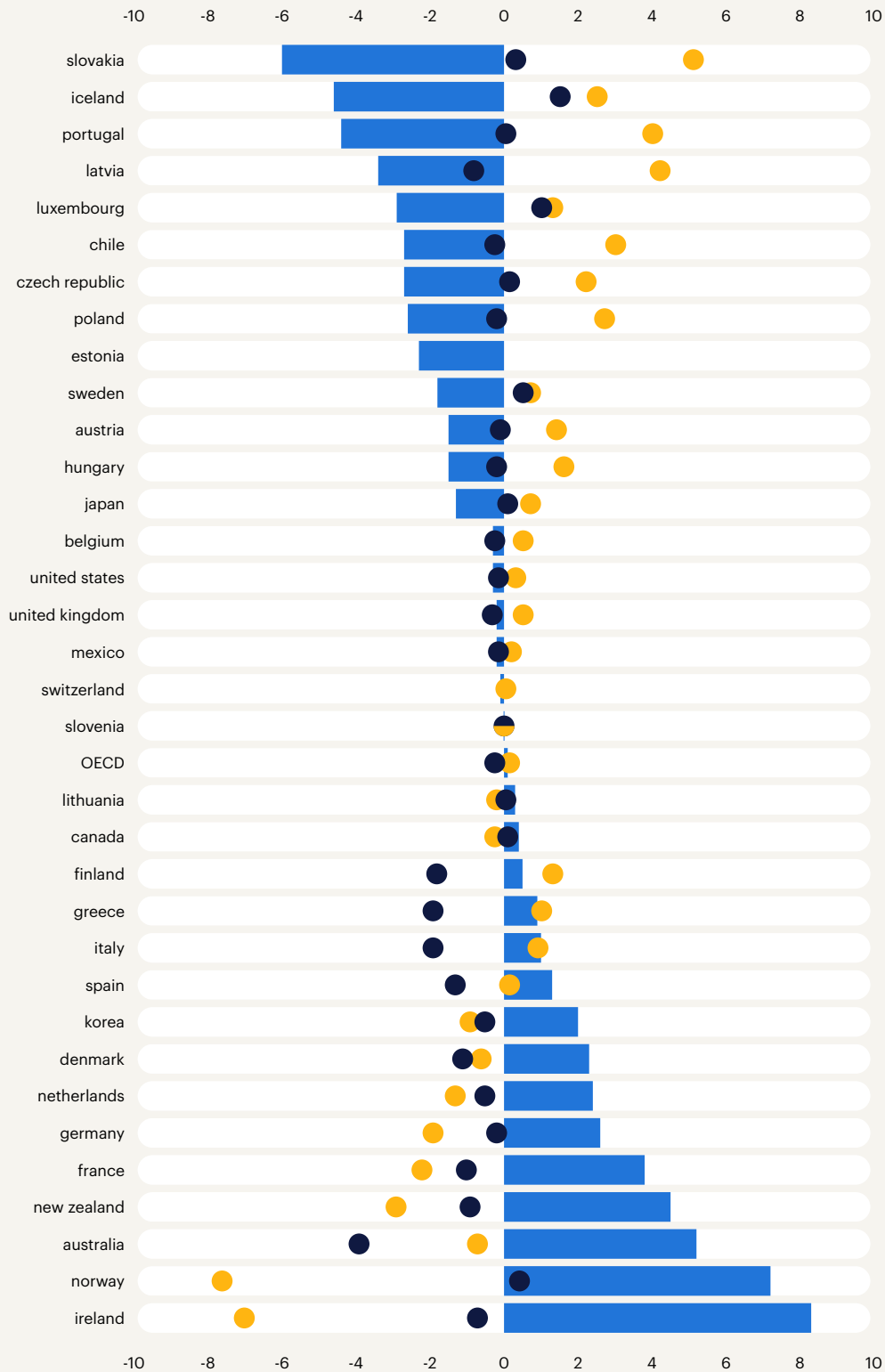
source: [ILOSTAT, ILO modelled estimates, November 2022](#)







### youth aged 15–24: changes in the share of the population employed, inactive, jobseeker



employed ■ inactive ● jobseekers ●

source: [OECD Employment Outlook \(2022, page 45\)](#)





### young people

23.5% of youth are not in education, employment or training

2  
billion

### informal employment

2 billion informal workers with limited rights at work or access to social protection

188  
million

### in child and forced labor

160 million children in child labor and 28 million workers in forced labor

214  
million

### working poverty

214 million workers in extreme poverty (< US\$1.90 PPP per day)

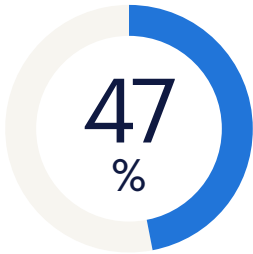
473  
million

### jobs gap

473 million want employment 205 million of them are unemployed (meaning actively looking for work)

Note: Estimates, for labor income refer to 2019, estimates for child labor to the beginning of 2020. Source: ILOS AI. ILO modelled estimates, November 2022- ILO social protection database: ILO (20210)





### social protection

only 47% of the population are covered by at least one form of social protection



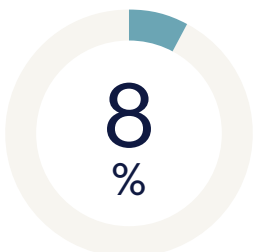
### productivity gap

labor productivity is 18 times greater in high-income countries than in low income countries



### gender gap

twice as many woman as men are outside the labor force



### inequality

half of workers earn only 8% of global labor income

worrying development that the NEET rate among young men has increased over the past 17 years.

In addition, there is an increasing number of workers who will need to transition from declining industries to growing ones. According to a McKinsey report, this figure will range between 75 million to 375 million people by 2030.<sup>94</sup> With that in mind, it is a common interest of governments, employers and trade unions to support workers who want to transition across industries, as well as those who want to return to work. Governments will benefit from a macroeconomic perspective, as increased worker participation will mitigate the effects of the current economic environment that is characterized by high inflation, increasing energy prices, etc. Similarly, by having a larger talent pool available, employers will be able to mitigate the current issues around talent scarcity and skills mismatch. And because workers will have easier access to the labor market, they will benefit from personal and financial security in times of uncertainty.

Solutions that will help to create sustainable and open labor markets by ensuring access to fair and quality employment for all:

- Foster effective active labor market policies that support people who are facing difficulties entering the labor market.
- Promote public-private partnerships that facilitate cross-sectoral transitions for workers in declining industries.
- Drive fair and quality employment by modernizing regulatory frameworks focussed on portable rights to enhance mobility and transitions while ensuring security for all regardless of the type of employment contract.







# income.

## introduce a contract-neutral social protection system that provides security combined with flexibility

Three years after the start of the COVID-19 pandemic, both workers and employers are trying their best to remain agile and adaptable in a labor market that is undergoing rapid change, including talent scarcity, skills mismatch, and a high demand for new digital skills.

Job flexibility is becoming increasingly important, not only for white-collar workers, but also for blue- and gray-collar workers.<sup>05</sup> Especially younger workers are increasingly reprioritizing what is important in their lives and careers, which has led to a new type of social contract between employers and employees.

Randstad's second-quarter 2023 [Workmonitor Pulse Survey](#), which gauged the sentiments of more than 7,500 workers in five markets around the world, found that two-fifths of blue-collar workers (42%) and close to half of gray-collar workers (48%) consider job flexibility as or more important than pay, a portion nearly as high as white-collar counterparts (54%).<sup>06</sup> What is more, many non-office workers (nearly two in five) believe their jobs could be flexible, but their employers are

not trying hard enough to accommodate their needs. Blue- and gray-collar workers prioritize flexibility in terms of work schedules (28% and 30% respectively) and number of hours worked (28% and 30% respectively), while white-collar workers prioritize flexibility in terms of location (50%).

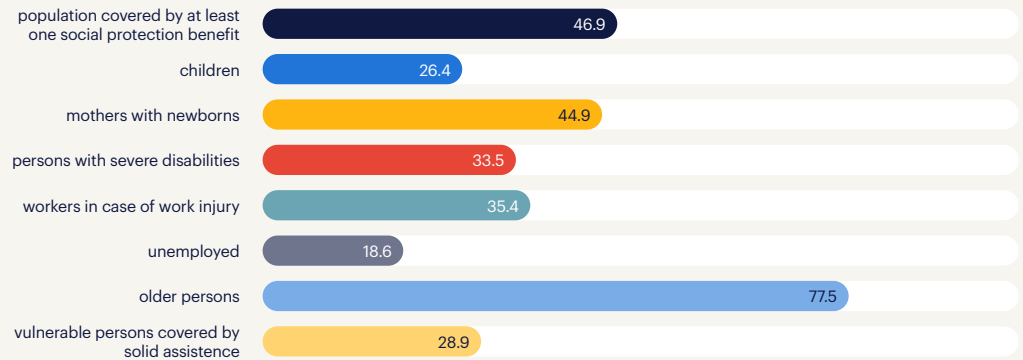
In addition, more and more workers value the flexibility that is provided through an array of diverse forms of work. However, the way labor markets and social protection systems are currently organized means that social protection is mainly available for those on a permanent employment contract. That is why the call for a systemic change is becoming louder. To provide social security combined with flexibility for all workers, we will need to introduce a contract-neutral social protection system.



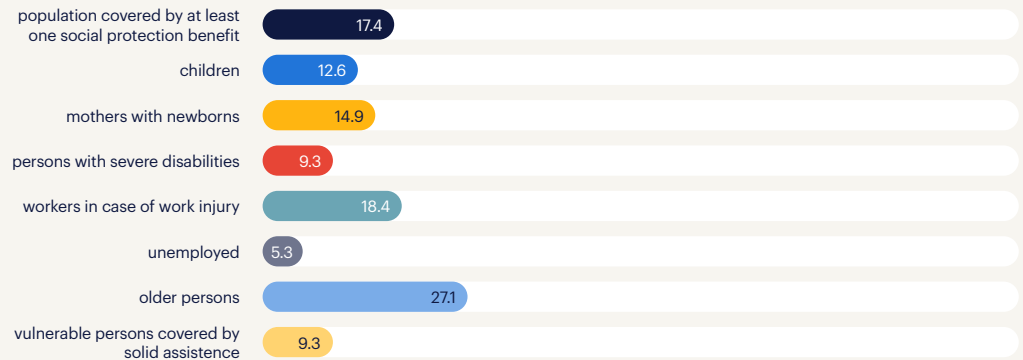
## effective social protection coverage, global and regional estimates, by population group, 2020 or latest available year

% of the population group

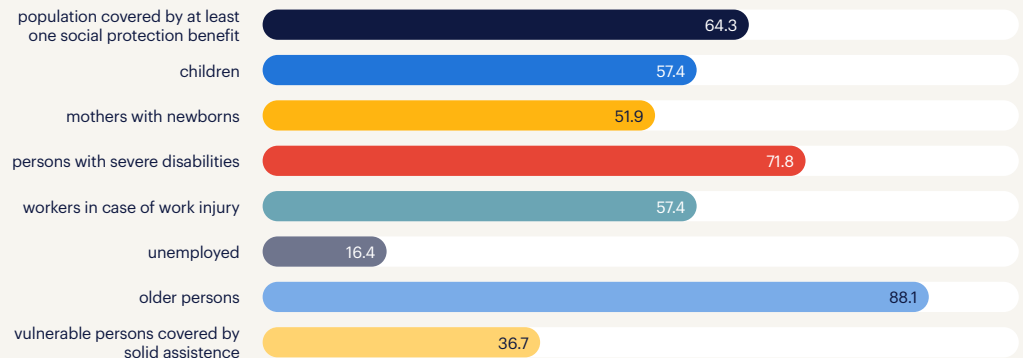
### world



### africa

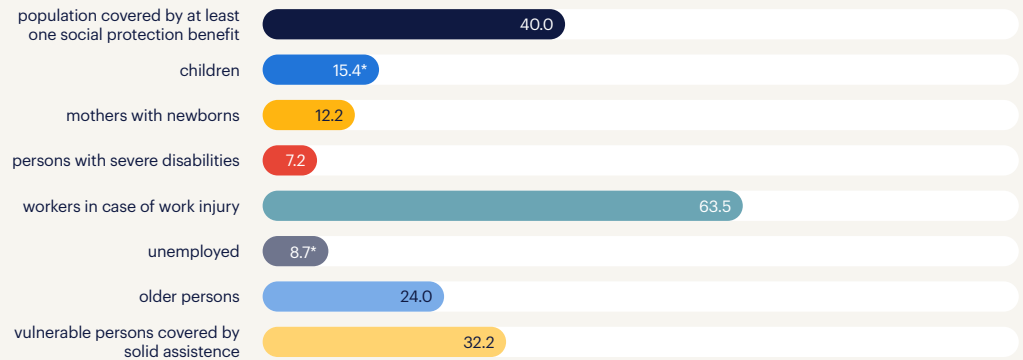


### americas

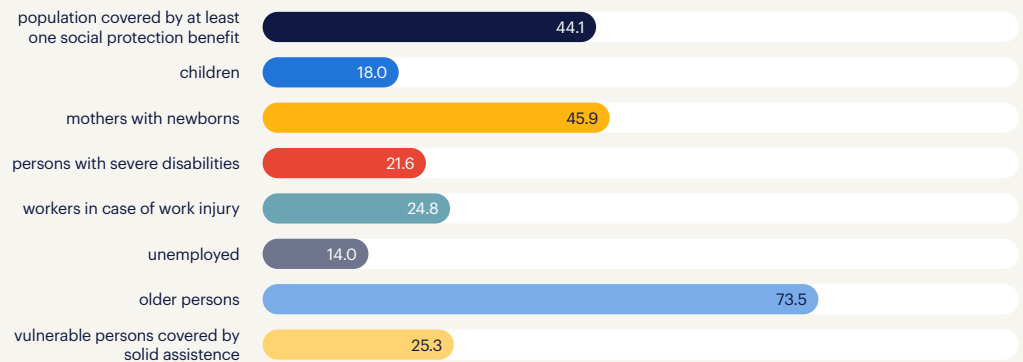




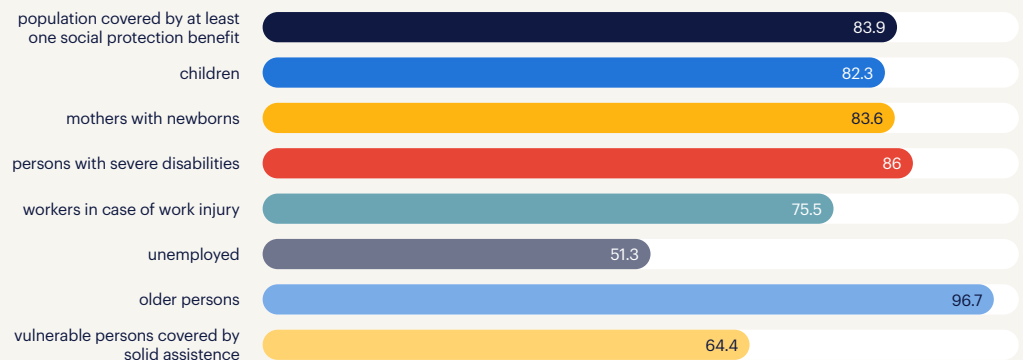
### arab states



### asia and the pacific



### europa and central asia



\*To be interpreted with caution: estimates based on reported data coverage below 40% of the population.

Notes: See Annex 2 for methodological explanation. Global and regional aggregates are weighted by relevant population groups.

Sources: ILO, World Social Protection Database, based on the SSI; ILOSTAT; national sources Link: <https://wspr.social-protection.org>





In short, social protection and security schemes need to work for all workers, regardless of their employment status and/or contract. Today, only 47% of the working population is covered by some form of social protection.<sup>07</sup> Increased access to social protection will contribute to economic growth and decrease the risk and longevity of informality. Adequate social protection coverage will also be fundamental to labor market transitions, especially when ensuring coverage for workers in all types of employment and by facilitating portability of entitlements between schemes.<sup>08</sup>

Tripartite collaborations between governments, employers and trade unions will be able to facilitate this development. Having better protected workers also provides a common interest for all parties involved. At the government level, it will be essential to leave no one behind, especially in these transformational times. In addition, increased social protection will nurture security and stability, concepts directly impacting society well-being. At the employer level, having better protected – and therefore more secure – employees, is likely to improve productivity. Employees tend to perform better when they feel secure and appreciated, thus contributing to economic growth.

Labor markets around the world are organized and regulated on a national level. In addition, social protection schemes in Europe have mostly been designed for the open-ended, full-time contract and have not kept pace with the changes that have taken place in the world of work. In an increasingly diverse world of work, modernizing social protection and social safety nets is needed to guarantee social inclusion. The COVID-19 pandemic has demonstrated that thanks to the European Agency Work Directive (2008/104/EC) temporary agency workers in Europe are well protected.

When moving within the European Union, Iceland, Liechtenstein, Norway and Switzerland, the social security rights are laid down in the European Regulation (EC) No 883/2004 on the coordination of social security systems. It coordinates national systems to make sure people moving to another EU country do not lose their social security cover (for example pension rights and healthcare) and always know which national laws apply to them. The regulation covers all the traditional branches of social security, namely sickness, maternity and paternity, old-age pensions, pre-retirement and invalidity pensions, survivors' benefits and death grants, unemployment, family benefits and accidents at work and occupational illness.

Key priority for all labor market stakeholders should be to focus on solutions that will facilitate the introduction of a contract-neutral social protection system that provides security combined with flexibility:

- Modernize social protection systems, making sure that they combine flexibility with income security through portable rights.
- Promote diverse forms of work to tackle informality.
- Foster the involvement of social partners through an effective social dialogue in order to establish the right balance between flexibility and security.







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# learning.

## facilitate skilling to empower talent to navigate the changing world of work

It is widely accepted that skilling the current and future workforce is a priority, especially in terms of awareness raising. OECD data shows that even before the COVID-19 pandemic, 50% of all adults did not engage in adult learning.<sup>09</sup> Furthermore, the World Economic Forum estimates that we will need to reskill more than one billion people by 2030, while two in five employers across OECD countries flag major challenges in finding the skilled staff they need. Preparing tomorrow's workforce remains a challenge.

In addition to digital skills, specialized interpersonal skills will also be in high demand in the new hybrid workplace. As jobs evolve and require new skills, hiring managers need to focus less on formal degrees, and more on finding talent whose current soft and hard skills match the role. According to OECD estimates, more than one billion jobs, or almost one-third of all jobs worldwide, are likely to be transformed by technology in the next decade.<sup>11</sup> The good news is that many of the top skills in fast-growing and higher-paying roles are similar to skills in other fields. For example, a cashier has 70% of the skills needed to be a customer service representative, and a driver has 57% of the skills needed to become a supply chain associate. The challenge for employers will be to pre-empt talent shortages by meeting changing talent needs and addressing current skills mismatches.

Feedback from national employment federations<sup>10</sup> – whose members are in the frontline of national labor markets – provides practical insight into the impact of skills and labor shortages and some of the most pressing issues. Recurring themes and key messages are:

- There is a large discrepancy between the supply and demand of workers. Labor and skills shortages are a major obstacle to growth.
- Shortages are pushing up pay levels and salaries, and more companies are looking to employ temporary agency workers on a permanent basis.
- Employers are increasingly looking to external support for permanent hiring needs as well as for temporary staffing.
- Recruitment challenges and skills mismatches are especially suffocating in sectors such as professional services, healthcare, construction, manufacturing, logistics and IT.



- There has been significant disruption in key sectors, with many workers unwilling to return to the same role after lockdown.
- Post-pandemic labor market challenges are being exacerbated by restrictive regulations on staffing services in countries such as Spain, The Netherlands, Norway and Mexico.

Clearly, encouraging lifelong learning is in the interest of all relevant stakeholders. Workers will be more flexible and employable, attributes that are becoming increasingly important in times of economic shocks. Governments will be able to reduce unemployment rates in their respective countries, which is highly important in mitigating the effects of the crises that most economies are currently facing. Furthermore, by investing in their talent, employers will improve their workforce and, as a result, the productivity of their business. It is not for nothing that skilling is now called the currency of the labor market. Enabling all talent who are willing and able to access lifelong learning possibilities should be a key priority. This will help avoid societal polarization and empower talent to navigate the rapidly changing labor market landscape.

The European Commission proclaimed 2023 as the “European Year of Skills” to provide new momentum to reach the EU 2030 social targets of at least 60% of adults undergoing training every year, and an employment rate target of at least 78%. In the temporary agency work sector, access to training is critical as qualification levels of temporary agency workers vary significantly across countries and agency workers are predominantly young. In 2022, Randstad contributed to this objective by providing training to 374,900 people.

Solutions for skilling that will help talent to navigate the changing world of work:

- Raise awareness of the need for skilling, including reskilling and upskilling, to strengthen employability.
- Bridge the gap between employers and the education sector by developing adequate policies that enable access to lifelong learning for all.
- Ensure access to lifelong learning to avoid societal polarization.





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# best practices.

## randstad's commitment to shaping the new social protection system

Randstad is the world's largest talent company and a partner of choice to clients and talent. In 2022, in our 39 markets, we helped more than 2 million people find a job that feels good and advised over 230,000 clients on their talent needs. It is for that reason that Randstad sees the possible in people, and we help them realize their true potential and stay relevant in the ever-changing world of work.

We focus on connecting with talent, because we understand the importance of work in a person's life. Therefore, we take time to understand what matters to talent. The more we know the real person, the better we can help them find the job that fits them best. Now more than ever, we feel responsible for making the best matches.

This is why, every year, Randstad is involved in the development and implementation of many social innovation programs aimed at improving people's employability and promoting equal opportunities for those in need of additional support. An overview of all

the programs can be found [here](#). We want to contribute, with our everyday actions, to a dynamic and sustainable labor market in which no one is left behind, while facilitating transitions always combined with the provision of increased social protection, adequate income and promoting lifelong learning in the form of reskilling and upskilling.

With this in mind, we have the pleasure to present three best practices from Belgium, France and the Netherlands. These examples demonstrate Randstad's commitment to co-shaping the new social protection system in order for all workers to enjoy well-regulated work.



randstad best-practice examples from our markets

## randstad and portilog – belgium

Logistics professions remain major bottleneck vacancies in Belgium. Logistics and port companies will continue to need a lot of talent, making the influx of white-collar workers a structural bottleneck.<sup>12</sup> To close the existing gap between supply and demand of logistics clerk profiles, Randstad and training center Portilog have been offering port-related and logistics training courses since 2007. Through a specific online training program of ten days, workers can reorient themselves and prepare for a job in a sector in which sustainable employment is guaranteed.

Together, Randstad and Portilog have already (re)skilled over 1,600 people for a job in the logistics sector.<sup>13</sup>

Randstad and Portilog meet the vast need for training. More than 80% of the workers effectively started working as logistics clerks after the training. More than 90% of them found employment within a month of training. One in five workers already found a job during the training, and one in ten even secured a job before starting the training.

## permanent contracts for temporary agency workers – france

Created in 2014 by the social partners for temporary work, and principally driven by Randstad, the temporary permanent contract (Contrat à Durée Indéterminée Intérimaire, CDI-I) is a major social innovation combining security with flexibility.

The system allows temporary work agencies to hire temporary workers on a permanent contract and employ them on a temporary basis at one or more third-party companies. The temporary permanent contract is a secure contract, providing workers with unrivaled guarantees in terms of employment, income, training and social protection. It encourages temporary work agencies to provide personalized follow-up of workers, and to provide training to ensure their employability. Workers benefit from the advantages of a permanent contract, while retaining the diversity of professional experiences of temporary work. Between roles, temporary workers' salaries are paid by the agency, thus preventing them from flipping between

employment and unemployment. This type of contract therefore contributes to reducing unemployment and balancing public finances.

Currently, some 79%<sup>14</sup> of temporary workers say that they are satisfied with this system, and 68% say that they have achieved their personal projects (housing, credit, etc.) thanks to having a temporary permanent contract. It also acts as a springboard towards permanent employment, as 63% of temporary permanent contracts are immediately followed by permanent contracts.

Randstad is committed to promoting this model in France and has signed 30,000 such contracts over the last ten years. With high employee satisfaction and acting as a springboard to long-term employment and career development, temporary permanent contracts have been one of the most successful models for responsible flexibility in Europe.





## prospect statement – netherlands

The 'prospect statement' (perspectiefverklaring) makes it easier for flex workers to apply for a mortgage to buy their own home. They can obtain such a statement after working for a temporary employment agency for a year. Applying for a mortgage can be an overwhelming process for flex workers, especially for those who do not speak Dutch. Randstad guides them through the process. First, an assessment is made as to whether the flex worker has high enough chances of remaining employed in the future so that they can repay their mortgage. If their prospects are good, Randstad offers them a prospect statement, which they can then use to apply for a mortgage in the Netherlands. Given the current housing crisis in the country, this initiative offers increased security to flex workers, which helps them to thrive.







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we would love to hear your  
thoughts and comments,  
let's start a conversation.

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human forward.