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WEC Positions

Contribution to the European Social Partner consultation on minimum wages

Upcoming Events

10 – 12 March 2020

WEC Board meeting and Corporate Members Committee meeting in Montreal/Canada

23 – 24 March 2020

EU Project "Social Innovation in the temporary agency work industry: Steering Committee and Workshop

25 March 2020

WEC-Europe's Michael Freytag to speak at BAP Committee on international affairs

Economic Report 2020 published.

Update on the World Employment Conference – read more on page 4

Upcoming Events

In case you have questions on the Advocacy Report:

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Global Public Affairs

Executive Summary

B20 Future of Work & Education Taskforce discusses first draft policy paper

- WEC and other members of the 2020 B20 Future of Work & Education Taskforce contributed to the first draft of the 2020 policy paper on business recommendations for the G20 leaders.
- Concerns were raised by WEC, WEC members and the IOE on the lack of consistency with earlier business recommendations to G20 leaders and the negative and limited positioning of diverse forms of work.

The Global Deal hosts Conference at the OECD

- Th Global Deal, the Swedish initiative to push collective bargaining, international framework agreements and chain liability in global supply chains, organized a conference to advance the initiative.
- The conference addressed how workers' voices in diverse forms of work and global supply chains can be heard to ensure decent work.
- Business at OECD put forward a statement highlighting their concerns on the initiative: that the initiative is superfluous next to the ILO and pushes a narrow and trade union interpretation of engaging with employees. WEC supports these objections to the initiative.

B20 Future of Work & Education Taskforce discusses first draft policy paper

The Saudi chair of the B20 process organized a first call of the 2020 Future of Work & Education to discuss a first draft of the policy paper with recommendation to G20 leaders on employment and education. WEC participated in the call and aligned with the global business community that the document prepared did not reflect business positioning, did inappropriately and insufficiently highlight the importance of diverse forms of work, and was insufficiently aligned it previous B20 recommendations. WEC and its members participate in the taskforce to promote diverse forms of work.

The Business20 (B20) process is annual effort to shape business recommendations for the leaders of the 20 world's largest economies (G20). It seeks to influence the G20 declaration on Employment which in turn is important indicator of (future) ILO and OECD policy priorities. The G20 works with annual rotating chairs. This year Saudi Arabia is the chair, which means the national business association of Saudi Arabia leads the B20 process.

The original draft of the B20 Policy Paper (which can be found on the WEC members' area (link)) showcased key concerns as it did not reflect in any way on the positive effects of labour regulations conducive for employment and growth. WEC and its members aligned with the IOE on these concerns and a concerted action was organized to put forward the

importance of diverse forms of work during a call of the B20 to discuss a first draft. WEC was able to share its views and concerns in the conversation.

Assessment and next steps:

The G20 process brings together world leaders from the biggest economies. Over the past years these leaders have agreed to favorable wording on labour market reform. WEC ambition is to maintain this language and ensure the business community pushes for its consistency and implementation.

Based on this first call a second version will be drafted. This new draft will be discussed in March.

The Global Deal hosts Conference at the OECD

On 4 February, The Global Deal, an initiative by the Swedish government to push a labour union's agenda of international framework agreements and supply chain liability, organised a conference at the OECD to discuss social dialogue and supply chain responsibility in the future of work. Business at OECD (BIAC) raised its concerns on the initiative during the conference.

The conference gathered high level speakers such as OECD SG Angel Gurría, ILO DG Guy Ryder and Swedish PM Stefan Löfven as well as trade unionists and academics. Also there was limited representations from French and Swedish firms that have signed on the initiative.

The two main points on the agenda related to (1.) social dialogue for 'non-standard forms of work' and (2.) decent work in global supply lines. Key questions put forward were on the (revival and) inclusion of workers' voice in the future of work.

WEC aligned with BIAC on re-affirming the objection of the business community on this initiative. A statement was put forward by BIAC ahead of the meeting addressing the superfluous nature of the initiative and the business concerns on the initiative pushing a too narrow (Scandinavian & French) perspective on social dialogue.

Assessment and next steps:

The Global Deal remains of concern. A special unit in the OECD Employment department has been placed to promote the initiative. As such, this political initiative from the Swedish government to push a particular model of employee engagement gains OECD validation and easy access to OECD policy work. This, next to the fact that there already exists an international organisation promoting social dialogue: the ILO, lies at the heart of the concerns in the business community. WEC remains aligned on these concerns and support the containment of this initiative as a worker driven one that is not reflective of social dialogue that also involves the voice of business.

World Employment Conference 2020

Steering a labour market in transformation

Seven months ahead of the World Employment Conference,

- 31 speakers have been invited and several of them have already confirmed
- The conference website has been launched. Members can subscribe to a conference newsletter on the dedicated website
- A promotional video is available on the World Employment Confederation website
- The Conference registration will start on 15th March 2020



Economic Report 2020 published

Latest private employment services industry data

The Economic Report 2020 of the World Employment Confederation published on 26th February 2020 shows that private employment services faced an increasingly difficult operating environment in 2018 but nevertheless experienced positive growth in most of the segments. With a global turnover of €473 billion and nearly 58 million people placed in jobs, this continued growth demonstrates the need for the sector's services and the positive value they bring to labour markets worldwide. The Economic Report 2020 shows that private employment services faced an increasingly difficult operating environment in 2018 but nevertheless experienced positive growth in most of the segments. With a global turnover of €473 billion and nearly 58 million people placed in jobs, this continued growth demonstrates the need for the sector's services and the positive value they bring to labour markets worldwide. The report is available on the [World Employment Confederation website](https://www.wecglobal.org).



European Public Affairs

Executive Summary

The month of February was centred in terms of European Public Affairs around four main priority topics:

- The finalising of the World Employment Confederation-Europe contribution to an EU Social Partners consultation on minimum wages in Europe, aiming to avoid any new regulatory challenges at national level for our member federations.
- The first assessment and review of a European Commission White Paper on Artificial Intelligence published on 19th of February.
- The organisation of an event on the theme of an economy that works for people and the benefits of cooperation between public and private employment services in Europe.
- Advancing the World Employment Confederation-Europe/UNI-Europa EU Social Dialogue Project on “Social Innovation in the temporary agency work industry”, including a focus on the follow-up of the workshop on social innovation linked to working conditions and the preparation of the final project phase, which focuses on social innovation in the area of social protection.

Contribution to the EU Social Partners consultation on minimum wages

As one of the strategic priorities of the von der Leyen Commission in the area of employment and social affairs and as a follow-up of the adoption of the European Pillar of Social Rights, an EU Social Partners’ consultation has been launched in December 2020 on minimum wages in Europe. The approach of the European Commission is not to set a minimum wage at European level, but to establish a European framework that ensures that each worker in Europe is covered by a minimum wage. EU Social Partners at cross-industry and sectoral level were given until 24th of February to submit their contributions to the consultation. The World Employment Confederation-Europe discussed this initiative internally both at the level of the European Public Affairs Committee and within the European Executive Committee. We also conducted a small survey among the members of the Public Affairs Committee on national practices linked to minimum wages. A World Employment Confederation-Europe submission to the social partners’ consultation has been drafted in February and approved by the Public Affairs Committee.

The World Employment Confederation-Europe position starts off with some critical remarks on the consultation, underlining the need to respect the principles of subsidiarity, the limited competence of the EU in the field of wages and the need to respect national diversity. The position paper then continues outlining and explaining the interrelation between the principles of equal treatment/equal pay and minimum wages in the agency work industry, illustrating that there is no need for EU legislative or policy intervention in this field. The paper concludes by framing the debate on minimum wages in the broader context of social innovation and illustrating examples of initiatives taken by the private employment services industry to ensure the protection of agency workers, provide for adequate working conditions and allow for the transferability and portability of rights.

The World Employment Confederation-Europe has been closely liaising with BusinessEurope in the preparation of the reply to the consultation, making sure that there is no contradiction but alignment on the main messages, while at the same time focusing the World

Employment Confederation-Europe reply to the consultation on those elements that are directly relevant to the private employment services industry and its agency work activities. As next step, the European Commission will assess the replies submitted to the consultation and then launch a second stage consultation of EU Social Partners prior to moving forward with an EU initiative in this field.

Assessment:

While the debate on minimum wages and the related Social Partners' consultation has attracted quite some attention and focus at EU level, the actual impact and sensitivity for the private employment services industry might be less predominant, while the initiative is still of significant concern, especially for the Nordic European countries Denmark, Finland, Sweden and Norway. Against this background, the World Employment Confederation-Europe contributed to the consultation and related debates, while not treating this topic as a main strategic priority.

EU Commission White Paper on Artificial Intelligence published

On 19th February, the European Commission presented its ideas and actions for digital transformation. These include policy options on Artificial Intelligence in a White Paper.

The preliminary key items the World Employment Confederation-Europe identified as of interest for HR services providers are the following:

- For high risk cases, authorities should be able to check algorithms. It states the following: "In light of its significance for individuals and of the EU acquis addressing employment equality, the use of AI applications for recruitment processes as well as in situations impacting workers' rights would always be considered "high-risk" and therefore the below requirements would at all times apply.[...]: "training data; data and record-keeping; information to be provided; robustness and accuracy; human oversight; specific requirements for certain particular AI applications, such as those used for purposes of remote biometric identification."
- Unbiased data is needed to train AI to ensure fundamental rights esp. non-discrimination
- Launch of a debate on the use of biometric data (facial recognition, fingerprints etc.)
- The skills needed to support EU AI leadership
- An Ecosystem of Trust for AI following the Guidance from the EU's High Level expert group
 - o Human agency and oversight,
 - o Technical robustness and safety,
 - o Privacy and data governance,
 - o Transparency,
 - o Diversity, non-discrimination and fairness,
 - o Societal and environmental wellbeing, and
 - o Accountability.
- Technological Displacement & Skilling
- Possible changes to EU regulation:
 - o Race equality Directive
 - o Directive on equal treatment in employment and occupation
 - o Directives on equal treatment between men and women in relation to employment and access to goods and services

In an event on Artificial Intelligence and the Commission White Paper attended by the World Employment Confederation-Europe on 19th February, EU Commission Vice-President Margarethe Vestager identified the recruitment and employment industry as a sector dealing with a large amount of sensitive data and an industry in which Artificial Intelligence is increasingly used.

Assessment:

A more detailed assessment of the White Paper will be prepared by the World Employment Confederation-Europe Head Office in the coming weeks, also to build up a World Employment Confederation-Europe position on the topic. This position will be discussed during a meeting of the World Employment Confederation-Europe Taskforce on Data Protection and Artificial Intelligence and the World Employment Confederation-Europe Public Affairs Committee will be associated to these debates.

Forthcoming WEC-Europe event on cooperation between employment services and an economy that works for people

On 1st of April 2020, the World Employment Confederation-Europe will host a lunch debate to discuss and promote cooperation between public and private employment services. This will focus on fostering labour market transitions for an economy that works for people. The World Employment Confederation-Europe will give an introductory presentation, followed by the national presentations from Belgium, the Netherlands and Italy on forms of cooperation at national level. The lunch debate will be closed by an intervention of Martina Winkler, European Network of Public Employment Services/DG Employment

Assessment:

The event is an integral part of the World Employment Confederation-Europe action plan on fighting adverse agency work regulation and working towards a better recognition of the positive role our industry is playing on the labour market. It shall also help to foster more and better cooperation between public and private employment services in Europe.

Labour market reforms in Europe: EU Commission presents initiative on the European Semester

On 26th February, the European Commission presented a major initiative on labour market reforms, economic convergence and competitive sustainability as part of the EU European Semester process for economic policy coordination and labour market reforms. In its annual assessment of the economic and social situation in the Member States, the European Commission stresses the need to promote investment, pursue responsible fiscal policies and implement well-designed reforms.

- A new set of EU Employment Guidelines have been presented by the European Commission, which shall provide a framework for labour market reforms in the EU Member States that promote upwards convergence and more inclusive labour markets. The new EU Employment Guidelines focus on the following areas:

- Enhancing labour supply and improve access to employment, skills and competence, focusing on the technological and environmental transformations on the labour market, the need to foster job transitions and promote employability responding to current and future labour market needs. Member States are also encouraged to reform their education and training systems, enabling inclusive education, including vocational education and training. The key role of working together with social partners, education and training providers is highlighted in this context. A further focus is laid on supporting young people in acquiring skills in the area of science, technology, engineering and mathematics (STEM), as these are increasingly in demand. As part of this employment guideline, Member States are encouraged to provide unemployed and inactive people with effective, timely and tailor-made assistance. Via the employment guideline, Member States are also encouraged to remove disincentives to work and provide incentives for labour market participation. A special focus is laid on gender equality and labour market participation of women.
- Enhancing the functioning of labour markets and the efficiency of social dialogue with a focus on using the benefits of dynamic and new work patterns, the need for fair and transparent working conditions and the focus on preventing segmentation and labour market transitions. In this context, the employment guidelines still puts a strong focus on transition to open-ended contracts, rather than valuing diverse forms of work. Further priorities in this area focus on improved labour market matching, efficient active labour market policies and more effective public employment services
- A further employment guideline centres on equal opportunities for all and social inclusion, including a focus on the need to reform social protection schemes through all stages of the professional life, on fostering and focusing on access to social protection, quality, adequacy and sustainability
- 28 country reports presented by the European Commission (currently still including the UK as part of the transition phase) assess Member States' progress in implementing the Country-Specific Recommendations. The country reports find that the implementation of the recommendations adopted in 2019 has been strong in the areas of financial services and active labour market policies. Reform implementation has remained low in areas such as competition in services and ensuring the long-term sustainability of public finances. Overall, Member States have achieved at least some progress with the implementation of about two-thirds of the recommendations since the introduction of the European Semester in 2011.
- One of the new and promising features in the European Semester is the integration of the United Nations Sustainable Development Goals (SDGs). Each country report now includes a summary assessment of Member States' progress towards achieving the UN SDGs as well as a dedicated annex setting out the individual Member State's SDG performance and the trend over the past five years. Taken together, progress has been made towards almost all the 17 SDGs. The UN SDG 8 is of particular interest for the private employment services industry, as it focuses on decent work and economic growth. Sustainable economic growth will require societies to create the conditions that allow people to have quality jobs that stimulate the economy while not harming the environment. Job opportunities and decent working conditions are also required for the whole working age population.
- The Commission assessment presented on 26th February also highlights that unemployment levels continue to differ considerably across Member States while

social exclusion keeps declining on the back of good labour market conditions. That said, the Commission stresses the need to deliver on the implementation of the European Pillar of Social Rights to ensure the climate and digital transitions are just and socially fair. Productivity growth remains a challenge, even more so in the light of demographic change. Insufficient investment, the ageing of the labour force and skills shortages or mismatches are holding back potential growth.

Assessment:

The European Semester package for labour market reforms, economic policy coordination and economic convergence is a key EU policy instrument for the World Employment Confederation to fight adverse agency work regulation and to call for the lifting of unjustified restrictions on temporary agency work using both a defensive and offensive approach. The initiative presented by the von der Leyen Commission on 26th of February 2020 is an overall balanced package. The new EU Employment Guidelines provide a good framework to provide guidance to Member States in labour market reform processes linked to more dynamic and adaptable labour markets, skills and training policies that meet current and future labour market needs and the reforms of social protection schemes that match the increasingly diverse forms of work.

The European Commission Communication on the European Semester process includes an important, new element as EU Member States reforms are assessed with regard to the progress towards the United Nations Sustainable Development Goals. This refocused approach and the link to the United Nations Sustainable Development Goals can also be helpful in the World Employment Confederation-Europe focus on fighting adverse agency work regulation in Europe (see also the related article in the section on national public affairs issues).

EU Sectoral Social Dialogue Project on Social Innovation in the temporary agency work industry

The WEC-Europe/UNI-Europa EU Social Dialogue Project on “Social Innovation in the temporary agency work industry” is progressing. After a steering committee and workshop on social innovation in the area of working conditions, the research team is currently drafting the chapter with the social innovation case studies on working conditions and updating the first chapter with the case studies on training. In parallel, national experts for the final cluster of case studies focusing on social innovation in the area of social protection are being contacted and a further workshop a steering committee will be held 23-24th March 2020.

The project will be concluded in October with a pan-European Conference and the publication of a report with social innovation case studies.

Assessment:

The EU Sectoral Social Dialogue project on “Social Innovation in the temporary agency work industry” is progressing smoothly and is instrumental to identify new practices of Social Innovation and to discuss new solutions of working, learning and social protection with the trade unions, aiming to improve the knowledge, understanding and acceptance of temporary agency work as an industry that contributes to better functioning and more inclusive labour markets in Europe.

National Public Affairs

World Employment Confederation actions to fight adverse agency work regulation

Fighting adverse agency work regulation and working with member federations on the lifting of unjustified restrictions on agency work is a central, World Employment Confederation priority in 2020.

Actions aim to use the European and international level, but at the same time supporting national federations in their advocacy at the national level. The strategy to fight adverse regulation include both a defensive and an offensive approach. The defensive approach centers around potential legal complaints, on lobbying national governments, EU institutions and global stakeholders to reach progress on lifting unjustified restrictions. The offensive approach focuses on better valuing the role of agency work in a more dynamic, inclusive and futureproof labour market, including policy debates on labour market transitions, cooperation between employment services, practices of social innovation and social protection of workers.

Several tools developed by the World Employment Confederation are instrumental and should be used by our member federations in fighting adverse regulation. This includes the annual Economic Report, the Social Impact Report and the (internal)

Agency Work Regulatory Report. The diagram on the provides an overview on the action plan.



Assessment and next steps:

Fighting adverse agency work regulation and working towards the lifting of unjustified restrictions on temporary agency work has been a long-standing, strategic priority for the World Employment Confederation-Europe. While some, limited progress could be achieved in the years 2008 – 2011 in some countries, also linked to the transposition of the EU Directive on temporary agency work, trends in recent years (2018 – 2020) clearly show an increasing number of conditions and restrictions on temporary agency work, several of them

being unjustified and hampering the contribution of our industry to more dynamic, inclusive and better functioning labour markets. The World Employment Confederation has been very active in fighting this trend and supporting its members at national level and will continue to do so in 2020.

Ireland: Denis Pennel spoke at Annual Conference of the National Recruitment Federation

On 19th of February 2020, Denis Pennel acted as keynote speaker at the Annual Conference of the National Recruitment Federation in Ireland, which centred on the theme "Beyond all limits."

The conference marked the 50th anniversary of the National Recruitment Industry and gathered a broad range of industry experts, policymakers and stakeholders.

Denis Pennel's speech focused on the future of the recruitment industry, centring around the theme of biodiversity on the labour market, diverse forms of work, an increasingly diverse workforce and the rise of a variety of work arrangements. He underlined the importance of intermediation on the labour market and the competitive landscape of the recruitment and that career path are less and less linear

Assessment:

Speaking at the NRF Annual Conference was a great opportunity to provide insights from a European and global perspective on the future of the recruitment industry, industry trends and illustrate the contribution of the World Employment Confederation to these debates.

UK: EU takes first steps on future EU-UK partnership

On 3rd of February, the European Commission took first steps to launch negotiations with the United Kingdom on the future EU-UK partnership. For this purpose, the Commission has issued a recommendation to be adopted by the EU Council to open the negotiations on the new partnership and covers all areas interest for negotiations, including trade and economic cooperation, law enforcement and judicial cooperation in criminal matters, foreign policy, security and defense.

Assessment:

Since Brexit came into effect on 31st January 2020, focus has shifted towards the future EU-UK relations. A transitional period has been agreed until end of 2020 to reach an agreement on the future UK-EU relations, which may be prolonged if so request by the United Kingdom.

Germany: Michael Freytag addressed the Expertentag Zeitarbeit in Germany



On 30th of January 2020, the World Employment Confederation-Europe Public Affairs Manager Michael Freytag addressed the Expertentag Zeitarbeit in Germany. He focused on trends in the private employment services industry and gave an overview on current, European affairs developments. Here, he focused specifically on the European Parliament elections and the appointment of the new European Commission, as well as on topics on the agenda of the new Commission, such as the implementation of the European Pillar of Social Rights, the discussion on online platforms, EU skills strategies and the debate on minimum wages. Michael Freytag also focused on the concept of social innovation and

new solutions for working, learning and social protection developed in the private employment services industry.

Assessment:

Speaking at the Expertentag Zeitarbeit was a good opportunity to present the World Employment Confederation Vision on social innovation and the changing world of work with German private employment services industry experts and to discuss current European affairs priorities.

Thought Leadership

WEC-Europe contributed to CEPS Taskforce on the collaborative economy

On 19th February, World Employment Confederation-Europe's Public Affairs Manager Michael Freytag attended and contributed to the second Taskforce meeting of the Centre for European Policy Studies (CEPS) on the collaborative economy. Whereas the first meeting centered around conceptual aspects, definitions and the size of the collaborative economy, the second meeting focused on the digital services act and service provision via online platforms in the European Single Market. Further meetings of the Taskforce will focus on employment and social affairs. A Taskforce Report will be published by CEPS before the summer break, contributing to the European Commission's announced work on the collaborative economy, online platforms and working conditions of people working via online platforms.

Assessment:

Being a member of the CEPS Taskforce on the collaborative economy allows the World Employment Confederation-Europe to contribute to related discussions at EU level, to exchange with high-level policymakers and experts and to contribute to the debate on the collaborative economy at European level.

New IZA paper on the gig economy published

The German research institute IZA World of Labour published a new research paper on the gig economy. The paper illustrates that the number of people holding non-traditional jobs has grown steadily as technology increasingly short-term labour contracting and fixed employment costs continue to rise. For many firms that need less than a full-time person for short-term work and for many workers who value flexibility this has created great deal of surplus. During slack economic periods, non-traditional work also serves as an alternative safety net. Non-traditional jobs will continue to become more common, though policy change could slow or accelerate the trend.

Assessment:

The IZA Paper on the gig economy is a useful source and background document for the World Employment Confederation work on online platforms, the collaborative economy and gig working.

Abbreviations

AI	Artificial Intelligence
BIAC	Business and Industry Advisory Committee
CEPS	Centre for European Policy Studies
IZA	Institute zur Zukunft der Arbeit / Institute of Labour Economics
EU	European Union
ILO	International Labour Organisation
SDGs	Sustainable Development Goals
UK	United Kingdom
UN	United Nations