

## Creating more inclusive labour markets by strengthening diversity and enhancing labour market participation

Private employment services enable work, security, adaptation and prosperity

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### Four workplace diversity challenges



### Six yearly contributions of private employment services to enhanced labour market diversity

- Creating 1 million more jobs in Europe
- Offering 3,7 million young people labour market access
- Supporting young parents to reconcile family and professional life
- Up-skilling 1.9 million Europeans giving them more work choices
- Offering career guidance and tailor-made support to different groups, including workers with disabilities
- Working together with public employment services to reach more inclusive labour markets

### Eight Eurociett recommendations for enhanced labour market participation and diversity

1.	2.	3.	4.	5.	6.	7.	8.
Allow for diversity of labour contracts to meet labour market needs	Unlock the contribution of PrES to job creation through structural reforms	Strengthen dual learning and skills assessment	Develop tailor-made active labour market policies	Foster labour market transitions and career guidance	Unlock the potential of business services to enhance economic growth	Reduce social charges on labour	Strengthen cooperation between employment services

## 1. Four workplace diversity challenges

### 1.0. Fostering labour market participation and increasing workplace diversity means addressing four mutually interdependent challenges

at the same time. There is a need to integrate young people better and faster into the labour market, of offering opportunities to older workers to stay longer attached to the labour market if they wish so, of reconciling professional and family lives, including employment opportunities for women and creating for people with disabilities. Private employment services can provide an important contribution to each of these four diversity challenge.



1.1. **Youth unemployed currently stands at a level of 20,7% in the EU-28 in 2014,**<sup>1</sup> which is about twice as high as the general unemployment rate. At the same time, Eurostat reports on large differences in the youth unemployment rates between the EU countries, ranging in 2014 from 7,0% in Germany to up to 49,2% in Spain and 53,2% in Greece. To reach more inclusive labour markets and enhance labour market diversity, there is a need to address youth unemployment and offer employment opportunities and hope to young people. Private employment services and their agency work activities are key drivers to enhance and sustain labour market participation of young people, as further exemplified in the second chapter of this paper.

1.2. **At the same time, the labour market participation of older workers has been only moderately increasing in the past years despite ageing societies in Europe.** In the EU-28, the employment rate of older workers<sup>2</sup> stood at 51.8% in 2014, ranging from 34% in Greece to 65% in Germany. Low rates of labour market participation of older workers often does not only mean an under-utilised labour force potential, but often also imply challenges for social security systems, as earlier retirements imply longer pension benefit spells and in the light of demographic challenges in Europe an increased pressure on social security schemes. Private employment services can provide an important contribution in keeping older workers longer in employment, by offering flexible employment solutions (including part-time and temporary jobs) that meet their specific needs.

1.3. **Reconciling professional and family lives and enhancing labour market participation of women:** A further labour market challenge is linked to reaching an improved work-life balance and to better reconciling professional and family lives. Especially young families and single parents are often in need for adaptable employment solutions, providing for part-time employment or job opportunities during certain periods of the year. In some countries, women are experiencing challenges when returning to the labour market after parental leave or career breaks. Eurostat data shows that the labour market

<sup>1</sup> Based on data published by Eurostat in July 2015: <http://ec.europa.eu/eurostat>

<sup>2</sup> Eurostat defines the employment rate of older workers as comprising people at the age of 55 -64.

participation of women in the EU is still considerably low compared to men.<sup>3</sup> Private employment services are particular well-suited to address the specific needs to reach a better reconciliation of professional and family lives and in offering tailor-made, adaptable employment solutions for women and men.

- 1.4. **Improving labour market prospects of people with disabilities:** Eurostat data shows that the labour market participation of people with disabilities is significantly lower compared to the general employment rate. The employment rate of people with disabilities stood at 67.7% for the EU-28, ranging from 55% in Croatia to 80% in Denmark. Also other disadvantaged groups face challenges in gaining labour market access. Private employment services support people with disabilities and disadvantaged group in the labour market, such as migrant workers, by offering tailor-made support services and by facilitating labour market access.

## 2. Six contributions of private employment services to enhancing diversity and labour market participation

- 2.1. An important pre-condition for fostering labour market participation and increasing diversity is to **strengthen drivers of job creation, including a focus on private employment services and the agency work industry.** On an annual basis, private employment services create almost one million more jobs in Europe, out of which 80% would not have created without the option of agency work. The jobs created by the private employment services industry are jobs of quality, offering decent pay, regular working conditions, the protection of health and safety at work and prospects for career progression.<sup>4</sup> Through its job creation role, private employment services thus contribute to more inclusive labour markets.

At the same time, this contribution is currently still hampered by outdated regulation and unjustified restrictions that are imposed on the agency work industry in some countries, such as too short maximum length of assignments<sup>5</sup> or too strict restrictions on the use of flexible contracts.<sup>6</sup> Against this background, Eurociett calls for labour market reforms in the EU Member States, shaping regulation that is supportive of inclusive growth. Also the high-level of social charges on labour in some European countries may impose a barrier to recruitment. Reducing social charges on labour, especially for low-wage earners and first-time labour market entrants would therefore be beneficial.

- 2.2. **Private employment services not only offer work opportunities, but also provides a stepping-stone function and enables labour market transitions.** The most relevant transition in the current economic context is the move from unemployment to work and the fact of remaining employed after engaging in agency work. Most recent statistics from Eurociett member countries show that the majority of agency workers remains integrated in the labour market after their agency work assignments. This is the case for 59% of the agency workers in Sweden, 60% of the agency workers in Austria, 65% of the agency workers in France and Norway. Equally important is the fact that private employment services,

<sup>3</sup> This is also illustrated by recent data published by Eurostat on the labour market participation of women and men, which can be found on the [Eurostat website](#).

<sup>4</sup> See also: Joint research of Eurociett and Uni-Europa on comparing temporary agency work with other forms of employment. The results of this project are available online: <http://www.formsofwork.eu/>

<sup>5</sup> Restrictions related to maximum length of assignments are currently applied in 12 EU Member States.

<sup>6</sup> Restrictions related to labour contracts are currently applied in 13 EU Member States.

their career and matching services, also help workers to move smoothly between different employment statuses, for example from being an employee to acting as self-employed or project workers. Moving smoothly between different employment statuses reflects a changing world of work, which is characterised by an increased diversity of forms of employment. Based on its job creation function and stepping-stone role, private employment services help to integrate young people into the labour market. This is also illustrated by data from Eurociett member countries, illustrating that the majority of agency workers are young.<sup>7</sup>

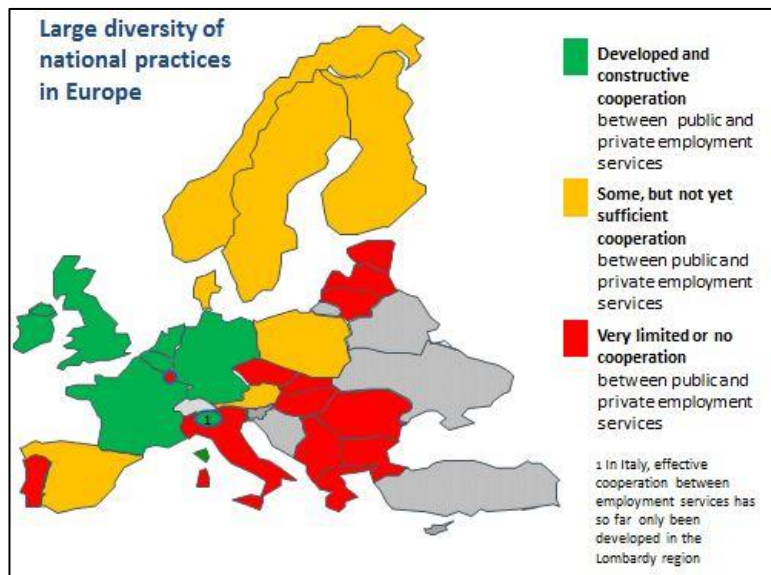
- 2.3. Private employment services furthermore provide tailor-made and adaptable employment solutions to workers in need for flexible contracts**, for instance based on part-time contracts for young parents or by covering maternity leave time. By doing so, private employment services help to reconcile professional and family life, increase labour market participation and diversity. In several European countries, private employment services have developed specific support measures for people with disabilities. The Dutch Eurociett member ABU recently launched an initiative to put 100,000 people with distance to the labour market back at work. This project started in 2015 with 6,000 job placements. The initiative puts a special emphasis on cooperation with public employment services and other public authorities. In Poland, a special project has for example been set up to improve labour market participation of workers with disabilities, focusing on encouraging employment, promoting inclusion of workers with disabilities, supporting employers in the entire recruitment process and designing and implementing learning and development solutions for people with disabilities.
- 2.4. Private employment services also support both young and older workers in upgrading their skills, enabling adaptation and making workers fit for tomorrow's labour market.** On a yearly basis, the private employment services industry up-skills 1.9 million Europeans, given them more work choices. In several EU countries, the private employment services industry has set up bi-partite training funds, which offer tailor-made and demand driven training for agency workers. These training schemes are often directed towards specific age groups, thus supporting older workers to develop their skills, young people to enhance their qualifications and other target groups to address specific needs. The impact of these training schemes is assessed very positively by the agency workers. In several EU countries, private employment services have also become associated with dual learning and apprenticeships, securing the transition from education to work for young people. The German Eurociett member BAP is launching in 2016 a new campaign by setting up a professional qualifications platform. The platform offers training opportunities especially for low-skilled agency workers and lead to certified qualifications.
- 2.5. Private employment services are particularly well placed to offer career guidance and tailor-made support to different groups on the labour market**, including young people and first-time labour market entrants, women returning to the labour market after maternity or parental leave times and older workers, who might have been laid-off or are required to change jobs at the end of their professional career. This support can range from advice on drafting or updating a curriculum vita, support and advice for job interviews, career advice and coaching. Specific and often holistic support services are offered to people with disabilities, who are facing specific needs in gaining access to employment and for remaining integrated in the labour market. Promoting labour market diversity

<sup>7</sup> About 40 per cent of the agency workers are under the age of 25 and 65% are younger than 30. Data based on the Ciett Economic Report, which is available on <http://www.eurociett.eu/index.php?id=202>

and creating more inclusive labour markets is also a key pillar of the Eurociett corporate members' corporate social responsibility policies.<sup>8</sup> These focus on labour market integration, job creation and the engagement with specific groups. The guidance and support services of private employment services are also particularly relevant in the current, political and economic context, in which many EU Member States are faced with an important migration and immigration challenge. Migrant workers who have been granted a legal residence status and who have been provided with a work permit should be allowed to start working as soon as possible, also to avoid undesirable pressure on social security systems. Private employment services can provide guidance and support to migrant workers, facilitate access to language training and support them in finding their first job. At the same time, national regulation should not discriminate against private employment services and the agency work industry. Restrictions on hiring third-country nationals as agency workers, as for example applied in the Czech Republic should be lifted.

**2.6. A sixth key contribution of private employment services to more inclusive labour markets is to be found in partnerships between employment services.**

In several EU Member States, public employment services cooperation with private employment services in order to better match demand and supply of labour, to contribute to the skills assessment and enhancement of job seekers and to increase labour market transparency. The benefits of cooperation between employment services are also recognised











at EU level, for example in the EU policies on youth employment or based on the mandate of the European Network of Public Employment Services, which devotes specific attention to the cooperation with private employment services. At the same time, cooperation between public and private employment services is still underdeveloped in several EU Member States, particularly in southern and eastern Europe, as illustrated in the map above. Against this background, Eurociett calls for strengthening cooperation between public and private employment services to reach more inclusive labour markets.

<sup>8</sup> More information on the corporate social responsibility policies of the Eurociett corporate members, including [Adecco](#), [Gi Group](#), [Manpower](#) and [Randstad](#) are available on their websites.



### 3. To sum up: Eight Eurociett recommendations to enhance labour market participation and diversity

As illustrated in this position paper, Eurociett puts forward eight policy recommendations to enhance labour market participation and diversity. These recommendations need to focus on:

	Allow for a diversity of labour contracts, including open-ended contracts, fixed-term contracts, part-time work and full-time contracts to meet the diverse needs of people in the labour market.
	Implement structural labour market reforms and lift restrictions on the use of agency work to unlock the contribution of private employment services to job creation
	Strengthen the involvement of private employment services in skills assessment, in facilitating access to training and dual learning.
	Develop, in cooperation with private employment services, tailor-made active labour market policies for specific groups on the labour market, such as older workers and people with disabilities.
	Foster and enhance labour market transitions and work mobility (including geographical and occupational mobility), especially through career guidance, intermediation and counselling.
	Unlock the contribution of growing economic sectors, such as business services and healthcare to job creation and inclusive labour markets.
	While reflecting national law and practice, social charges on labour should be reviewed and lowered to make hiring easier and more attractive. For countries with high social charges and high un-employment rates, rebates on social charges for previously (long-term) unemployed should be considered as recruitment incentives.
	Cooperation between public and private employment services should be strengthened to increase labour market participation and diversity.

**About Eurociett:** As the European Confederation of Private Employment Services, Eurociett is the authoritative voice representing the common interests of the agency work industry in Europe. Eurociett gathers 28 national federations from European countries, and 7 of the largest international staffing companies as corporate members. Its main objectives are twofold: to seek greater recognition for the positive role of the employment and recruitment industry plays in better functioning labour markets; to help its members conduct their businesses in a legal and regulatory environment that is positive and supportive.

