

## **Building a safety net for the 21st century workforce**

*"Social Innovation: How social partners in the employment industry create portable social protection, learnability and employability in the Future of Work."*

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### Abstract

*"The world of work is changing. People face more transition in the labour market that challenge the traditional system of social securities and skill training. Social partners in the employment industry together developed a vast array of innovative solutions to create security. These bi-partite initiatives involve unemployment benefits and pensions, health insurance, access to mortgages, maternity leave, training etc. This paper provides an overview on the portable rights solutions implemented by the industry, the variables of success of these initiatives and recommendations on how policy makers and social partners can maintain social security and employability in the future of work."*

### Introduction

Labour markets all around the world face profound changes and challenges due to ongoing shifts in the global economy. As a result - this paper argues – business and workers face increased diversity and more frequent transitions on the labour market. For social security systems to therefore contribute to its own financial sustainability (ie. produce workers that contribute to the system) it must loosen its dependency on a static labour market and be able to deal with this heightened diversity and dynamic and provide labour market transitions across different sectors, forms of contractual arrangements, jobs and businesses. This paper will assess to what extent social dialogue in the agency-work sector has produced outcomes that provide individual workers the opportunity to make more labour market transitions.

The private employment industry, and the agency-work in particular, is traditionally based upon the concept of labour market transition across employers, sectors, labour arrangement and/or jobs and is a means to allocate dynamic labour market demand and/or supply. As an employment-agency (or work-agency) employs the agency-worker it engages in social dialogue with workers' representatives. Like any sectoral dialogue, this social dialogue has produced outcomes that mitigate workers' and employers' interests for security and flexibility. These have resulted in a set of 'portable rights' for agency workers that are maintained as the agency-workers makes labour market transitions across all kinds of different jobs. Given the transitional nature of the agency-work sector, these outcomes might provide interesting suggestions and inspiration for policy makers who need to deal with increasing labour market dynamic and diversity.

The paper will make a qualitative analysis of various research produced by research institutes and policymakers on trends on global economy and labour markets. Secondly it will use research produced by the World Employment Confederation about social dialogue in the agency-work sector. In the first section the megatrends and their challenges will be described, the second section assesses how social dialogue in

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the agency-work is organized, and the third section will provide an overview of the various outcomes that provide portable rights for agency-workers. These portable rights are rights and protections for agency-workers that are gathered and created regardless of the sector, job, or company where the agency-worker has worked.

### Diversity on the labour market and the frequency of transition

Before zooming into the initiatives of social partners in the agency-work sector in the field of social security, first an overview is given of the various labour market trends that have been recognized in literature and by policy-makers. Given the various social and political debates that have arisen as these trends materialized, it can be recognized that these trends provide profound challenges to labour markets and societies.

This section will show that the complexity, fragmentation, interdependence and diversity on and between national labour markets has increased. This has created more opportunities for people to create value in different kinds of way and set its working conditions to one's personal preferences. Yet, on the other side it increases uncertainty regarding the sustainability of one's working arrangement and increases the probability and frequency of labour market transition over the course of one's working life.

By providing the context of these trends and challenges, it can be examined to what extend the initiatives mentioned in the second and third section of this paper, provide solutions to these challenges, and to what extend they do not.

#### 1.1. Trends on labour markets

Labour markets are changing in profound ways. These changes are the effect of several trends on markets, labour markets and in societies and supply chains. This section quickly describes three key trends. They've been addressed in several publications about the 'Future of Work' from policy-makers (European Commission, 2016) (ILO, 2017), civil society (WEF, 2016), business representatives (World Employment Confederation, 2016) (IOE, 2017) and research institutions (ADAPT, 2017).

##### 1.1.1. Diverse work organisation

The way work has been utilized and leveraged in the workplace is becoming more diverse. There's more diversity in the work organisation of production, the diversity of work arrangement grows, and more women enter the workplace. Globalisation has improved the ease of doing business across borders and created greater specialisation and fragmentation in value chains across borders (IBRB/The World Bank, 2017). At the same time a 'blurring' of products and sectors is seen in the form of deliverance of services over the production of manufactured foods. This increase of services has a positive effect on manufacturing growth as they've become more intertwined, increasing the interdependence between them. (OECD, 2017a). Secondly, the number of people working in part-time and/or fixed term jobs or as self-employed is growing. People working in these labour arrangements have been growing between 2007 and 2013, while the number of people working in a full-time, open-ended contract have decreased (OECD, 2016, pp. 22-23). Furthermore, the number of women have entered labour markets have grown. Also, there has been a (slight) increase as female percentage of the total labour force in OECD countries (OECD, 2016a). On a global level a decrease in the gender gap (the difference in percentage of the total workforce between men and women) is visible in all but one region of the world (ILO, 2016).

##### 1.1.2. Digitalisation, data and smart(er) (physical) automation

The impact of how the internet has transformed the way people act as social and productive beings has been enormous. The access to a truly global digital platform has taken personal and professional interaction to a complete new level. In the workplace this has led to several developments. First of all, by leveraging

connected digital technology, workers have increased their overall productivity (OECD, 2017b, p. 11). Key element of this improved productivity is the possibility to divide tasks and procure them through a larger (ie. online) and more efficient marketplace/platform, thereby stimulating competitiveness and specialisation (Malone, Laubacher, & Johns, 2011). Secondly, digitalisation has created an unprecedented way to understand production, consumer and work patterns through the (ever more complex) analysis of data that is generated by the increased use of digital technology in production and consumption (OECD, 2017b). This has furthered the identification of standardized and repetitive actions in production processes and consumer behaviour, taking automation to the next level (OECD, 2015). Automation is even further propelled by the advances in robotics which allows machines to manipulate and anticipate the physical world in (evermore) complex ways (Lee, Ardakani, Yang, & Bagheri, 2015). In effect this will mean that people will more and more share the workplace with connected and digital machines assisting them in the creation of value.

#### 1.1.3. Aging and migration

Thirdly the quantitative labour supply is changing. Everywhere but in Africa, the population is aging. Fertility and mortality rates have dropped, resulting in a decrease in people in the working age population and an increase of people out of the working age population. It is anticipated that the old-age dependency ratio between these two groups will increase until 2030 (ILO, 2017, p. 11). This does not necessarily mean that job opportunities arise as the whole population grows older and more old people leave the labour market. Labour market participation rates, have been stagnant at best. Globally, this means that more and more people in the working age population are leaving the labour market.

On the other side, the amount of global immigrants have rising significantly. The number of migrants globally has increased by 49% from 173 million in 2000 to 258 million in 2017. These migrants originated particularly from Asia (106 million) and Europe (61 million) with Latin America and Africa coming third and fourth (with resp. 38 and 36 million) as region of origin. This growth can mostly be attributed to Africa (+68%), Asia (+63%) and Latin America (+52%) Although most migrants tend to stay within the region of their birth, the number of African and Northern American migrants who do not migrate within their region is growing. All the while the number of Asian, European, Pacific and Latin-American migrants who migrate outside of their region has declined between 2000 and 2017 (United Nations, 2017).

#### 1.1.4. Attitudes to work

As the quantity of the labour supply is changing, so is its quality, workers are changing perspective on the value of work in the trade-off with activities that do not necessary generate income, in particular activities related to family care. This change is of course related to opportunities to generate an income through digital technology. These developments allow for a person to - more easily - work from anywhere and on demand and at any time during the day, and - secondly - digital means provide opportunities to generate value and/or income in other forms of production more easily instead of, or complementary to, wage-employment. More and more value can be created in different ways allowing individuals more flexibility in their decisions to generate an income or not at a specific point in time or place. At the same time the education level increases (Lutz, Butz, & Samir, 2015), providing workers increased leverage over employers and create more choices to generate an income.

More choice and better education have created an enhanced sense of individual self-fulfilment through work. Crucial development and indicator of this preference is the growth of the self-employed in developed economies. 9 out of 10 European self-employed enjoy being their own boss while 60% deliberately choose to be self-employed and 17% indicate a combination of reasons; namely based on their own preferences but also out of necessity (Eurofound, 2017, pp. 10-11). Furthermore, the ILO finds research that shows a deeper personal connection with one's job, employer and product in terms of value and purpose (ILO, 2017, p. 17).

Finally, the way workers and business wish to commit to collective representation and/or regulation on the labour market is changing. There has been a steep decline in Union membership across the world (ILO, 2017b). This lack of association from both workers and employers shows decreasing interest in individual commitment to a collective platform for bargaining of wages.

Yet, this development does not mean that all preferences are shifting. ILO calculates that 81% of the world's workers do value high income and 93% value job security as important parts of a job. Also attitudes towards work diverge greatly amongst workforce in various stages of economic development. Workers' worries about job loss is greater in developing countries than those in emerging or developed economies. Not just the fear of losing one's job is greater in developing countries, also the capacity to generate an income through work is all the more appreciated in those countries (ILO, 2017, pp. 15-17). Therefore, even though the possibilities to work have increased and diverged, it doesn't mean that key features such as income and security against losing work aren't valued anymore, especially in developing countries.

## 1.2. Impact for workers and businesses

These trends influence the way businesses and workers engage on the labour market, but more over they pose a set of positive and negative impacts for workers, businesses, societies at large, labour market governance and the sustainability of income. To assess to what extend social portable rights create an answer to challenges posed to the trends described above, a closer look at those specific challenges is needed.

### 1.2.1. Diversity and adaptation

As diversity increases, it increases the choice of individual labour market actors to engage other labour market players. This increases competition between workers and between companies impacting the way workers and businesses interact. This competition allows for innovation and productivity growth as new, more and better suited products reach consumers more quickly at lower costs. Increased competition requires business models to adapt more often, thereby impacting the labour market demand more often. Increased competition between workers has the same effect: it increases the need to adapt more often to a new reality. Yet keeping up with labour demand is not their only goal, workers change preferences and attribute new value in their work. This changes the character of the labour market supply

Apart from creating innovation and productivity, increased competition increases instability and volatility on the labour market. Those businesses and workers unable to keep up with this development, are exposed to risks as they will not only get behind, but moreover risk getting *further behind faster*. While those business and individuals able to adapt to new realities get *further ahead, faster*.

### 1.2.2. (legal) Complexity, uncertainty and unfair competition

As production comprises out of more and more individual components over different legal entities and national territories, complexity increases and business and working relations become more opaque. Given the above-mentioned competition and volatility, the parties in production also change more often, which increases complexity. This complexity is even further complicated because the interdependence between all the different parts in the same production process.

These complex production processes pose legal challenges as well. First there is the question of jurisdiction as production models transcend national borders involving more and more legal entities. Secondly, there is the question of classification of work arrangements in new ways of creation of value. New work arrangements use existing legal framework to deal with ways of working which had not been anticipated when the respective legal frameworks were created. Finally, the third legal question related to health and safety at the workplace in which it is unclear who is responsible for a safe working environment (for example while tele-working) or liable for accidents during working activities.



Legal questions over one's labour relation and interdependence on more decentralised factors of production increase uncertainty. Potentially making it harder for workers and businesses to make decisions or commitments. If they do, they need some degree of flexibility to mitigate contingency in their commitments. But more importantly individuals and business might choose to postpone or delay decision-making and spending, thereby potentially hurting the economy (Crouch, 2015). Moreover, those businesses and individuals that lack the resources to mitigate risk (either through saving or investing in advice), are even more exposed to this uncertainty. Finally, the lack of a clear and well enforced regulatory framework provides for unfair competition between companies and various production models eventually negatively impacting workers as compliant employers lose ground.

#### 1.2.2.1. Social security sustainability

Finally, an important aspect in this regard is the fact that most existing social protection schemes are tailored to long term work arrangements and/or attached to a particular individual job or employer. This creates a situation where people working in more temporary engagements either have limited access to a set of social security, or benefits and rights are scattered all throughout different (sectoral or public) (social security) institutions (Spasova, Bouget, Ghailani, & Vanhercke, 2017). Furthermore, as the costs of the benefit schemes tend to be included in the long-term work arrangements, the sustainability is challenged when labour market demand and supply are geared towards more temporary arrangements (Schmid, 2015, p. 80).

With regard to the question of social security benefits one always needs to take into account that, according to ILO estimates, two third of all global workers are in an informal working relation. For this great majority of workers, the notion of social security in the structured and rights based way many workers in developed countries know it, is simply non-existent (ILO, 2017).

#### 1.2.3. Skills requirements

One can debate whether digitalisation is a trend 'the world has never seen before' with labour market outcomes 'the world has never seen before', or that it's just another technological development to adjust to accordingly. But one cannot ignore that digital technology significantly impacts labour market demand in the sense that the capacity to create or work with digital products is of growing importance to one's personal productivity. Regardless of the job one is in. (OECD, 2017b, p. 88).

An update of the labour force is already needed regarding the impact of technology, but the potential volatility of labour market shocks challenges workers even further to invest time and income to maintain labour market relevance. Furthermore, we see that those who do have the adequate digital skills do not only have better access to a higher income, they have better opportunity to access training. While those who do not have the necessary skills have worse incomes and lack the access to training (Autor, 2015).

Finally, the increase of technology in the workplace has been associated with the hollowing out of the middle-income jobs as these jobs involve routine-tasks that are most susceptible for automation. Meaning that workers in with middle income skills and waging are either moving up to higher paying jobs or are falling down to less paying jobs. This was first recognized in the United States (Autor, Katz, & Kearney, 2006) and later in Europe (Goos, Manning, & Salomons, 2009). Finally, The World Bank (2016) found indications of it happening in the developing world as well (except for China). Since then this position has been nuanced by finding that not all middle-income jobs are disappearing, but just those that require routine tasks (Holzer, 2015).

Given the volatility described under 1.2.1., the need to adapt one's skill set to maintain labour market relevancy is becoming more frequent. This not only requires the capacity to acquire a set of valuable set of skills, but also the capacity to do so again over the course of one's life. Acquiring new skills, either in school or at the workplace, impacts productivity of the labour supply and the capacity to generate an income (growth). While

not investing time or (less) income in training exposes workers to income loss or dependency on collective means of income.

#### 1.2.4. Intergenerational dependency and integration

Looking at the demographic developments addressed above, it arises that in the developing and emerging regions of the world a labour supply shortage can be expected. At the same time female labour participation rates lag those of men. In Africa a labour supply surplus appears to develop. This provides for potential to integrate more women and migrants on domestic labour markets.

At the same time, the total dependency ratio tells us the proportion of the population not in the workforce who are dependent on those in the working population is growing. Although a success of humanity to increase longevity, this poses a challenge to the sustainability of collective support as less people will have to support more people. But it also creates new demand as more and more people will need care and support. At the same time migration, although a clear answer to labour shortages, poses a challenge to successfully integrate them into society and the labour market.

#### 1.3. Increased transitions

The trends driving the labour market shows a transition that reflects the transition in the economy as a whole. Increased diversity on the labour market follows globalisation and digitalisation. Increased competition between more individual units has the potential to improve productivity and innovation and allows for individuals to find new ways to balance how they value work versus free time and/or other responsibilities or preferences (including holding different jobs at the same time). This improves access for women and men on the labour market and provides labour market opportunities for young people in Africa and in other parts of the World.

Yet, as global diversity of production and preferences and competition increase, so too does the need for more frequent labour market adaptation of the working age population. More labour market transitions also means that more people will experience a period of unemployment or the need to re-educate themselves as previous education lost relevance or insufficiently deals with future production models, digital technology or organisations of work. Moreover, the importance of those in the working-age population to be able to successfully make the transition is even further highlighted by the expectation that more elderly will be dependent on the capacity of the former group to finance safety nets for the latter.

### Collective bargaining in the employment industry

Before going into the specific social security solutions in the employment industry, a quick overview of collective bargaining in employment industry is given in this section. This serves to acknowledge the different national characteristics, but also its competence and ability to develop labour conditions and social security solutions for agency-workers. This competence is crucial to differentiate collective bargaining for agency-workers from collective bargaining for workers in other sectors. Work-agencies differentiate themselves from other employers because they inherently provide job opportunities and labour market transitions in different sectors and/or companies. Thereby providing benefit from work across sectors and businesses to the employer (work-agency) and the employee (agency-worker).

The employment industry all around the world is actively engaged in social dialogue and any other forms of social consultation including the representation of private employment agencies in collective agreements as one of the rights of being an employer. However, social dialogue does not necessarily represent the only model applicable, and is certainly not the case in Anglo-Saxon countries.

National federations represent agencies as employers in the rounds of negotiations or social consultation. Such representation can be directly exercised by the federation or through the national representative of employers. The employment industry's representation and social participation is therefore assured at the national level through federations.

Bearing in mind the ILO definition of social dialogue<sup>2</sup>, it is possible to divide the employment industry's involvement in four different categories. The first one comprises countries where there is total lack of social dialogue, even at the informal level: in such category fall the USA and Ireland, where social dialogue is not in place at all, but also China and Vietnam. United Kingdom would fall in this category as well, although in 2010 during the elaboration of the Agency Work Regulation, a tripartite social dialogue took place.

The second category contains countries that apply a so-called tripartite social dialogue, meaning a social dialogue composed by the Government, Unions and employers' representations. This category is the most numerous, containing Belgium, Finland, Portugal, but also Canada and Australia. The third category includes countries that apply a so-called bipartite social dialogue, including only unions and employers' representations, such as in Germany, Denmark, the Netherlands, Argentina and Mexico. Finally, the last category includes countries where social dialogue is organized both in a tripartite and bipartite way, such as France and Spain.

This brief mapping of social dialogue involvement shows the diversity of countries' organization under such aspects, even between countries that share cultural, geographic and legal features (e.g. Anglo-Saxon countries are divided between the complete absence of social dialogue, as in the USA, or the tripartite social dialogue, as in Canada).

Table I: The employment industry's involvement in social dialogue

In countries where social dialogue is in place, it can take on multiple forms, due to the particularity of the triangular relationship: the agency is the employer of the worker who is assigned to companies that signed a commercial contractual relationship with the agency. Therefore, social dialogue (and collective agreements as will be explained later) can be focused either on agencies as an individual sector or on the different industrial and services fields to which the worker is assigned to. In the first case social dialogue will be at the sectoral level, whilst in the second case it will be at the cross-industrial level, which is by far the most used in practice. Finally, some countries, such as Scandinavian ones (with the notable exception of Norway) implemented a mixed system, in which social dialogue takes place both at the sectoral and cross-industrial level.

Table II: Social dialogue in the agency-work sector

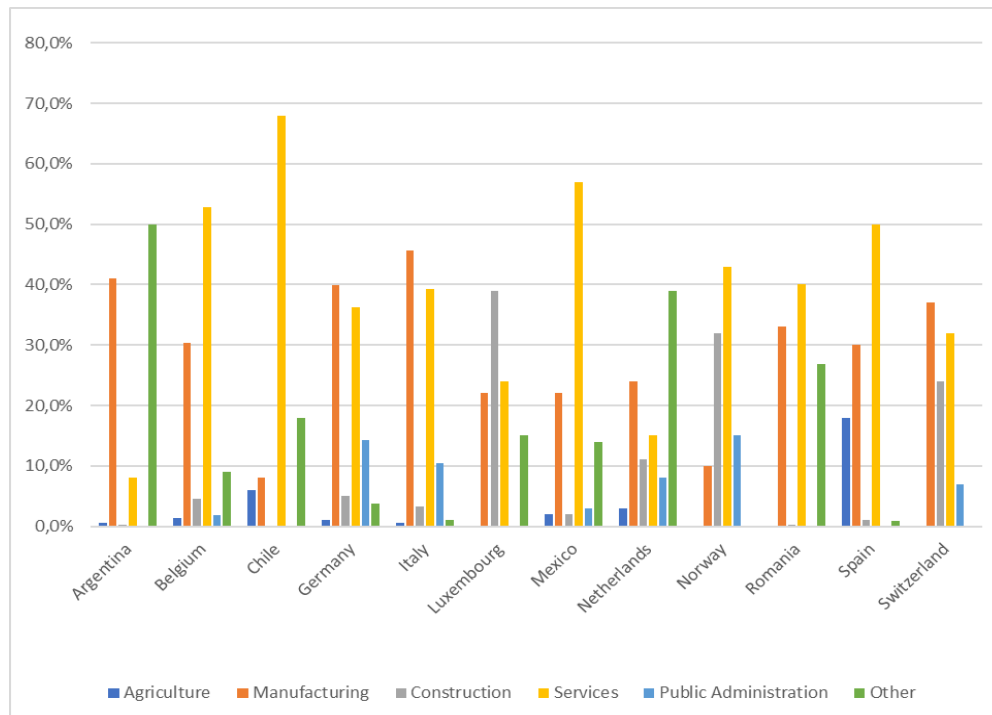
The panorama is very diverse: the first important division is between States that either have or do not have a specific agency work (AW hereafter) collective agreement. In both cases cross-industrial collective agreements cover agency workers through specific clauses, although in States where a dedicated AW agreement has been implemented the relationship between the two legal tools (AW collective agreement and cross industrial clauses) is defined by the national legal framework. A brief summary of countries that do or do not have a dedicate Agency Work agreement is presented here. As expected, countries that have a dedicate AW collective agreement do also have social dialogue at sectoral level, with the only exception of Austria.

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<sup>2</sup> "Social dialogue is defined by the ILO to include all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy" (ILO, s.d.)

Table III: National differences of Agency-Work Collective Labour Agreements

As demonstrated by this chapter, the employment industry representation can be configured in multiple ways, due to the unique character of the triangular relationship, that lead to people working in different economic sectors as shown in the graph below.



Agency work sectoral distribution.. Source: National Federations of the World Employment Confederation

As a consequence, the employment industry is used to elaborate solutions that are applicable to many specific sectors, in order to respond to the changing nature of agency workers' role in different areas. This unique characteristic is a valuable skill for facing the challenge of portable rights and, as the next chapter will show, it has indeed already been used in practical solutions.

### Social innovation by social partners in the employment industry

The transition challenge discussed in the first section, puts forward the question if and how social partners in the agency work sector have been dealing with labour market transitions inherent to their business model. These solutions provide general understanding about how and under which conditions social partners in general can play a role in dealing with these changes. Furthermore, it might provide insight to policy makers looking for ways to re-adjust safety nets in a new system.

The baseline of this new system should be the portability of workers' rights. Indeed, only portable rights, attached to persons and not contracts, can properly follow workers through their different working transitions for a long time already. The agency-work sector has been gaining experience in the portable rights sector, due to its unique characteristics that led agency workers to be assigned to different sectors. The most notable and successful examples are the bipartite funds constituted in seven European states: France, Italy, Switzerland, Austria, Luxembourg, Belgium and the Netherlands.

The history of bipartite funds began in France in 1983, which was the first of its kind to be created through a collective agreement: the FAF.TT (*Fonds d'assurance formation du travail temporaire*). Still today, France is



leading in portable rights as it provides rights in all five areas: pensions (namely old-age, invalidity etc.), training, health care complementary schemes (namely extra allowance in case of illness or accident at work), social benefits (contribution for studying, support to get a loan etc...) and inclusion and coaching (guidance in the career development). The bipartite nature of the funds is determined by the governance system of the funds, composed half by workers representatives, and half by employers' representatives. This makes bipartite funds a unique and neutral meeting point of the two social parties. All bipartite funds have been established through collective agreements, only the Italian training fund, Formatemp, has been settled through law. The portability of rights is twofold: firstly, agency workers' rights acquired through bipartite funds are transferable in case workers change agency, secondly they are portable through the different sectors to which workers are assigned.

All bipartite funds are financed by a contribution paid by the employer, normally calculated as a share of agency workers' gross salary, although they can also receive complementary forms of funds. One example of the latter is the FAF.TT in France which is financed also by the State and the European Social Fund (Casano, 2011, p. 180). They are normally offered to agency workers only, although there are exceptions either dedicated to ex-agency workers or unemployed people who want to begin their career in agency work.

The bipartite funds are very diversified, delivering a complete range of Social Rights:

Table IV: bipartite funds in the agency-work sector

#### 1.4. Training funds, inclusion and coaching

Training bipartite funds are the most numerous ones being present in each of the seven countries, making training the most important portable right in the industry. Beneficiaries of the training are mainly agency workers who meet certain seniority requirements, although there are some exceptions. For example, Le Fond de Formation des Intermaires in Belgium launched a programme named "Learn4Job" dedicated to unemployed people who want to acquire competences to work in agency work. In order to accomplish its objective, Learn4Job provides training specifically tailored on labour market demand's needs. Moreover, in France the FAF.TT foresees a service named "Préparation Opérationnelle à l'Emploi" (hereafter POE) which is dedicated to unemployed people providing guidance and training to get employment in a specific company. 6189 POE programmes run in 2015, 87% of which ended with a job (FAF.TT, 2016, p. 30). In the Netherlands, the STOOFF provide a training voucher to agency-workers, ex-agency workers (who have at least worked 32 hours as agency workers in the previous 6 months) and young jobseekers under 28. The voucher conditions require that the training course is relevant for labour market and a level of education lower than MBO4 (which is equivalent at a vocational training secondary school). The training voucher's amount is 500 € and it represents an opportunity for such people to upskill their knowledge and increase their employability in the labour market. Finally, also the Swiss Temptraining foresees the possibility for ex-agency workers (who have worked in the previous 12 months) to apply for training

Agency workers' requirements to benefit from a training services vary widely, but are mainly focused on the employment contract type and on seniority. For instance, in Switzerland Temptraining has three different levels of services, based on agency workers' seniority, that is directly proportioned to the amount of the training voucher, whilst in Italy Formatemp delivers different services considering the contract held by the agency worker (either temporary or permanent). The training can be either provided externally through accredited institutions (Belgium, Luxembourg, Austria, Switzerland, Netherlands) or both internally and externally (Netherlands, Italy and France). Agency workers' rights can be either bonded to their current mission/job or not: professional training measure such as Contrats d'insertion professionnel intérimaires (CIPi) and Contrats de développements professionnels intérimaires (CDPI) in France, or On-the-Job training in Italy, are strongly linked to the competences needed to accomplish agency workers current assignment. By contrast, the Congé Individuel de Formation (CIF, a paid training leave period) and the above mentioned

STOOF voucher are training tools where the agency workers can enrol any training, provided that it is relevance for the labour market.

The standard procedure of bipartite funds foresees the activation of the agency worker who has to apply for the training. If the requirements are met, the training measure is provided either through a voucher to be spent in a partner institute or through an internal training class. In case the training is provided externally, the fund directly pays the invoice. After the accomplishment of a training measure, each fund foresees a waiting period before granting access to new measures.

Article 25 of the Italian agency sector collective agreement foresees a procedure in case of lack of working opportunities. Such procedure is triggered when an agency cannot provide to its open-ended agency workers (who have worked at least 30 weeks) with assignments. It is particularly relevant for this paper as it activates training measures and income benefits in order to on the one hand improve workers employability through a requalification training and on the other hand support them with a monthly contribution throughout the process, which can last up to 6 months and reach up to an amount of 850€.

Finally in the field of inclusion portable rights, in France social parties have founded the FSPI (Fonds de Sécurisation des Parcours professionnels des salariés Intérimaires) in 2014, a fund specifically designed to create 20.000 agency work open-ended contracts and the increase of 5% more working hours for 80.000 agency workers. First of all, the programme provides an interview with the agency worker and the creation of a training pact, then training classes are provided in order to reach the objectives of the fund.

#### 1.5. Complementary Healthcare and Pensions

Bipartite funds provide complementary pensions and healthcare schemes for agency-workers, tailored on the characteristics of their particular labour arrangements in which cycles of work might alternate with periods of no work. Portable pension rights are available in France through AG2R, although this fund is not bipartite, and in Netherlands through the STIPP. The STIPP requirements foresees a working period of 26 weeks (not necessarily continued) to start saving for a pension. The pension does not need a continued working time to gather contributions, as the requirement after the waiting period is to work at least once in the agency sector within 52 weeks. In case of beneficiaries terminating their work in the agency sector, the portability of pension is guaranteed as it moves together with them as it can be transferred to a new pension institute. AG2R, besides providing pensions, has also implemented healthcare and maternity complementary schemes for agency workers. It provides an allowance in case of illness during an assignment: the allowance is delivered from the 5<sup>th</sup> day of illness and can continue also after the end of the mission (in case the ill-period amount at least 19 days). Since January 2016, the FAST in France also provides a complementary health insurance, that has covered 1 million workers so far (Prism'emploi, 2017, p. 40): the insurance covers automatically agency workers with either a contract that must either be open ended or last at least 3 months, whilst it is applicable to anyone that has worked at least 414 hours in the previous 12 months. Both AG2R and Le Fond Social (in Belgium) provide a complementary allowance in case of professional illness or accident. Ebitemp in Italy provides a complementary healthcare system in case of illness or accident at work and an allowance for medical expenses during a working assignment. AG2R services include also a complementary maternity or adoption allowance. Ebitemp dedicates two allowances to maternity or adoption leave: the first one is complimentary to the national one, whilst the second one is dedicated to working mothers who do not meet the national requirements. It is important to notice that neither in Italy nor in France an active working assignment is required to apply for the allowance, as it is sufficient to have worked as agency worker in the previous 12 months (France) or 6 months (Italy).

#### 1.6. Social Benefits

Social Benefits is a residual category including a large range of services: unemployment complementary benefits, income integration, and childcare measures, incentives for studying, mobility and loan support.

Proceeding in orderly fashion, in Austria and Italy bipartite funds provide a complementary scheme for unemployment. In Austria the benefit is an *una tantum* sum, which can be delivered twice if the unemployment period lasts for more than one month, and requires at least 2 months of continued work, whilst in Italy the *una tantum* sum can be requested by agency workers unemployed for 45 days and who has worked 110 days in the previous 12 months.

During a working assignment it can happen that the user company reduces the working time or even suspends the period due to internal problems. Such situation can impact the agency workers' income, therefore in Italy and Belgium bipartite funds provide an income integration to agency workers. Bipartite funds support workers in getting a loan or a mortgage from banks, or directly from the fund itself at 0% rate. In 2016 the FASTT in France has provided 2150 mortgages to agency workers and supported 21.900 agency workers providing funding advise to get a negotiated rate (Prism'emploi, 2017, p. 39), whilst Ebitemp in Italy has assisted 57.600 workers in getting either a loan or a mortgage from a bank (World Employment Confederation, Survey on Members, 2017). As agency workers can be assigned in many different places, renting and searching a house can be a difficult task to accomplish. FASTT provides support in house searching, compensating half of real-estate agency fees and offering three years warranties to landlords in case of potential rent default payments/deteriorated housing. In 2016, 4.500 agency workers have been supported through house searching and 6.000 people have rented a house to agency workers thanks to FASTT warrants (Prism'emploi, 2017, p. 39).

Mobility is an essential part of the agency workers' job as working place changes in each assignment: FASTT and Ebitemp have implemented portable rights to ease workers' mobility. Ebitemp subsidises 80% of a monthly pass to workers who are working in a company situated in a different municipality, whilst FASTT provides renting cars at a reduced cost, subsidies for public pass, it helps workers getting a driving licence and finance them through loans to get a car. In 2016, 6.000 vehicles have been rented at reduced cost and 2.150 loans have been granted in order to buy a vehicle, 962 of which were microloans (Prism'emploi, 2017, p. 39). Moreover, Ebitemp also delivers a *una tantum* sum in case a worker moves for working purposes.

Lastly, bipartite funds deliver also childcare rights. FASTT provides a professional babysitter, tailored on children age, within 48 hours from the request, it also takes part in the costs of the service. In 2016, 4.911 solutions of child care have been provided to parents agency workers (Prism'emploi, 2017). In Italy, Ebitemp contributes to kindergarten for mothers who have worked at least 3 months during the previous 12 months.

#### 1.7. Social dialogue and the creation of portable rights

Bipartite funds represent a concrete model of portable rights, although tailored on the agency workers sector. The sector's characteristics have encouraged social parties to find alternative solutions to the classic social system completely based on open-ended full-time contracts, implementing a range of rights who are rather attached to the worker than to its contractual relationship or sector. All of these safety net solutions are not just the result of social dialogue, but of course also of the national labour market and social security specifications of the countries. Yet analysis of these systems shows some generalisations can be made.

First of all it is important to note that all products described are based in Europe. This reflects the strong tradition of social dialogue in that continent, as well as the broad recognition of agency-work in countries of the European Union (EU). This tradition of social dialogue also provides social partners in many European countries to some degree of legal prerogative to bind employers and employees and create benefits supplementary to national benefits.

Secondly, when combining Tables I-IV to show how many social partner benefits have been created within each regulatory model, it strikes out that portable rights for agency workers are created in frameworks where there is a dedicated agency-work collective labour agreement and dedicated sectoral social dialogue. Furthermore no portable rights are created by social partners where there is just cross-industry dialogue. This indicates that dedicated social dialogue about labour conditions in the employment agency sector is conducive for creating portable rights.

Table V: creation of portable rights in different forms of social dialogue

Thirdly, all of rights described are attached to a threshold of some sort, mostly in time and a minimum amount of hours-worked. That means not all agency-workers have access to them until they meet the particular threshold.

Finally, in every country where social partners create portable rights, they do so in the field of training. Secondly these training rights – once acquired – are to some degree accessible even after the contractual relationship has ended. This shows that social partners first and foremost recognize their collective interest to create portable training rights. Based upon the results presented in Table II, it can be stated that where there is dedicated sectoral dialogue in the agency-work sector, this dialogue will create training rights of agency-workers. When social partners of other sectors deal with agency-workers (cross-industry dialogue) no portable training rights are created by these social partners.

## Conclusions

This paper showcases to what extend social innovation in the agency-work industry provides solutions to trends impacting national labour markets. This industry provides potential for solutions as it inherently deals with providing work across different companies or sectors. These conclusions assess to what extent they do.

The first chapter briefly addresses the trends impacting economies and markets, and therefore labour market supply and demand. It showcases that these trends - individually and in combination – increase competition in a more diverse environment. Thereby increasing the potential for more and faster growth, innovation and choices for individuals to work, care and leisure as they please. But also it shows the risks of individuals in the working age population getting behind faster, while the population *out* of the working-age population (depended on the former) is increasing. As markets develop more quickly, business and workers will need to transition more often to maintain market relevance and contribute to the sustainability of existing social security.

The second chapter addressed the particular dynamic of social dialogue in the agency-work sector. In order to respond to the changing nature of agency workers' role in different areas, companies and sectors, the agency-work sector is accustomed to solutions that are needed to make labour market transitions. This unique characteristic is a valuable specification for facing the challenge of portable rights that transcend sectors and individual companies.

The third chapter provides empirical outcomes from social dialogue in the agency-work sector in different European countries. These outcomes show how in the agency sector a myriad of rights are created in the field of skills development, pension, healthcare, disability, housing, childcare, and other forms of social benefit. The diversity of these instruments is great across countries and secondly, they are mainly confined to the countries which optimally recognizes the agency-work sector to negotiate its labour conditions (which have (1.) sectoral social dialogue and (2.) dedicated agency-work collective agreements). Secondly the build-



up of rights is in all instances related to some kind of threshold in time. Yet in all countries where social dialogue creates portable rights, the issue of education, skills development and training is part of these rights.

As labour market change, so must their support systems that are currently depending on them. Given (1.) the increased unpredictability on the labour market and (2.) the anticipated increase of labour market transitions, these systems must induce individuals to develop the *capability* to successfully transition on the labour market. Skills training – in particular digital skills – are of crucial importance to this transition and the ability to contribute to the economy and the support systems. Yet, public support for these systems rest upon its financial sustainability. This highlights the urgency for policy makers of adaptation and innovation in social support and security. The role of the labour market intermediation is even more important in the future of work, as they act as an counteragent for information asymmetry, easing transitions through different jobs and sectors.

Social dialogue in the agency-work sector specific can provide inspiration for this social innovation. There where social dialogue in the agency-work is fully recognized, it provides rights, support and access to skills training *regardless* of the sectors, jobs, companies and roles the agency-worker works in or has worked in. This provides flexibility to the workers without jeopardising its access to these rights, and provides flexibility to the labour market to deal with an ever more unpredictable and online world market. The triangular relationship that characterised agency work definition can guarantee necessary flexibility and diversification for labour market needs, offering jobs opportunities and negotiation expertise to place the right person in the right job. Moreover, the agency acts as a reliable intermediary for companies, shortening and boosting their hiring process while at the same time it creates a safety net through the social tools explained in this paper.

Of course, limitations do apply to these conclusions. First of all, recognition of social dialogue in the agency-work sector is no silver bullet. Other structural factors apply to social security sustainability that are not addressed in this paper such as the existence of general pension schemes, public unemployment insurance and other forms of publicly available social support, in particular for education, life-long learning and skills training. Furthermore the portable rights showcased in the third chapter are all European, representing its limitation from a global perspective. Finally, some rights will only be available after a certain period of employment. Meaning that those who do not make it to that threshold are not covered by those rights.

This nonetheless shows that social dialogue is by no means inherently attached to work in the 20<sup>th</sup> century and may hold added value for labour markets in the 21<sup>st</sup> century. Yet, it does require recognition from policy makers that working in the 21<sup>st</sup> century will transcend working in one company over the course of one's life and will see more diverse forms of work and work organisation. Recognition of the agency-work sector to negotiate on behalf of agency-workers and work-agencies is one way to put that recognition into policy action. Doing so provides those social partners to come up with solutions that allow agency-workers to transition on the labour market without losing their access to vital social support.



## Tables

No Social Dialogue	Bipartite Social Dialogue	Tripartite Social Dialogue	Both Bipartite and Tripartite Social Dialogue
UK, Ireland, USA, China, Vietnam	Denmark, Germany, Netherlands, Norway, Switzerland, Argentina, Mexico	Austria, Russia, Belgium, Canada, Czech R., South Africa, Finland, Latvia, Poland, Portugal, Australia	Bulgaria, France, Spain













Table I: The employment industry's involvement in social dialogue

Sectoral Social Dialogue	Cross-Industrial Social Dialogue	Sectoral and Cross-Industrial Social Dialogue
Austria, Belgium, France, Germany, Italy, the Netherlands	Bulgary, Czech R., Hungary, Latvia, Lithuania, Norway, Poland, Portugal, Slovenia, Argentina, Australia, Canada, Russia, South Africa	Denmark, Finland, Sweden, Switzerland

Table II: Social dialogue in the agency-work sector

Table III: National differences of Agency-Work Collective Labour Agreements

Dedicated AW Collective Agreement	No Dedicated Collective Agreement
Denmark, Finland, France, Germany, Italy, Netherlands, Romania, Spain, Sweden, Switzerland, Belgium	Austria, Croatia, Bulgaria, Czech Republic, Estonia, Greece, Hungary, Ireland, Latvia, Lithuania, Norway, Poland, Portugal, Slovakia, UK, Argentina, Australia

Country	Training	Pension	Healthcare Schemes	Social Benefit	Inclusion and Coaching
Austria					
Belgium					
France					
Switzerland					

<sup>3</sup> Rëunica is not a bipartite body, but provide portable rights to the agency sector.

Italy					
Luxembourg					
Netherlands					

Table IV: bipartite funds in the agency-work sector

		<i>Table I</i>			<i>Table II</i>			<i>Table III</i>	
		Bipartite Social Dialogue	Tripartite Social Dialogue	Bipartite + Tripartite Social Dialogue	Sectoral Social Dialogue	Sectoral + Cross-Industry Dialogue	Cross-Industry dialogue	Dedicated Agency-work CLA	Other
<i>Table IV</i>	Training	2 (NL, CH)	2 (AU, BE)	1 (FR)	5 (AU, FR, BE, IT, NL)	1 (CH)		5 (BE, FR, CH, NL, IT)	1 (AU)
	Pensions	1 (NL)		1 (FR)	2 (FR, NL)			2 (NL, FR)	
	Healthcare	1 (CH)	1 (BE)	1 (FR)	3 (BE, FR, IT)	1 (CH)		4 (BE, FR, CH, IT)	
	Social Benefits		2 (AU, BE)	1 (FR)	4 (AU, BE, FR, IT)			3 (BE, FR, IT)	1 (AU)
	Inclusion & coaching			1 (FR)	1 (FR)			1 (FR)	

Table V: creation of portable rights in different forms of social dialogue

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