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SOCIAL INNOVATION IN THE TEMPORARY AGENCY WORK INDUSTRY

EXECUTIVE SUMMARY

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ABOUT THIS REPORT

This report was commissioned jointly by the World Employment Confederation-Europe (WEC-Europe) and UNI Europa Temporary Agency Work in the framework of the European Sectoral Social Dialogue on temporary agency work, which aims to investigate the Social Innovation in the temporary agency work sector. The World Employment Confederation-Europe brings together 29 national federations of the private employment services industry in Europe, and seven of the largest, multinational companies providing workforce solutions. UNI Europa, which is headquartered in Brussels, is the European trade union federation for 7 million service workers, representing 272 national trade unions in 50 countries.

The report was launched at a Pan-European Conference organised in Brussels on 1 December 2020.

ABOUT THE AUTHORS

This report is the result of a combined effort by a team of researchers drawn from the two institutes: Sara Baiocco, Willem Pieter de Groen (coordinator) and Zachary Kilhoffer from CEPS and Karolien Lenaerts from HIVA.

ABOUT CEPS AND HIVA

The research for this study was conducted by Centre for European Policy Studies (CEPS) and the Research Institute for Work and Society (HIVA) at KU Leuven. Founded in Brussels in 1983, CEPS is widely recognised as the most experienced and authoritative think tank operating in the European Union today. HIVA is a multidisciplinary research institute specialised in evidence-based policy-oriented research on issues related to work and organisation, social dialogue and industrial relations, education, poverty and integration, welfare, housing, and similar societal challenges. Both institutes are deeply committed to the absolute independence of their work, rooted in the individual independence of their scholars and the diversity of their funding sources.

ACKNOWLEDGEMENTS

EXECUTIVE SUMMARY

This study presents a selection of 15 social innovation practices for skills enhancement and training, working conditions and social protection. These practices are from the temporary agency work sector and beyond, to consider the possibility of mutual learning and exchange of practices across sectors. The practices are implemented in nine countries across Europe. This wider geographical coverage allows to consider different socio-economic and institutional contexts in which social innovation takes place. Moreover, one practice is implemented world-wide and several others have this potential.

The comparative analysis has gone through four main aspects. First, it has considered the objective of each practice and their relevance to the most pressing challenges of the temporary agency work sector and of the economy overall. Second, it has looked at the social innovation features that make the practice interesting to provide novel solutions to these challenges. Third, it has studied what are the factors for success of the practice. Fourth and final, it has explored the potential to scale-up or replicate the practice to other sectors or other countries, considering the specific conditions for its implementation.

In the field of **skills enhancement and training**, six social innovation practices have been analysed: Testyourselfie, Open Badges, Headai, PhyD, Learn4Job and Grand école de l'alternance. Despite intervening from different angles, all these practices have the **objective** to address skills gaps. Whether implicit or explicit, their ultimate goal is to reduce unemployment while providing the skills needed for a competitive economy. As such, not all these practices are specific for the temporary agency work sector.

Skills enhancement and training is the area that leverages the most on digital technology, among the three areas covered in the study. The use of digital technology to tackle social challenges is an **aspect of social innovation** in several of these practices (Testyourselfie, Headeai, Open badges, Phyd). For others (Learn4Job, Grande école de l'alternance), the collaborative approach and multi-actor cooperation are the main innovative aspects. Innovation regards also advancements in validation, visibility and measurement of soft skills. A good understanding of the challenges experienced in the temporary agency work sector and the labour market at large is ensured by the involvement of several parties in the design and
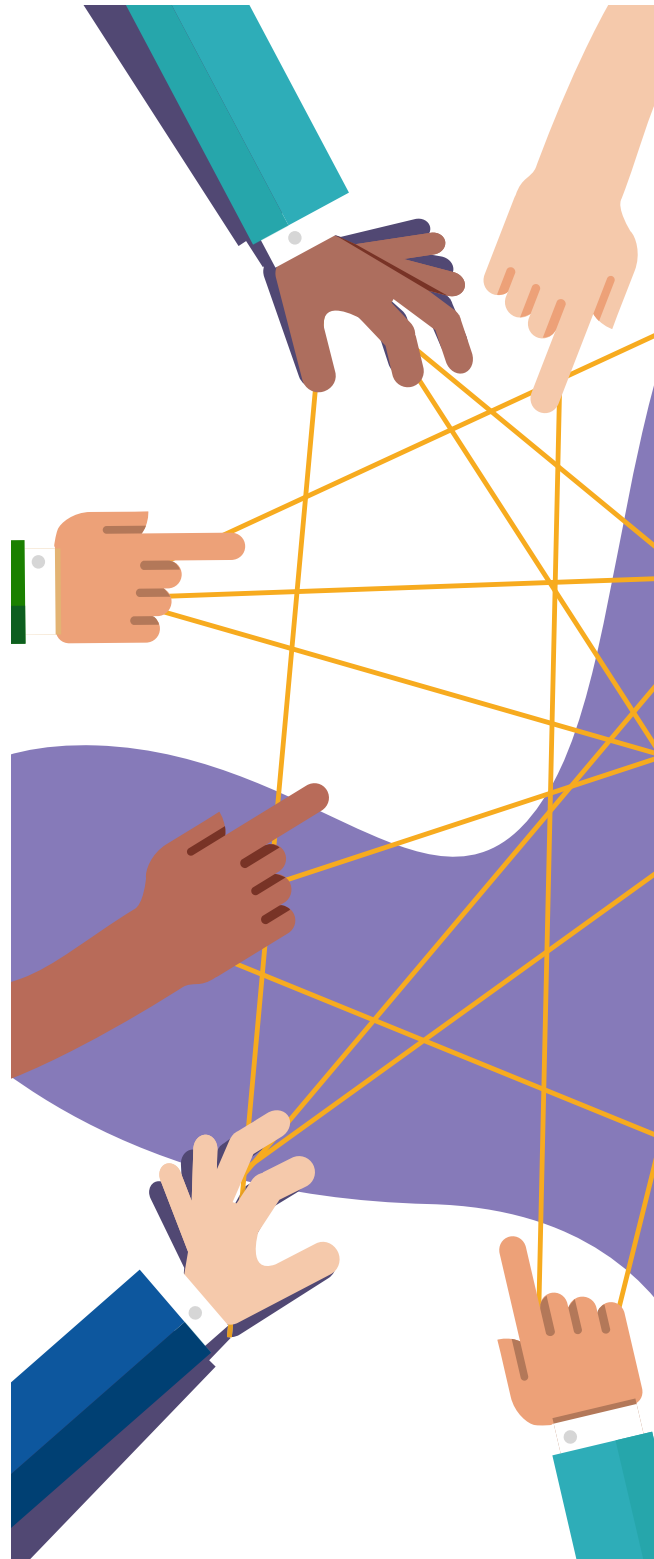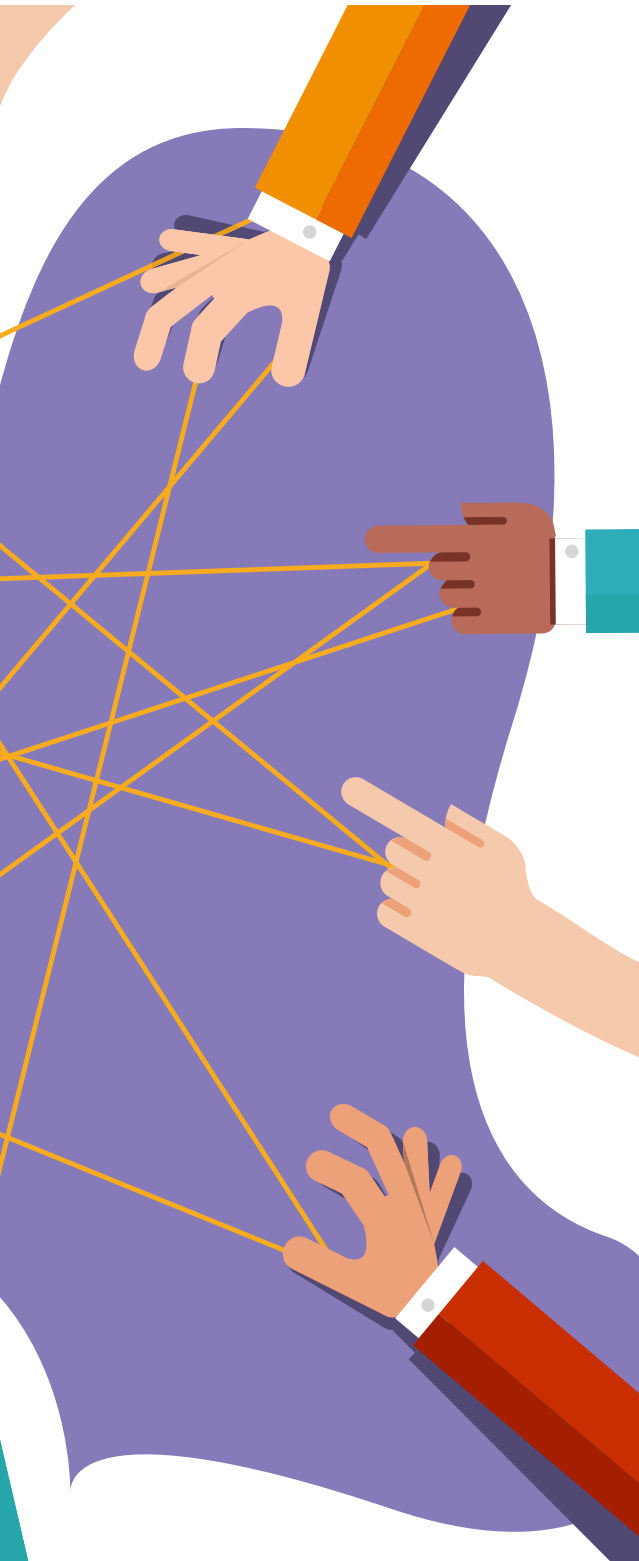
implementation of the practices. In several cases, the use of technology enables and step up these fit-for-purpose solutions.

The **success factors** relate to social innovation features. Digital technology allows limiting the costs of the initiatives and, after an initial investment to benefit from scale advantages. Collaborative approaches often based on social dialogue bring multiple actors' views, needs and ideas on board and ensure engagement in shared solutions to common problems. Although in some cases digital technology and collaborative approach go hand-in-hand (e.g. bi-partite collaboration such as Testyourselfie), this is not always for granted. Systematic involvement of social partners in digital solutions for skills enhancement and training could help addressing open issues regarding data protection, when the ownership of digital technology and user data are concerned.

The **scalability and replicability** of these practices is feasible because the challenges that they address are not specific to the temporary agency work sector, but rather affect to an increasing extent the overall labour market (e.g. skills gaps, visibility of soft skills). However, the degree of scalability and replicability is not homogeneous for all the social innovation practices showcased for skills enhancement and training. It is relatively easy and low cost to scale-up and replicate digital innovations across countries and sectors. Actually, scaling up and replicating could increase the cost-effectiveness of the practice, thanks to low marginal costs. By contrast, replication and scaling-up of practices that build on collaborative approaches are dependent on availability of funds, as well as legislative and institutional context of the country or sector. Conducive regulation for work-based learning and access to funds to sponsor training can help replication and upscaling. Similarly, involvement of social partners in the design and implementation of the innovative practices and a developed temporary agency work sector can contribute to success when replicating these practices in other contexts.

WORKING CONDITIONS

For **working conditions**, four social innovation practices have been analysed: Alles-in-1 voor uitzendkrachten, TAKpełnosprawni, Prevention & Interim and Action protocol. Among these practices, the specific objectives are more diversified than in the other areas considered in the study, reflecting the multifaceted nature of working conditions. There common goal is to improve working conditions in the temporary agency work sector, either in general or for specific target groups.

In this area, the **social innovation features** are represented by the involvement of multiple actors in the practices as well as a comprehensive and holistic understanding of several aspects of working conditions. The former is also a **key driver of success**. In addition, the modular and step-by-step implementation, often proceeding though piloting also drive success. Another aspect relates to the costs of the practices and access to funding, which are important factors determining whether social innovation practices can be implemented (e.g. to improve workers' employability). Finally, several initiatives managed to reach high efficiency and effectiveness thanks to a clearly defined scope and target groups.

As for some practices in the area of skills enhancement and training, the **upscaling and the replicability** of social innovation practices in the field of working conditions depend on the national legislative and institutional framework. Working conditions are governed by labour legislation, collective bargaining, minimum standards, traditions and practices set at the European, national, sectoral and organisational level. Therefore appropriate regulation and well-functioning social dialogue at all levels are key conditions to foster learning and enhance the scalability and transferability of these social innovation practices. The social partners thus have an important role to play in this regard, by advancing social innovation in working conditions through collective bargaining, setting the policy agenda and their role in the design and implementation of policies.

SOCIAL PROTECTION

For **social protection**, five social innovation practices have been analysed: Ebitemp, Interimaires Sante, Tempcare, Perspectief Verklaring and CAP INTER. These practices cover different aspects of social protection, but they often have the **objective** to compensate the gap in effective social protection experienced by temporary agency workers.

For several of these practices, the **social innovation aspect** lays primarily in the involvement of multiple actors and stakeholders to respond to the challenges they face. The social dialogue, collective bargaining and constitution of bi-partite management body help to lower the costs of social protection, thanks to the creation of a critical mass for service provisions. Social partners and social dialogue plays a significant role for the social protection practices, including for defining entitlements, funding criteria and standards for the provision of the services.

Upscaling and replication of the social innovation practices is often not straight forward. This is due to the potential costs involved in the implementation and service provision and to high dependency on the social dialogue systems. Moreover, the overall legislative and institutional context also play an important role to decide on the scalability and replicability. Nevertheless, the potential for improving the social protection through collaboration between stakeholders and economies of scale is universal.

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