

LATEST FULL-YEAR SECTOR DATA REVEAL EXTENT OF COVID-19 ECONOMIC IMPACT ON PRIVATE EMPLOYMENT SERVICES

Most segments in the private employment services sector in Europe contracted in 2020, an evolution that comes as no surprise for the year when the Covid-19 pandemic has hit the world. With recovery underway, the sector continues to play a key role in creating opportunities for workers, businesses and labour markets.

Brussels, 28 February 2021 – Most recent full-year data collected amongst the members of the World Employment Confederation show the significant impact that the Covid-19 pandemic had on the private employment services sector in 2020. While the struggle with the pandemic continues into a third year in 2022 and recovery from the global crisis is still underway, it is important to look back and assess the impact of the pandemic and to draw lessons from the past

“With no surprise, the private employment services industry was amongst the sectors recording a decline in the first year of the pandemic,” explains Even Hagelien, Chairman of WEC’s Economic Affairs Committee. *“As conditions improved and businesses adapted to the new uncertainty brought about by the pandemic, economies and labour markets picked up again and several of the largest markets for private employment services were already back to pre-crisis levels in terms of activity and turnover as of the end of 2021.”*

The European agency work market contracted by 13% in 2020. With nine of the 15 largest agency work markets globally located in Europe, the region continued generating the largest share of global agency work turnover (40%). The recovery has been impressive, with most markets being close to pre-crisis levels towards the end of 2021 and some having already surpassed them. The positive growth rates only just about outpaced the rates of contraction seen in the same quarters of 2020.

Europe also generated just under one-third of the global market values of the direct recruitment, MSP and RPO markets; although all these services segments declined in 2020. Career management is the only segment among the five services of the private employment services industry to have grown in 2020, due to its counter-cyclical nature. Most large European outplacement markets saw pronounced growth in 2020, albeit less strong than in the United States. Massive investment in short-time working schemes kept the number of people being laid off under control, resulting in a relatively slower increase in demand for outplacement services.

9 million individuals were placed in the labour market by the private employment services industry in Europe. The sector employed 373 600 internal staff in its 75,500 agencies located across the region.

“The private employment services sector played a crucial role in mitigating the impacts of the Covid-19 crisis; naturally by staffing the healthcare services as well as the testing and vaccination efforts, but also by providing training opportunities, facilitating job-to-job and cross-sectoral transitions, fostering inclusiveness, and providing supplementary access to social benefits,” observes Denis Pennel, Managing Director of the World Employment Confederation-Europe. *“As the world of work reinvents itself, this role continues to be needed and our sector is ready to seize the opportunities ahead and build back better functioning labour markets.”*

In 2020, the global private employment services industry was worth €465.8 billion - a decrease of 9% compared to the prior year.

The 2022 Economic Report of the World Employment Confederation is available on [WEC-Europe’s website](https://www.wec-europe.org).

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About the World Employment Confederation-Europe

The World Employment Confederation-Europe is the voice of the private employment services industry at the European level, representing national federations as well as large international workforce solutions companies from across Europe. Members of the World Employment Confederation-Europe represent a wide range of HR services, including agency work, direct recruitment, career management, Recruitment Process Outsourcing (RPO) and Managed Service Provider (MSP).

The World Employment Confederation-Europe works to broaden recognition of the positive economic and social role which the private employment services industry plays in enabling work, adaptation, security and prosperity. This role involves building networks with relevant stakeholders such as policy makers, social partners and the academic world; setting high recruitment and employment standards and practices; acting as a thought-leader shaping futureproof and competitive labour markets and providing strategic data on employment issues. The World Employment Confederation-Europe is the recognised, EU sectoral social partner for temporary agency work.

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