

Regulatory Report 2022

Key Findings

From a regulatory point of view, 2022 has been a challenging year for the staffing industry globally, according to the World Employment Confederation's Regulatory Report 2022.

This unique, Members-Only product provides annually an overview of the regulatory situation for the staffing industry, based on a survey conducted towards all its National Federation members. The 2022 Report features the regulatory situation in 31 countries across the globe, including all largest staffing markets.

In **Latin America**, we observed a growing debate on the role of outsourcing and intermediary services following the implementation of the Mexican labour reform in September 2021. A wave of regulatory threats towards the staffing industry has been spreading through the region at the same speed that the collapse of traditional political parties and the arrival of new populist leaders.

The region of **North America**, composed of Canada, USA and Mexico, faced relevant concerns in terms of industry-specific regulation.

Mexico maintained the ban on outsourcing. Currently, only specialized services can be subcontracted, as long as the service to be contracted is not part of the corporate purpose of the contracting company and the specialized companies have a duly authorized registration.

In the **USA**, the industry faced regulatory developments in different policy areas such as pay data legislation, privacy, nurse staffing rate caps and artificial intelligence in the hiring process.

In **Canada**, the bill that was passed on the Working for Workers Act introduced significant changes to the workplace laws. The most significant industry-specific regulation includes the adoption of new licencing requirements for staffing firms to take effect in 2023.

In **Europe**, the industry faced regulatory challenge, particularly in **Norway, Sweden** and **Spain**.

More broadly, the Directive on Transparency and Predictable Working Conditions entered into force in 2022 and it raised concerns for the private employment services industry in terms of reporting obligations and the definition of predictability of work.

In **North East Asia**, there were some regulatory developments that entered into force such as the revision of the Work Dispatching Act in **Japan**, and new regulation aiming at providing additional protection to gig workers in **China**.

In the **Southern Asia-Pacific** region, **India** saw the introduction of much awaited labour codes. This new regulation replaced the almost 60-year-old labour laws and consolidated the formal recognition of staffing companies.

Beyond country-/region- specific legislation, important global and cross-sectoral regulatory initiatives emerged in 2022 and impacted the staffing industry as a whole. We can mention data privacy laws, artificial intelligence, independent contractor misclassification in the context of platform work, and health and safety conditions at work.

The different regulatory elements impacting the staffing industry can be group under five pillars:

- 1. *Conditions for establishment of a private employment agency***
- 2. *Conditions for the use of agency work services***
- 3. *Working conditions for agency workers***
- 4. *Social protection for agency workers***
- 5. *Social dialogue, collective bargaining, and self-regulation of agency work***

An overview of aggregated data can be found in the Regulatory Report (only accessible to WEC members on the Members Area).