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The IBA Global Employment Institute

# Twelfth Annual Global Report

National regulatory trends in human resources law



**Prepared by**

The International Bar Association Global Employment Institute

The International Bar Association (IBA), the global voice of the legal profession, is the foremost organisation for international legal practitioners, bar associations and law societies. Established in 1947, shortly after the creation of the United Nations, it was born out of the conviction that an organisation made up of the world's bar associations could contribute to global stability and peace through the administration of justice. In the ensuing 70 years since its creation, the organisation has evolved, from an association comprised exclusively of bar associations and law societies, to one that incorporates individual international lawyers and entire law firms. The present membership is comprised of more than 80,000 individual international lawyers from most of the world's leading law firms and some 190 bar associations and law societies spanning more than 170 countries. Through its global membership the IBA influences the development of international law reform and shapes the future of the legal profession throughout the world.

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Please note that the information contained in this report is accurate as of the time of the collection of information from the country reporters and does not reflect subsequent legal or factual developments.

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# 1. Introduction

The Annual Global Report (AGR) is an annual report prepared by the IBA Global Employment Institute (GEI) highlighting general international trends in human resources law. This is the 12th AGR and is based on responses from lawyers in 54 countries. The methodology used is described in section 2. The 12th AGR covers trends in human resources law during the calendar year 2022 and, in some cases, (parts of) 2023. Each AGR builds on the historical perspective of previous editions. This may prompt changes to the topics covered in future editions of the AGR.

Please note that it is not the intention or purpose of the AGR to set out the law on any particular topic; its aim is to highlight changes and trends. Any reference to a particular law is not intended to be a description or summary of that law and should not be relied on as a statement of the law or treated as legal advice. Readers should seek appropriate legal advice before taking any action.

## 2. Methodology

Lawyers from 54 countries (Schedule 1) were asked to respond to the questionnaire (Schedule 2). The questions were designed to cover the most relevant issues relating to employment, industrial relations, discrimination and immigration law. Lawyers were asked to consider changes during 2022 (and the first half of 2023) and very briefly explain them and their significance. The answers to the questionnaire have been consolidated and summarised in section 3 of this report (Trends and developments). Although survey responses mostly reflect the status as of early 2023, in some instances, especially where legislative proceedings were pending, the status of such proceedings was verified and where possible updated during the drafting process. As previously noted, the AGR's goal is to highlight general international trends in human resources law. Readers seeking more in-depth analysis are welcome to contact the GEI or the lawyers who participated in the survey.

On behalf of the GEI Council, Björn Otto (CMS Germany) and his team (in particular Carolin Millgramm, Neim Nguemning, Kim van Nuus, Franziska Holz, Marie Eisele and Fritz Reckenfelderbäumer) took lead responsibility for coordinating and drafting the AGR. They updated the questionnaire with the help of co-author Todd Solomon (McDermott Will & Emery, US, GEI Council Member), contacted lawyers from different countries (Schedule 1) and reviewed the completed questionnaires. Björn Otto and his team then analysed the survey results and wrote the draft AGR, assisted by Todd Solomon and a team of McDermott Will & Emery lawyers. The GEI Council wishes to convey its gratitude to all those involved for their participation and interest in the development of the survey and the preparation of the AGR.

## 3. Trends and developments

### 3.1 Termination of employment, retirement issues and employment disputes

#### *Termination of employment*

Similarly to the previous year, a majority of the participating countries affirm their adherence to the established rules and protocols governing employee terminations. Nevertheless, the termination of employment contracts, as highlighted by Finland and Poland, continues to stand out as a prominent trigger for legal disputes. Mexico, in its reporting, attributes the surge in employment complaints to the infrequent observance of proper termination procedures by employers. In contrast, Kenya has noted a discernible trend among employers, showing a greater inclination towards complying with legal mandates. This shift can likely be attributed to the profound repercussions employers face when they lose court battles and are subsequently compelled to give substantial settlements to dismissed employees.

Notably, a potent reminder of the imperative for proper and equitable procedures came in the form of a case in Ireland, where an employee received €329,000 in compensation – the highest award ever granted to date.

In a recent development in France, as of April 2023 the French Labour Code stipulates that an employee who voluntarily abandons their position is presumed to have resigned. Importantly, this form of resignation does not entitle the employee to unemployment benefits. This alteration introduces clarity regarding the consequences of voluntary abandonment and has implications for the eligibility of employees for unemployment benefits under these circumstances.

Furthermore, instances of non-compliance have the potential to spark public outcry. An illustrative example happened in the UK, where a major ferry operator's failure to adhere to collective redundancy consultation protocols, as mandated by UK employment law, led to considerable public scrutiny.

While a considerable number of respondents noted the absence of novel developments in this domain, others have highlighted legislative changes that warrant attention.

Most notably:

- In Bulgaria, Chile and Hungary, the requirements regarding information on the terms and conditions of the termination that an employer must provide to an employee have been extended. In Hungary, for example, an employee may now request that the employer give reasoning for the termination of employment when the employment could be terminated without specifying a reason.
- Both Hungary and Romania have taken measures to broaden the scope of worker protection in cases of dismissal. Romania, for instance, has extended these safeguards to include employees on paternity leave, those on caregiver leave and individuals facing urgent family situations, all of whom are now shielded from termination.

- In 2020, the Indian government introduced the Industrial Relations Code, though its enforcement is still pending. This legislation mandates that industrial establishments, such as factories, employing at least 300 workers must secure prior governmental consent for terminating any worker.
- In Portugal, the Decent Work Agenda (*Agenda do Trabalho Digno*), which came into force on 1 May 2023, increases the compensation due to the employee upon termination of the employment contract.
- In Sweden, following new legislation that came into force on 1 October 2022, employers are no longer required to pay wages during an ongoing dismissal dispute.
- The new Labour Law in the United Arab Emirates (UAE) eliminates the category of unlimited term employment contracts. Unlimited term employment contracts are no longer valid and limited term contracts cannot exceed a period of three years. Employers were required to amend their existing unlimited contractual agreements to limited contractual agreements by 31 December 2023.

Switzerland reported a notable shift in its Federal Supreme Court's stance, leading to a relaxation of its stringent jurisprudence on abusive dismissal of older employees. In contrast, Chile has observed a progressive trend in labour court interpretations, which increasingly lean towards safeguarding employee rights.

In various countries (including India, South Korea and Thailand), the identification of amicable termination as a viable means to conclude employment relationships without legal entanglements has gained traction. Moreover, many countries have consistently highlighted strategies to curtail workforce-related expenditures. These encompass the adoption of agency employment, outsourcing and engagement with independent contractors (as evidenced in Brazil, the Czech Republic, Finland, India, Kenya, Serbia, South Africa and Turkey).

The discourse on cost-cutting also encompassed the prevalent mention of lay-offs and short-time working, a practice that gained prominence across various countries (such as Finland, Germany, Hungary, Ireland, Luxembourg, the Netherlands and the United Kingdom). Notably, the embracing of remote work (as witnessed in Bulgaria, Serbia and Ukraine) emerged as an effective model for cost reduction, particularly when the legal prescription of cost assumption is absent, as in Romania.

Encouraging innovation and technology, specifically investment in artificial intelligence, stood out as a paramount strategy for achieving cost efficiency. Chile highlighted the potential of automation and resource optimisation through innovation, while Lithuania emphasised the strategic value of investing in artificial intelligence. Alternatively, some countries suggested recalibrating compensation structures, including reducing bonuses or premiums and tethering compensation to the company's performance and revenues. This multifaceted approach, as recognised in the Czech Republic, Germany and Mexico, underlines the spectrum of strategies available to minimise operational costs.



## Retirement

The landscape of early retirement is varied, with several countries witnessing transformative innovations while others maintain the status quo.

Notably, Turkey has introduced the regulation on retirement age victims (*emeklilikte yasa takılanlar*, known as the EYT Law), ushering in a groundbreaking shift. This legislation offers the prospect of retirement irrespective of age to those who commenced employment on or before 8 September 1999. Consequently, eligibility hinges on meeting criteria such as seniority and cumulative premium days, heralding a novel paradigm in retirement provisions.

Meanwhile, Belgium is contemplating an intricate legislative proposal aimed at ushering in early retirement for individuals with an employment history of 42 years, signalling a concerted effort to accommodate evolving workforce dynamics. In a parallel vein, Switzerland has embarked on a substantial pension reform, enhancing employees' agency by facilitating a more flexible determination of retirement age. This reform reflects a responsive approach to the diverse needs and aspirations of the workforce as well as a commitment to adaptability.

Germany, aligning with this trajectory, has introduced a pivotal regulation that abolished the supplementary earnings limit for early retirees on 1 January 2023. This strategic alteration underscores the intent to enable a seamless transition from active employment to retirement, fostering a dynamic equilibrium between work and post-career life. Italy, for its part, has introduced the 'Quota 103' framework, permitting retirement at the age of 62 with a requisite 41 years of contributions.

Collectively, these diverse approaches reflect an evolving landscape where countries seek to tailor retirement policies to accommodate both individual aspirations and evolving workforce dynamics.

Several countries have embarked on proactive measures to encourage extended participation in the workforce, reflecting a concerted drive towards maximising the potential of their ageing populations. In Australia, which is grappling with labour shortages, a forward-looking strategy has been unveiled. From 1 December 2022 until 31 December 2023, pensioners were afforded the opportunity to augment their income by an additional AU\$4,000. Notably, this supplementary earnings initiative was thoughtfully designed not to impinge upon their existing pension, embodying a harmonious blend of economic support and individual empowerment.

In New Zealand, the Older Workers Employment Action Plan supports people aged 50 and over to stay in the workforce and reapply their skills as they age and their circumstances change. While 65 is the retirement age in New Zealand, 50 per cent of people aged 65 to 69 are still employed.

The aforementioned Turkish EYT Law provides for reduced social security contributions for employees who become entitled to a pension and who return to their former workplace within 30 days of their departure.

Among the surveyed countries, a select few – Denmark, Hungary, India, Luxembourg, the Netherlands, New Zealand, Singapore and the UAE – have voiced assurances that their restricted public pension funds pose no imminent cause for concern. Nevertheless, a prevailing sentiment among the majority of countries underscores the pressing challenge stemming from a confluence of factors: the Covid-19 pandemic's economic reverberations, dwindling returns on investment and



the seismic shifts brought about by demographic transformations. With a rising life expectancy and a shifting balance between the working population and pensioners, public pension provision has become a daunting issue.

Within this intricate landscape, the United Kingdom has taken assertive steps to navigate these formidable challenges. A gradual increase in the state pension age is being implemented, reflective of a holistic strategy to accommodate the evolving dynamics of an ageing workforce. Concurrently, a call to action has been issued to encourage private pension plan participation, which is key to fortifying the state pension. In tandem, legislative underpinnings such as the Pension Act 2008 compel eligible employees to be seamlessly integrated into occupational pension schemes, wherein both employer and employee pay minimum pension contributions. This dual-pronged approach not only bolsters individual financial security but also augments the resilience of the country's pension framework in the face of ongoing demographic shifts.

In a step towards enhancing retirement security, the Irish government unveiled the Automatic Enrolment Retirement Savings System in March 2022. This innovative initiative grants employees access to a workplace pension savings scheme, collaboratively funded by both employers and the state. Importantly, this programme adopts an 'opt-out' framework, making participation voluntary while ensuring a seamless inclusion into the system.

Likewise, the trend towards augmenting private pension plans has gained traction across the globe. Brazil and Mexico, recognising the need for robust retirement provisions, have adopted private pension plans to complement or even supplant the limitations of their public pension schemes. This strategic approach serves to empower individuals with diversified retirement avenues, mitigating potential shortfalls.

In November 2022, Chile proposed a groundbreaking bill aimed at revitalising its public pension system. The ambitious legislation involves an additional contribution of six per cent of an employee's gross income, evenly spread over a six-year span. This ambitious reform goes further, orchestrating a comprehensive restructuring of the pension landscape. The transition from an individual savings-oriented framework to a predominantly distribution-based model forms the cornerstone of this evolution, potentially bringing about a more equitable pension paradigm.

Conversely, in Poland and Switzerland, alternative strategies are being pursued to tackle the complex pension challenge. On one hand, Poland's pragmatic approach involves tax adjustments, harnessing increased taxes to bolster the public pension system. On the other hand, Switzerland is proactively raising its VAT from 1 January 2024, a strategic move designed to inject additional capital into the public pension fund, reinforcing its long-term viability. These countries demonstrate diverse strategies to address the intricate interplay between fiscal stability and pension sustainability.

Several countries reported developments in private (meaning company-sponsored) pension schemes, some of which were fundamental.

In Ireland, the Institutions for Occupational Retirement Provision (IORP) II requirements, which were transposed into law on 22 April 2021, are now in force as of 1 January 2023. These requirements are wide-ranging and impose material additional obligations on trustees of occupational pension schemes and associated compliance costs. For many standalone occupational pension schemes,

the increased costs and risks mean that continuing to operate the scheme is inefficient and not economical. This has resulted in the significant consolidation of smaller, defined contribution schemes into a small number of large master trusts. 2022 has seen an unprecedented rush to master trusts by employers seeking to avoid the cost of ensuring that their standalone pension trust complies with the new regulatory requirements by 1 January 2023.

The regulations governing private pensions in Kenya were changed in 2022. All schemes are now required to publish the net rate of return credited to their members' accounts at their annual general meetings. Furthermore, the trustees of a scheme are now required to prominently post a notice in the scheme's registered office stating that the audited accounts, trustees' report and investment report are available to be viewed within 30 days from the end of each fiscal year. In addition to scheme amalgamation and transfer of scheme funds from one scheme to another, the Occupational Retirement Benefits Schemes Regulations now recognise amalgamated scheme division.

In Belgium, a law has been passed to improve the accessibility and transparency of private pension schemes. There are also plans to make private pension schemes compulsory in the private sector. A similar legislative bill was rejected by the Ukrainian government.

Changes in Mexican income tax law have made the deductibility of private pension plans more complicated for employers. As a result, some employers are choosing not to implement private pension plans to avoid tax issues.

The new Dutch Pensions Act came into force on 1 July 2023 and introduced fundamental changes to the occupational pension system, abolishing the current system of so-called average contribution or equal accrual of benefits in favour of defined contribution pension schemes based on age-independent flat-rate contributions.

The UK government announced in the 2023 Spring Budget that, from 6 April 2023, the lifetime allowance charge would be removed. The lifetime allowance will then be fully abolished beginning in the 2024 to 2025 tax year, through a future Finance Bill. The lifetime allowance limited how much people could build up in their personal and workplace pension pots over their lifetime. In addition, annual allowances have been increased from £40,000 to £60,000, meaning that people can put up to £60,000 in their pension in a single tax year before having to pay tax.

In France, a notable legislative change in 2023 is the pension reform law, which includes a measure to raise the statutory retirement age from 62 to 64 years. This adjustment in retirement policy has implications for individuals in France considering their retirement plans, signalling a shift in the age requirements for statutory retirement.

### *Employment disputes*

In most countries, there have been no changes regarding the way employment cases in the courts and tribunals are reported, including how anonymity or restricted reporting orders in employment tribunals are considered. Yet, since 28 June 2022 in the UK, courts and tribunals have had new powers to allow reporters and other members of the public to observe in-person proceedings and remote virtual hearings. The new permanent regime replaces the temporary provisions put in place due to Covid-19.

In a consistent trend observed since last year, labour disputes across most countries are predominantly being channelled through formal court systems, underscoring the significance of legal institutions in resolving employment conflicts. Countries such as Belgium, Brazil, Denmark, Finland, Israel, Japan, Luxembourg, Malaysia, Mexico, the Netherlands, Nigeria, Peru, Poland, Portugal, Romania, Serbia, South Korea, Thailand and the UAE adhere to this conventional approach, seeking judicial resolution for such matters. However, it is noteworthy that many of the reporting countries have introduced mechanisms that precede formal court proceedings, indicating a growing recognition of the advantages of extrajudicial procedures and alternative dispute resolution. Some countries have enshrined these alternatives in statute, requiring them to be pursued before initiating claims in a formal court. Ireland and New Zealand exemplify this approach, where statutory prerequisites prioritise resolution through alternative channels before resorting to formal litigation. Despite the surge in alternative methods, certain countries remain limited in their reliance on arbitration courts to settle individual labour disputes. This is particularly evident in countries like Belgium, Bulgaria, Chile, Colombia, the Czech Republic, Germany, Hungary, Latvia, Mexico, Portugal, Russia and Switzerland. In these jurisdictions, the prevailing legal landscape either restricts or excludes arbitration courts from being the primary avenue for resolving such disputes. This underscores the diverse strategies employed globally to address employment conflicts, balancing judicial intervention with extrajudicial mechanisms in pursuit of a fair and effective resolution.

In India, it is becoming common to include arbitration clauses in employment contracts, although employment disputes are still generally brought before the courts, given that there are statutory rights and specific courts to protect such rights. In Kenya, there has been a move to promote the resolution of employment disputes through alternative dispute resolution methods such as arbitration and mediation. Labour arbitration in Lithuania can only be initiated by the mutual agreement of both parties.

### **3.2 Corruption and whistleblowing**

Significant progress has been made regarding whistleblowing regulations in various countries. Singapore and New Zealand, for instance, have recently enacted legislation to strengthen whistleblower protection and expand the range of authorities to which disclosures can be made. While not all countries have introduced new laws, a variety of measures have been implemented to safeguard whistleblowers.

In Ukraine, for instance, compliance rules have been considerably enhanced, leading to more intricate policies. In several other countries, whistleblowers receive indirect protection through anti-discrimination provisions in labour laws. Overall, there is a noticeable increase in societal and business awareness regarding the significance of compliance and whistleblowing. In some countries, such as Bulgaria, Finland and Poland, multinational employers have taken the initiative to establish internal rules and policies governing whistleblowing procedures. Similarly, although Mexican labour law does not directly regulate whistleblowing, many Mexican companies have adopted whistleblowing policies as a means to prevent and address dishonest behaviour by employees.

Conversely, certain countries, including India, Kenya, Myanmar, South Africa and the UAE, still lack sufficient internal and external regulations to protect whistleblowers. In fact, Kenya has reported instances of whistleblowers facing harassment, intimidation and even physical harm.

The EU Whistleblower Directive (2019/1937) mandates that all companies with over 249 employees establish internal reporting channels and procedures for protected disclosures. This requirement went into effect on 17 December 2021. Companies with 50 to 249 employees have been granted a longer deadline. EU Member States were required to align their national laws with these standards to ensure that whistleblowers are not subjected to discrimination or disadvantages. Several countries, including Belgium, Bulgaria, Ireland, Latvia, the Netherlands, Portugal and Romania, implemented these requirements in 2021, with others such as Cyprus following suit in 2022 and 2023.

The implementation of the Directive has significantly expanded whistleblower protection in many countries by broadening the scope to cover a wide range of violations of national and European laws, while also safeguarding not only the whistleblowers themselves but also the ‘facilitators’ who support them. The Directive has made it mandatory for certain companies to establish a whistleblowing procedure, whereas it was previously optional in the private sector in countries like Belgium. In some cases, legislators have gone even further. For example, in Belgium, the Whistleblowing Act necessitates the establishment of independent and autonomous external channels by designated authorities to receive reports of specific violations.

In Sweden, the Swedish Work Environment Authority has been designated as the new supervisory authority. Luxembourg is currently in the process of implementing legislation to introduce a genuine whistleblower status, aiming to protect individuals who choose an appropriate reporting channel from any form of retaliation, such as dismissal or civil and criminal liability. Bulgaria, the Czech Republic, Estonia, Finland, Hungary and Poland have missed the deadline but are currently working towards implementing the European Parliament’s Directive. No new developments have been reported regarding legislation on corruption and bribery. However, employers in several countries, including Bulgaria and India, are either implementing strict internal policies or strengthening existing ones concerning anti-corruption mechanisms.

In Poland, because the EU Whistleblower Directive has not been transposed yet, employers regulate whistleblowing issues, including bribery, at the company level. In Myanmar, the Ministry of Labour (MOL) considers employee involvement in bribery and corruption to be serious misconduct, leading to dismissal without severance pay. Ukraine continues to operate its electronic reporting system as the primary anti-corruption mechanism.

### **3.3 Alternative workforce**

Comparing last year to the previous year, it is evident that the growth of the alternative workforce has remained stable. Consequently, numerous countries are developing legislation in this area, and many courts are addressing legal challenges.

In countries like Argentina, the Czech Republic, Estonia, Israel, Kenya, Poland, Romania, Taiwan, Turkey and the UAE, there have not been significant legal developments. However, the demand for,

and the number of, agency workers, ‘gig’ economy workers, freelancers, independent contractors and platform workers is on the rise. A contributing factor to this trend could be the Covid-19 pandemic.

In the Netherlands, there has been an uptick in self-employment in recent years, as being self-employed offers many tax benefits. This has resulted in increased fraudulent incidents of self-employment. To address this, the Dutch government aims to narrow the financial gap between the self-employed and traditional employees so that financial incentives have less influence over contractual decisions. In Germany, the number of temporary workers decreased by 209,000 between 2017 and 2022, a decline of 20 per cent. Paradoxically, over this five-year span, the proportion of temporary work increased by 46 per cent. In Ukraine, trends like outstaffing, outsourcing and staff leasing are gaining traction. One prominent shift comes in the form of extensive hiring of independent contractors over traditional employees.

Globally, countries are grappling with the legal definition of temporary workers and their entitlement to social security. This has spurred labour reforms and intense discussions on regulating new work forms like gig employment. For instance, Ireland recently ruled that pizza delivery drivers qualify as self-employed independent contractors. Similarly, in Singapore, while platform workers are not considered employees, platform companies with significant managerial control over these workers are advised to offer basic protections such as accident insurance and improved housing, representation and pension provisions. These recommendations are set to take effect in 2024.

South Korea, conversely, has determined that drivers providing platform-based services do not qualify as ‘workers’ under the Korean Labour Standards Act (LSA). As such, they do not benefit from the existing laws for ‘workers’, necessitating distinct legislation for their protection.

Australia’s government is contemplating extending the Fair Work Commission’s authority to ‘employee-like’ roles, enabling the Commission to mandate minimum standards for gig jobs, such as establishing minimum pay and conditions.

In 2022, regulations were enacted to structure negotiations within the gig-economy sector in France. Subsequently, in April 2023, several agreements were reached between delivery platforms and representative bodies of independent delivery drivers in France. These agreements encompass provisions such as ensuring a minimum hourly income and defining the conditions for terminating the commercial relationship between the platform and the driver.

In Portugal, the Decent Work Agenda 2023 initiatives will modify the temporary work framework. The primary alteration reduces the number of times contracts can be renewed from six to four. Furthermore, successive temporary contracts with varied users, under the same employer or a related company, cannot exceed four years. If this limit is surpassed, there is an option to transition to an indefinite temporary employment contract. Japan is also actively considering legislation to protect freelancers, with debates ongoing in the National Diet. The proposed rules would necessitate companies to draft a clear written agreement stating service fees and ensure freelancers are paid within 60 days.

In Sweden, proposals suggest that digital platform companies, if they significantly influence the work environment, should shoulder responsibilities akin to traditional employers, encompassing aspects like systematic environment evaluations, which should include contractors.

Recent legislation highlights include:

- Chile's Law No 20.255 mandates that self-employed individuals register for social security and remit the appropriate contributions.
- Ireland's Payment of Wages (Amendment) (Tips and Gratuities) Act 2022 offers new protections for gig economy workers, particularly concerning the use of tips and gratuities in wage calculations.
- The UK has introduced legislation enabling companies affected by industrial actions to employ agency workers as a mitigation measure. Additionally, the Exclusivity Terms for Zero Hours Workers (Unenforceability and Redress) Regulations 2022 have been enacted, invalidating exclusivity clauses in employment contracts where guaranteed net weekly earnings are £123 or less.
- Effective from 1 January 2023, Russia's amendment to its civil contract law entitled gig workers to various benefits, aligning them closely with regular employees.
- Thailand proposed the Draft Law on the Protection of Independent Workers to offer gig workers fundamental labour and social security rights.
- The Netherlands is reviewing a bill concerning the Working Conditions Act (Arbowet) and the Recruitment by Intermediaries Act (Waadi) that emphasises labour market discrimination prevention in recruitment.
- Peru's Law No 31254, along with subsequent modifications to outsourcing laws, has been the subject of scrutiny, with some provisions temporarily suspended.
- Finland's 2022 amendment to its Employment Contracts Act pertains to non-traditional employment contracts, emphasising clarity in employment terms and adjustment negotiations.

In conclusion, it is clear that labour markets are evolving and governments are diligently crafting regulations to support all workforce categories.

### **3.4 Flexible working**

#### *Overall trends*

The evolution of flexible working is not just a short-lived trend; it is a transformative global movement. As governments and organisations around the world embrace new ways of working, the underlying shift reflects a growing emphasis on work-life balance, productivity and employee well-being. The Covid-19 pandemic served as a critical juncture, accelerating existing trends and cementing flexible working as a commonplace practice. What began as an urgent adaptation to unprecedented circumstances has now evolved into a lasting change in working cultures worldwide. For instance, Ireland's Work Life Balance Act 2023 and Malaysia's Employment (Amendment) Act 2022 are emblematic of permanent legislative changes that have resulted from the pandemic experience. These laws are indicative of a more profound shift towards adaptable working structures, accommodating varied hours, locations and working arrangements.



Countries like Australia and Belgium have taken additional steps to solidify this transformation. The Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022 in Australia and Belgium's Labour Deal 2022 guarantee broader rights for employees, including more accessible flexible work options, increased notice for variable schedules and the right to disconnect in larger companies. These acts demonstrate a concerted effort to provide stability within an increasingly dynamic work environment.

Germany's landmark ruling on recording all employees' working hours underscores the growing need to regulate and ensure the integrity of flexible working conditions. Alongside Germany's prevalent flexitime model, part-time work, telework and adaptable schedules have become indispensable across various countries. Australia's significant shift towards remote working – a trend followed by over 40 per cent of its workforce – also indicates a transformative phase.

The right to request flexible working has transcended mere policy and become a defining feature of modern labour markets. Ireland's Work Life Balance Act 2023, Malaysia's Employment (Amendment) Act 2022, the Netherlands' proposed Work Where You Want Act and Poland's recent regulations represent progressive strides in accommodating diverse work styles and needs. From flexitime and job sharing in Ireland to hybrid work and condensed workweeks in Malaysia, these changes highlight a tailored, people-centric approach to work.

The Norwegian government has made amendments to the regulation on working from home (FOR-2002-07-05) to safeguard employees who do so regularly. A key modification is the extension of the provisions on working hours in chapter 10 of the Working Environment Act to apply irrespective of the work location – whether at home or at the workplace/office. This change eliminates the previous separate rules for home-based employees, addressing the tendency for these individuals to work longer hours on average than their counterparts in the workplace/office.

Portugal's bold experimentation with a four-day work week further exemplifies the pioneering spirit driving these transformations. In summary, the global landscape of work is in a state of dynamic evolution. Driven by necessity, innovation and a reimagining of what work can be, flexible working arrangements are more than a temporary solution; they are redefining work in the 21st century. From legislation to company culture, the path towards greater flexibility continues to unfold, laying the groundwork for a more inclusive, balanced and human-centric future of work.

### *Right to disconnect*

The right and ability to disconnect has become a crucial component of modern working life, highlighting a global recognition of people's need to maintain their mental health and a balance between work and personal life. In Belgium, the Labour Deal has marked a significant milestone by enforcing the right of disconnection for private companies with 20 or more employees. This arrangement compels company-level agreements if they are not governed by broader national or sectoral agreements. In Ireland, the 2021 Code of Practice by the Irish Workplace Relations Commission promotes a culture of disconnection by imposing an obligation on employers to create environments where employees can disconnect from work. However, this provision is not legally enforceable. Portugal has legally solidified this right

through Law No 83/2021, which protects employees' rest periods and punishes unauthorised employer contact with fines.

In Chile, the Telework Act has introduced a distinct disconnection right for teleworking employees not bound to ordinary fixed working schedules. This includes those exempted from a working schedule and those who can freely distribute their hours within certain limitations. Employers must ensure that employees are not required to respond to messages or calls for at least 12 consecutive hours in a 24-hour period. This disconnection right extends to annual vacation time, leaves of absence and rest days. These measures in Belgium, Ireland, Portugal and Chile underscore the growing international commitment to prioritise personal time and a healthy separation from work.

In Ecuador, recent labour developments include a ministerial agreement issued in December 2022 by the Ministry of Labour addressing remote work and the right to disconnect. This agreement reinforces the right of each remote worker to have 12 uninterrupted hours during which they do not receive orders or perform work functions. Companies are now required to establish disconnection policies covering training, supervisor guidelines, technology use and a procedure for handling complaints related to the right to disconnect.

While several Canadian provinces have made attempts regarding the right to disconnect, only Ontario has succeeded so far. In 2021, Ontario enacted legislation related to the right to disconnect, effective from 2022. This amendment to the Employment Standards Act 2000 mandates employers with 25 or more employees to establish a policy promoting work–life balance. It is crucial to note that this law does not grant a right to disconnect but imposes an obligation to formulate a relevant policy. As of now, Ontario is the sole province in Canada with such legislation. In February 2022, the Government of Canada released the final report of the Right to Disconnect Advisory Committee. This committee was established to provide insights for potential policy solutions granting federally regulated workers the right to disconnect, fostering improved work–life balance and wellbeing.

### *The Great Resignation*

The phenomenon known as the Great Resignation refers to the large number of employees who have quit their jobs in a short time. This is partly because they want more flexible work schedules and are focusing more on achieving a better balance between their work and personal life. A recent Australian study found that 38 per cent of Australian workers intend to leave their current employer during the next year, and 61 per cent of those who left a job last year plan to leave their current employer in the next year. The study also found that 25 per cent of employees valued pay and rewards above all other factors, while 22 per cent prioritised support for their wellbeing. Another recent global study has shown that worker burnout was the number one reason for resignation.

Although Germany appears less threatened by the Great Resignation, a survey revealed that only half of German employees are 'very satisfied' with their employment relationship, and 34 per cent identify with the 'quiet quitting' trend. Governments and organisations are grappling with this wave of resignations: addressing burnout and dissatisfaction remains a significant challenge. The continuation of the Great Resignation or 'quiet quitting' trends will likely be impacted by the

economic outlook – specifically whether a recession emerges in the coming year. Nevertheless, the trend emphasises the increasing importance of offering flexible work arrangements and attentiveness to employee wellbeing, further strengthening the global shift towards recognising the value of remote work and work–life balance.

### *Cost-of-living crisis*

The escalating global cost-of-living crisis is adding pressure on workers, also impacting the broader themes of flexible work and work–life balance. As living expenses surge, the demand for higher wages, more adaptable work arrangements and supportive employer policies has intensified. Rising costs for essential goods and services have led many employees to seek greater flexibility in their work schedules and locations, thus aligning their professional lives with financial and personal needs.

Ireland’s crisis response includes offering €600 electricity account credits and reducing public transport fares, while Poland has introduced coal subsidies, electricity cost caps and reduced VAT for food. Australia invested in childcare and affordable housing, including social housing, and improved pay for low-paid workers in its 2022–23 budget. Despite these cost reductions, unions across various countries are demanding pay rises. The Netherlands has responded to these demands with significant wage increases in certain sectors and government support for energy and childcare costs. Portugal has granted a one-time extraordinary payment to specific taxpayers. Meanwhile, in the UK, the government has enacted support measures like Cost-of-Living Payments and an Energy Price Guarantee. In Pakistan, special subsidised department stores have been created and allowances are being offered to employees.

In response to the global energy and cost-of-living crisis, Germany has implemented several measures to support employees and address the challenges posed by rising expenses. Legislators in Germany have recognised the need to provide financial relief to individuals, particularly students and technical students who are vulnerable to the cost of living and energy crisis. One notable initiative is the introduction of an energy price flat rate of €200, accessible to students and technical students. This measure aims to alleviate the financial burden on this demographic group in the face of increasing energy costs. Moreover, as of 26 October 2022, employers in Germany have the flexibility to grant their employees an amount of up to €3,000 free of tax and contributions. This initiative, known as the inflation compensation premium, is a voluntary benefit launched by the German government and approved by the Bundestag and Bundesrat. It serves as a means for employers to provide additional financial support to their employees during challenging economic times.

This crisis highlights the interconnected nature of economic pressures, work flexibility and overall life satisfaction. Governments and organisations are compelled to recognise these connections and adapt policies to sustain the well-being of the workforce in this changing economic landscape. The cost-of-living crisis, therefore, not only presents an immediate challenge but also highlights the ongoing dialogue about aligning work arrangements with broader societal and individual needs.

### 3.5 Family-friendly policies

An expanded spectrum of employees' entitlements concerning maternity, paternity and dependants is evident on a global scale. This expansion is significantly influenced by the trend towards more flexible employment agreements and the adaptation of daily work routines for employees. A pivotal element within this paradigm shift is the vigorous advocacy for gender equality, both in legal frameworks and in actual workplace dynamics. Equally significant is the inclusive approach that encompasses diverse family structures within the ambit of these provisions.

In December 2022, the Australian Federal Government passed the Fair Work Legislation Amendment Act 2022, which requires employers to give reasons for refusing an employee's request for an extension of unpaid parental leave and sets out requirements for the refusal, including that there must have been genuine attempts to reach agreement and that the refusal must be based on 'reasonable business grounds'.

Legislative changes enacted in Brazil in September 2022 have introduced noteworthy amendments. These include the increase in maternity leave entitlement by 60 calendar days in addition to the existing 120 days provided by social security. Employers and employees now have the option to extend this supplementary period to 120 calendar days with full pay, based on an arrangement in which the employee works 50 per cent of their normal hours and receives paid time off for the remaining 50 per cent. It is noteworthy that the extra 60 calendar days can also be shared between the mother and her partner. Moreover, a pivotal shift is the requirement for employers to accord priority to employees who are responsible for the care of children up to six years of age or children with disabilities regardless of age. This pertains to formal agreements pertaining to telework, flexible work arrangements, part-time employment and other non-traditional work schedules.

In recent years, there has been a growing trend among employers in the United States to support employee parental leave rights by offering varying degrees of paid leave. The most generous state-run parental leave programmes currently provide either 12 weeks of unpaid leave or partially paid leave for 12–16 weeks. Some employers are now providing a portion of this period, typically 4–6 weeks, as fully paid time off. The ongoing trend is towards a more inclusive approach, eliminating the distinction between maternity and paternity leave and instead offering universal parental leave for events such as births, adoptions and foster placements.

In Japan, recent legal changes have been implemented to actively promote paternal involvement in parenting responsibilities. This includes allowing employees to take parental leave multiple times within the year following the child's birth, as opposed to a single continuous extended leave. Additionally, companies employing 1,000 or more individuals are now required to disclose the number of male employees whose spouses have given birth and who have availed themselves of parental leave.

Malaysia has extended the duration of paid maternity leave from 60 days to 98 days. Furthermore, married male employees are now entitled to a continuous span of seven days of paid paternity leave. In Peru, a notable development occurred in November 2022 when the right to receive a family allowance was expanded to include employees with legally adult children with severe disabilities,

provided they possess valid certification. This provision is not applicable to those already receiving the Non-Contributory Pension for Severe Disability.

The UK is introducing the Carer's Leave Act 2023, which is set to be enacted in 2024. This transformative act will establish a new, remarkably flexible entitlement: one week of unpaid leave annually for employees engaged in providing or arranging care. Notably, this leave will be accessible to eligible employees right from their commencement of employment, ensuring support for unpaid carers, regardless of their tenure with the employer. This innovative initiative empowers staff to use the leave according to their caregiving responsibilities, without necessitating evidence or specification of its use.

With the EU Directive on work-life balance for parents and carers (Directive (EU) 2019/115) slated for transposition into national law by 2 August 2022, numerous European countries, including Bulgaria, Hungary, Ireland, Poland, Portugal and Romania, modified their labour laws concerning parental leave over the course of 2022. The Directive's central objective is to foster gender equality in the labour market, emphasising equitable sharing of caregiving responsibilities between parents. This has led to the introduction of paternity leave, securing a minimum of ten working days of leave for fathers/second parents around the birth of their child. Moreover, the Directive established a foundational four-month period of parental leave, ensuring that at least two of these months cannot be transferred from one parent to another. It also formalised five working days of carer's leave each year for workers engaged in offering personal care or support to relatives or household members. Furthermore, it grants all working parents of children up to the age of eight, as well as all carers, the right to request flexible work arrangements.

Hungary, in line with the Directive's implementation, has expanded paternity leave from five to ten days and extended its applicability to adoption cases. Additionally, parental leave was introduced for the first time, entitling new parents to a total of 44 working days of leave until the child reaches three years of age. A prerequisite for this leave is an employment relationship with a minimum duration of one year. This amendment also empowers employees with children under the age of eight to request flexible working conditions from their employers, encompassing changes to workplace location, work schedules, telecommuting and part-time arrangements.

It is noteworthy that not all EU Member States have completely incorporated the Directive into their national legislation. For instance, Germany is yet to implement the stipulated ten-day paternity leave outlined in the Directive.

As part of Portugal's Decent Work Agenda, an amendment to the country's Labour Code has been enacted. This amendment introduces a provision for three consecutive days of bereavement leave, fully paid by the employer, for both parents in the unfortunate event of a miscarriage.

On 27 December 2022, Luxembourg's Law of 23 December 2022 came into effect, marking a modification in the conditions under which parental leave can be granted. This change was prompted by a ruling from the Court of Justice of the European Union (CJEU) in February 2021. According to the new law, eligibility for parental leave now requires individuals, including employees, self-employed individuals and civil servants, to have been compulsorily affiliated with the social security system for the 12 months preceding the commencement of parental leave. The prior condition of affiliation at the time of birth is no longer a requirement.



Interestingly, Denmark stands out as a country where the majority of companies offer benefits exceeding their legal obligations: the extent varies based on industry practices. Similarly, Taiwan shows a growing willingness among employers to provide enhanced benefits, even though precise data on the extent of this trend is lacking.

Furthermore, in May 2023, Ecuador passed the Law on the Right to Human Care, which extends paternity leave, adoption leave, reduced hours for breastfeeding and unpaid maternity leave. This legislation aims to enhance workers' ability to care for themselves and others, reflecting an increased focus on the wellbeing of employees.

In Mexico, a noticeable trend is emerging as companies increasingly enhance maternity and paternity leave provisions beyond the statutory entitlements. In countries such as Belgium, Bulgaria, Finland, Luxembourg, Poland, Serbia and South Korea, it is generally reported that employers are not particularly receptive to providing enhanced benefits that exceed legal obligations. In some cases, information in this regard is not publicly available. By contrast, in Chile, Colombia, Ireland, Italy and South Africa, larger and multinational companies are recognised as being more inclined to go beyond their legal requirements in providing these benefits. A progressive approach is evident in India, where certain employers are extending paternity benefits to male employees.

### **3.6 Absenteeism due to stress and mental health issues**

The Covid-19 pandemic has resulted in a substantial increase in remote work and a pronounced impact on mental health, prompting authorities to raise awareness and provide support for employees' wellbeing. Latvia, for instance, recognises remote work-induced isolation as one of the main psychological challenges faced by employees. While some countries have not witnessed significant legislative changes, employers and companies are becoming more attuned to mental health issues. For instance, Microsoft India has renamed its sick leave 'Sick and Mental Health Leave' and InMobi has introduced 21 days of uninterrupted leave that employees can take at any time to recharge and recover. The four-day work week and its effects on mental wellbeing and productivity are being explored in the UK. On 18 October 2022, the Tripartite Alliance for Fair & Progressive Employment Practices (TAFEP) in Singapore issued guidelines for supervisors on how to handle employees' self-disclosure of mental health conditions.

Companies worldwide are implementing various measures to promote positive mental health outcomes. In Romania, there has been an increase in the number of health insurance packages offered by employers, which include access to psychotherapy and mental health training. Italian companies are focusing on developing effective risk prevention strategies and improving the prevention of work-related illnesses. In India, progressive companies are providing services such as counselling, access to mental wellbeing apps, extended sickness absence and regular check-ins by management.

In certain countries, legal innovations related to mental health can also be observed. Chile introduced an updated Protocol for Monitoring Psychosocial Risks at Work in January 2023, including a new tool to assess risk factors for employees' mental health. Australia has revised its model national work health and safety laws to encompass regulations on 'psychosocial hazards', defined as factors in the workplace that may cause psychological harm. In Belgium, the Labour Deal, effective since September 2022, includes provisions regarding the right to disconnect. This measure



aims to improve work–life balance, reduce stress and address mental health issues by establishing clear boundaries between personal time and work.

Financial support from governments is another notable measure. In Latvia, the state covers the costs of referrals to family doctors, psychiatrists or child psychiatrists for psychological support services to aid in the recovery from the Covid-19 pandemic. The Irish government has made significant investments in the mental health of its citizens, allocating a record budget of €1.2bn to the Department of Health for mental health services in 2023. Additionally, €1m will be invested in a partnership with Mental Health Ireland to achieve a healthier Ireland by 2025.

In summary, managing workplace stress and addressing psychosocial risks arising from new work models pose significant challenges for occupational health and safety. These issues have a profound impact on individuals, economies and productivity. In 2016, EU Member States committed to making mental health and wellbeing a top priority through the European Pact for Mental Health and Well-being. Many countries have already implemented policies and reforms to address these emerging challenges. However, it should be highlighted that many of these measures have been adopted voluntarily by large companies.

### **3.7 Data protection, privacy and human rights**

#### *Data protection and privacy*

Attention to data protection and privacy concerns persisted in 2022 and 2023. Changes in legislation and internal regulations were motivated by rapid technological evolution and the rising trend of remote work, coupled with the increasing use of social media for professional purposes. The digitalisation wave, which presents both potential and pitfalls, has heightened corporate data protection awareness, presenting companies with intricate challenges. Finland, for instance, has highlighted the challenge of achieving a balance between employee privacy protection and an employer's data processing needs. The implementation of the General Data Protection Regulation (GDPR) still poses issues in numerous countries.

With a lack of definitive legal guidelines, countries like Brazil, Italy, Luxembourg and Poland have seen firms establish internal policies for social media use that include disciplinary actions to ensure employee adherence. Some companies in Romania have initiated training programmes and workshops to promote data protection awareness.

The number of court decisions on data protection matters has risen in several countries. A recent decision by a Dutch court, for example, deemed it an invasion of privacy for employers to require cameras to remain active throughout workdays at home. Mexico's Supreme Court has consistently declared it unconstitutional to require a criminal record clearance for job applications, barring some exceptions. Additionally, Peru's Personal Data Protection Authority clarified that prior consent is needed to access a candidate's or employee's criminal and judicial records.

Legislative novelties and adjustments have been reported from various countries. Chile is advancing a bill to enhance personal data processing in alignment with international standards like GDPR and Organisation for Economic Cooperation and Development (OECD) guidelines. In 2022,

the Budapest Convention on Cybercrime was ratified, updating existing cybercrime offences and introducing new ones to the statute books. In 2023, Russia implemented rules regarding cross-border personal data transfers, necessitating a prior notification to the Russian Federal Service for Supervision of Communications, Information Technology and Mass Media (Roskomnadzor). This coincided with an updated regulation on the automated processing of personal data, mandating its destruction and validation via a report. South Korea's Personal Information Protection Act (PIPA) was revamped in 2023, with the new version becoming effective in September 2023. Among other changes, it introduced a legal framework for overseas employee data transfers and mandated the appointment of data protection officers. Switzerland enacted a revised Federal Act on Data Protection in September 2023 to bolster the privacy rights of its citizens. The UK's Information Commissioner's Office (ICO) is working on replacing its employment code with a UK GDPR-centric guide to streamline data protection queries.

On 29 May 2023, the Office of the Privacy Commissioner of Canada (OPC) released guidance on employee privacy rights, addressing the balance between workplace privacy and legitimate employer monitoring needs. The guidance also covers the privacy implications of social media use, stressing the importance of organisations developing policies for its appropriate use. In Quebec, new privacy legislation changes, effective from September 2023, include greater consent obligations and new responsibilities regarding technology for employee tracking or profiling. In Ontario, modifications made in 2022 to the Employment Standards Act 2000 require organisations with 25 or more employees to implement a written policy on electronic monitoring, detailing its objectives, means and circumstances.

Singapore has amended its Personal Data Protection Act, effective from October 2022, increasing penalties for breaches to up to ten per cent of a firm's annual turnover (for firms with turnover above SG\$10m). The changes amplify punitive measures and grant data subjects additional rights, including data portability and automated decision-making exclusion, while also tightening overseas data transfer regulations.

The Constitution of the Democratic Socialist Republic of Sri Lanka does not guarantee a fundamental right to privacy, but Article 14A mentions privacy within the context of restrictions on the right to access to information. While citizens have the right to access information, restrictions can be applied in the interest of national security, public safety, prevention of disorder or crime, health, morals, privacy or other concerns. Data protection legislation similar to the GDPR was enacted in 2022 but its main parts are not yet in force, and the rise in digitalisation has increased the relevance of data protection and privacy laws in Sri Lanka.

### *Human rights*

Around the world, governments are strengthening workplace human rights through both legislative and non-legislative measures. Argentina and Brazil, for instance, have bolstered their diversity initiatives, emphasising LGBTQI+ inclusion and enhancing women's labour market roles. Taiwan has ratified a bill updating the Act of Gender Equality in Employment, while Australia's newly elected Labour government seeks to redouble efforts against modern slavery.

South Africa's National Economic Development and Labour Council launched a Code of Good Practice on Protest Action in 2022, promoting worker socio-economic interests. The Netherlands has two bills in progress aiming to counter discrimination in recruitment and requiring confidential advisors to be employed in workplaces to address unwanted behaviour. Mexico is enhancing human rights protection, emphasising freedom of association, the right to strike and discrimination protection.

In 2023, Germany's Supply Chain Act came into force, mandating companies with over 3,000 employees in Germany to uphold human rights throughout their global supply chains. By 2024, companies with over 1,000 employees will be subject to these obligations. Japan's awareness of supply chain concerns grew in 2022, prompting the release of guidelines urging businesses in Japan to respect human rights within their supply chains.

The Norwegian Transparency Act, effective from 1 July 2022, aims to foster enterprises' adherence to fundamental human rights and decent working conditions in the production of goods and services. It achieves this by providing the general public with access to information on how enterprises impact human rights and working conditions.

Lastly, 50 Luxembourg companies endorsed the National Pact on Business and Human Rights in July 2022, a voluntary measure encouraging businesses to uphold human rights throughout their value chains.

### **3.8 Discrimination in the workplace**

From the national reports, there is a discernible rise in awareness about discrimination in the workplace over the past year. Countries have been implementing legislative and practical measures to promote equality comprehensively, with the primary focus areas being equality between ages, genders and sexual orientations, as well as the implications of artificial intelligence.

For instance, Australia's Fair Work Legislation Amendment (Secure Jobs Better Pay) Act 2022 introduced updates to the Fair Work Act 2009 (Cth) to encompass breastfeeding, gender identity and intersex status as characteristics shielded from workplace discrimination. Moreover, there is an impending initiative by the current government to legislate protections for LGBTQI+ students and staff against discrimination in religious educational institutions.

In countries like Singapore and Turkey, contemporary laws now safeguard employees against discrimination based on nationality, race, gender, age, religion and disability. It is evident that these countries are increasingly recognising the diverse cultures, beliefs and values of their workforce when shaping, endorsing or implementing policies and events.

The UAE is in the process of drafting a law to counter religious discrimination. The current definition, which is fairly broad, encompasses acts such as undermining the 'divine entity' or showing disrespect towards the 'heavenly religions' – namely Islam, Christianity and Judaism. The Discrimination and Hate Law delineates several criminal offences, asserting that freedom of expression cannot be used as a defence against violations of the said law. Infractions leading to any form of discrimination, through any means of expression, could result in a minimum prison sentence of five years and a substantial fine.

Mexico's labour reforms necessitate that employers establish an action protocol to address issues of both sexual and non-sexual violence and harassment at work. This protocol emphasises both prevention and eradication of gender discrimination.

Portugal's Decent Work Agenda, which will modify the Labour Code, will extend rules on employment equality to decisions influenced by algorithms or other AI systems during the recruitment process. Meanwhile, Israel has augmented its pre-existing regulations; in May 2022, a private bill was introduced to strengthen non-discrimination policies in various sectors, including access to public spaces and services.

Based on the national reports, most employers adhere to anti-discrimination laws where established. Non-compliance often leads to severe consequences such as fines or incarceration. Conversely, a few countries, like Myanmar and Malaysia, currently have no workplace discrimination laws or initiatives in place.

Elsewhere, such as in Sweden, employers are mandated to take proactive measures in collaboration with employees to prevent workplace discrimination. Taiwan obligates employers to prevent workplace sexual harassment, emphasising training as a preventive measure. In India, while there is not a statutory mandate for training on workplace discrimination laws, many forward-thinking employers still conduct regular awareness and refresher programmes.

Bulgaria's Law on Protection against Discrimination (LPD) provides comprehensive protection against employment discrimination at every stage of the employment relationship. This law necessitates that employers, in collaboration with trade unions, adopt effective strategies to eliminate all forms of workplace discrimination, guaranteeing equal working conditions, fair compensation and other rights.

The only recent change to the legal framework on discrimination in Sri Lanka is a Penal Code (Amendment) Bill in 2023, which aims to decriminalise same-sex relations. While the Prevention of Social Disabilities Act prohibits caste-based discrimination in employment, there is no explicit statutory prohibition in hiring or employment relationships. Proposed provisions in the draft Employment Act face opposition and despite constitutional provisions against discrimination, private actions are safeguarded by ordinary law, making discrimination challenging to address unless falling under specific categories or fundamental rights jurisdiction.

In 2022, the US state Florida's legislature passed the 'Stop WOKE Act', intending to restrict diversity training in the workplace. Despite being partially blocked from taking effect by a court, the state has appealed the decision. As of August 2023, oral arguments have been scheduled before the 11th Circuit Court of Appeals, one level below the Supreme Court of the United States. A significant aspect of the argument against enforcement is that the law's vagueness poses compliance challenges for American employers.

In conclusion, an analysis of the country reports indicates that overall a positive trend exists; working conditions in most countries are improving with regard to discrimination prevention. This progress is facilitated by the introduction and enforcement of comprehensive measures and laws.

### 3.9 Diversity

According to respondents, there have been limited changes in legislation and employer practices concerning gender parity in the past year. The legislation in both Mexico and Russia lacks any requirements related to gender parity quotas or targets.

However, noteworthy developments have occurred in other countries:

- In Australia, on 7 December 2022, the Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022 to the Fair Work Act 2009 added gender equality as one of its objectives. This mandates that the Fair Work Commission, Australia’s national workplace relations tribunal and registered organisations regulator, must now consider the promotion of gender equality when performing its functions and exercising its powers.
- In November 2022, the Directive (EU) 2022/2381 on improving the gender balance among directors of listed companies and related measures was adopted. This Directive sets a minimum objective of either a 40 per cent presence of the underrepresented sex among non-executive directors of listed companies or a minimum of 33 per cent of all director positions, including both executive and non-executive directors. Member States must introduce effective, proportionate and dissuasive penalties for non-compliance. This Directive must be transposed into national law by EU Member States by 2026.
- In the Netherlands, the Diversity Quota and Targets Act, effective from 1 January 2022, mandates that the supervisory board of listed companies be balanced, with at least one third men and one third women. Large companies are obligated to establish ambitious diversity targets for their supervisory boards, boards of directors and certain senior management roles.
- In early 2023, the Bulgarian government adopted a National Action Plan to Promote Gender Equality 2023–2024, based on the National Strategy for Gender Equality 2021–2030. This plan aims to implement a unified policy on gender equality through actions taken by various institutions and organisations.
- In Norway, specific guidelines have been implemented in the public sector for job application processes, necessitating the invitation of individuals with resume gaps and disabilities to job interviews. Additionally, public limited companies in Norway face requirements for gender diversity on their boards. A recent government proposal suggests that medium-sized and large companies in Norway must achieve at least a 40 per cent gender balance on their boards. This proposal will impact companies above a certain income threshold or employee count and the rules will be gradually implemented from 2024, ultimately covering approximately 20,000 companies in Norway.
- In June 2023, the US Supreme Court issued rulings on affirmative action in university admissions, essentially barring the consideration of race as a positive factor. These decisions have been extended to the employment context. In the months following these rulings, employers in America have experienced a surge in complaints from employees asserting that the employers’ diversity initiatives should now be deemed illegal.

While New Zealand and Poland have not reported legislative developments, employers in these countries are increasingly aware of gender parity issues. Many large international companies are introducing internal policies to regulate diversity and inclusion matters at the company level.

Regarding gender pay gap reporting, the Portuguese government publishes data annually. Under Law No. 60/2018, the Portuguese Authority for Work Conditions has notified over 1,500 companies with 50 or more employees where the gender pay gap exceeds five per cent. These companies have 120 days to present an evaluation plan and one year to correct the pay gap. Failure to comply may result in substantial fines.

There have been fewer reports of developments in law or employer practices related to the employment of individuals with disabilities. Notable actions include:

- In New Zealand, the government has announced plans to end the discriminatory Minimum Wage Exemption, which allows employees to pay disabled individuals less than the minimum wage, by mid-2025. This will be replaced with a wage supplement to ensure all disabled people receive at least the minimum wage.
- In a scheme that started in 2022, the Romanian government provides financial incentives for employers to hire individuals with disabilities by reimbursing expenses for reasonable workplace accommodations.
- In 2022, the Romanian Ministry of Labour proposed a draft law for public debate. It stipulates that employees with disabilities working reduced hours, particularly those with severe or accentuated disabilities, will be paid as if they were working full-time.

In the realm of accommodations for religious practices or beliefs, there have been few changes over the past year. Responses vary based on the diversity of religions and religiosity within the countries:

- In countries like the UAE, where religious homogeneity prevails, employers have long-established practices for accommodating religious practices, including granting leave during religious holidays.
- Singapore – characterised by its diverse languages, cultures and religions – generally accommodates religious practices and beliefs held by employees.
- Romania legally mandates employers to grant two days off for each of the three major religious holidays to individuals of non-Christian beliefs.
- In Australia, most state and territory jurisdictions provide limited protection from discrimination based on religious beliefs and practices.
- India, with its diverse and secular nature, seldom sees employers making specific accommodations for religious practices or beliefs. However, festival holidays may align with religious festivals.
- New Zealand employers, particularly larger ones, often have policies in place for accommodating religious practices. Employees can request that a religious public holiday be moved to a date significant in their religion.



In other aspects of diversity, legislative changes were not reported in the past year. Nevertheless, countries such as Ireland, Latvia, Mexico, the Netherlands, New Zealand and Poland noted that employers and organisations are increasingly recognising the advantages of a diverse workforce. Consequently, many have introduced tailored diversity and inclusion initiatives to promote diversity within their organisations.

### **3.10 Behaviour in the workplace and sustainability**

#### *Behaviour in the workplace*

Several countries, including Chile, Italy and Russia, have observed a noteworthy surge in the number of reported work-related sexual harassment complaints and subsequent investigations within 2022. This trend aligns with findings from a 2022 study conducted in the UK, which indicated that 72 per cent of women had either experienced or witnessed inappropriate conduct from their male colleagues in work settings. Encouragingly, there is a growing sense of employers' improved competence in reporting and addressing such misconduct, largely influenced by the ongoing social and political discussions around the #MeToo movement. This heightened awareness is particularly pronounced among larger corporations, which are taking proactive measures to combat sexual harassment. They are adopting anti-harassment and anti-violence clauses, often integrated into their codes of ethics or business conduct, thereby assuming greater responsibility for confronting this issue.

The topic of workplace sexual harassment has prompted legislative and policy responses across various jurisdictions. Novel laws have been enacted, amendments have been introduced to existing legislation and internal policies have been revised, especially among major corporations. Many countries are striving to enhance their complaint resolution processes. For instance, New Zealand enacted legislation in November 2022 extending the time window for victims to file harassment complaints. In Romania, a comprehensive bill has been proposed, encompassing a comprehensive guide on addressing sexual and moral harassment in work environments. This guide outlines preventive measures for employees to counter such situations and establishes a structured procedure for handling complaints. In Ireland, a recently published Code of Practice on Sexual Harassment and Harassment at Work ('the Harassment Code') holds significance. The Harassment Code underscores the significance of devising and implementing policies and protocols that cultivate an environment free from harassment.

Important legislative changes to be mentioned include the following:

- In Australia, the Fair Work Legislation Amendment Act came into force in December 2022. It provides harassed workers with the right to obtain compensation, financial penalties and other orders against perpetrators of sexual harassment.
- Amendments have also been made to the Australian Sex Discrimination Act 1984. The Anti-Discrimination and Human Rights Legislation Amendment 2022 prohibits conduct that subjects another person to a hostile work environment on the basis of sex and introduces a positive duty on employers to take reasonable and proportionate steps to eliminate unlawful sex discrimination, including sexual harassment. It moreover states that one of the purposes of

the act is to achieve substantive equality between men and women and amends the definition of harassment on the basis of sex to remove the reference to conduct that is ‘seriously’ humiliating.

- The UAE has enacted a new labour law that now prohibits sexual harassment and/or any verbal, physical or psychological form of bullying of an employee by the employer or the employee’s supervisors/colleagues. Employers can be fined between AE\$5,000 and AE\$1m for offences.
- In Malaysia, the Anti-Sexual Harassment Act was gazetted in October 2022 and provides for a right of redress for any person who has been sexually harassed and the establishment of a tribunal specifically for complaints of sexual harassment. The aim is to raise awareness and prevent sexual harassment. Most of the law has yet to come into force.

### *Sustainability/ethical business*

Although environmental awareness in the workplace is growing in importance, only a few countries have reported changes in legislation. The UK has addressed corporate investors’ demands to see companies operating more responsibly and sustainably to justify their investment. For this reason, mandatory reporting of climate-related financial information will be introduced by 2025. Beyond that, Russia reported that increasing the ecological and social responsibility of business is marked as one of the governmental goals to be accomplished by 2030.

Companies are increasingly trying to implement sustainability measures, ethical business practices and green behaviour to minimise their impact on the environment. This is also because certificates proving a certain level of sustainability are particularly important for the prestige of multinational companies. Measures to make the workplace greener include a paperless office policy, recycling and saving electricity. Environmental and carbon footprints, gas emissions and the promotion of alternative or green transport are also important issues. Due to the lack of legislation in several countries, international companies, especially large ones, tend to implement their own internal corporate social responsibility (CSR) policies.

To meet the demand for greater sustainability, the Dutch government’s Corporate Governance Code states that, from 1 January 2023, company directors must focus on long-term sustainability when setting strategy and making decisions. In addition, from July 2023, companies in the Netherlands with 100 or more employees are required to report annually on their employees’ business travel and commuting. Meanwhile, Latvia reported that legislative changes have been made to the Energy Law to promote rational use and management of energy resources by state institutions as well as large companies. In New Zealand, the government has made it mandatory for some large financial market participants to publish information in accordance with climate standards published by the External Reporting Board (XRB) from January 2023. Similar developments have taken place in South Korea, where all Singapore-listed companies have been required to report on climate change on a comply-or-explain basis since last year.

Starting in January 2023, a regulatory change in France mandates that all listed companies and those that exceed two of the three specified thresholds (€20m balance sheet, €40m turnover or 250 employees) must publish non-financial reports. These reports, termed extra-financial reporting, serve as official documents outlining CSR initiatives undertaken by companies. Moreover, the 2022

Climate and Resilience Act involves employee representative bodies by requiring employers to seek the opinion or consultation of employee representatives on decisions impacting them. This signifies a broader integration of employees into decision-making processes related to environmental and social responsibilities in France.

In January 2023, the EU Corporate Sustainability Reporting Directive entered into force. The new Directive modernises and strengthens the rules concerning the social and environmental information that companies must report on. The rules will ensure that investors and other stakeholders have access to the information they need to assess investment risks arising from climate change and other sustainability issues. They will also create a culture of transparency about companies' impact on people and the environment. EU Member States are required to transpose the Directive into their national laws by July 2024.

### **3.11 Technology and artificial intelligence**

Artificial intelligence (AI) has become increasingly important across many countries, though its adoption varies. Some countries like Chile, Estonia, Mexico, Peru and Russia are still in the early stages of AI development. AI development is often driven by cost considerations and some countries, like Turkey, lack experienced professionals in the field.

Germany has seen significant AI utilisation, even incorporating AI into everyday objects like radio speakers. Australia and Colombia view AI as a supportive tool for workers rather than a threat to jobs. The widespread use of AI is pushing companies and governments to address its impact on future employment.

Latvia has integrated AI into various industries, such as customer service, where chatbots assist with inquiries, and Luxembourg reports the usage of AI in recruitment to sift through CVs. The UK expects significant growth in AI adoption, with around 15 per cent of businesses already using AI and an anticipated adoption rate of nearly 23 per cent by 2025.

In Albania, there have been significant changes regarding the use of AI. Specifically, sectors such as medicine, telemedicine, biotechnology and Internet of Things (IoT) have witnessed notable transformations. Moreover, professions like database analysts, software engineers and internet marketing specialists have experienced substantial changes, indicating a growing reliance on AI technologies. ChatGPT is actively utilised in various applications, including customer engagement strategies, marketing strategies and journalism, reflecting the increased integration of AI in Albania.

In Argentina and Brazil, AI is mainly used in online sales, travel services, customer care and industrial assembly lines, with minimal job losses. Finland and Israel employ AI in healthcare and logistics, causing job losses in some areas but creating new opportunities in the technology and digital sectors.

In India, AI may replace some jobs but it is expected to create opportunities in education and infrastructure. Ireland foresees job displacement in low-skilled and sales roles but expects overall economic growth to generate new job opportunities. Mexico has experienced job growth in the technology sector but lower-skilled occupations may be affected. In general, AI tends to rationalise and create jobs rather than replacing existing ones.

The regulatory landscape for AI is evolving, with various countries taking different approaches:

- The European Parliament is discussing a legislative proposal to ensure that AI systems in the EU comply with strict safety standards and respect fundamental rights and values.
- Belgium has approved a national convergence plan focused on AI development, emphasising public trust and AI-driven innovation.
- Chile's labour board has ruled against using AI to replace striking workers, deeming it an anti-union practice.
- Portugal has passed two AI-related laws, one addressing digital rights and responsibilities and the other establishing a framework for cyberspace security.
- Serbia, while lacking specific AI legislation, has a National Strategy for AI Development, which is in alignment with the European AI Initiative.

Countries are addressing the need for digital skills through various methods:

- Switzerland is emphasising computer science and technology-related skills in education.
- Argentina offers public programmes to enhance workforce skills but largely provides tax benefits to employers with apprenticeship programmes.
- Brazil is relying on employee responsibility and a national strategy for skills development.
- Bulgaria's Labour Code counts training as working time, with costs borne by employers.
- Chile's IT demand is increasing, though AI-related training in local universities remains limited.
- Ireland has initiatives like the Digital Ireland Framework and Disruptive Technology Innovation Fund to drive digital transformation and provide grants for digital technology infrastructure in schools. Ireland's National Development 2040 plan includes a €500m Disruptive Technology Innovation Fund, with a focus on advanced manufacturing. The Digital Strategy for Schools to 2027 is a government action plan for the integration of ICT into teaching, learning and assessment practices in primary and secondary schools. Under the strategy, all accredited primary and secondary schools will receive grants of €50m for digital technology infrastructure.
- The Netherlands offers a budget for education and training (STAP budget) but not specifically for digital skills.
- Romania's Financial Supervisory Authority has published a strategy for digitalisation and technological innovation in financial services, leading to increased demand for training in ERP and payroll software.
- Thailand has established the Digital Skill Development Academy (DISDA) to improve digital skills.

Worker representation in the digital era varies by country:

- Some countries like Chile, Myanmar and Nigeria have adopted digital solutions for employment-related communication, including online voting, digital systems for meetings and online training.

- Italy has ruled that sending trade union communications via email is equivalent to distributing physical leaflets, protecting trade union rights.
- South Africa allows employer representatives and trade unions to represent employees in digital hearings and consultations.
- The UK has faced issues with biased algorithms influencing recruitment decisions, primarily affecting marginalised groups.

Overall, countries are adopting a range of measures to address the growing importance of digital skills and worker representation in the digital era, with a focus on education, legislation and innovative solutions.

## 3.12 Unions, collective bargaining and industrial action

### *Legal changes*

The prevailing theme across the majority of surveyed countries is one of continuity, as most have reported no significant changes that impact collective bargaining, freedom of association and industrial action. While many countries have reported relative stability in their employment, several noteworthy transformations have emerged in Australia, Hungary, New Zealand, Peru and Portugal.

In August 2023, the US National Labor Relations Board issued significant rulings, expected to be appealed, that substantially enhanced workers' rights and restricted employers' actions. Notably, employers must now draft personnel policies that uphold employees' collective ability to take protected actions. Even if an employee advocates for an individual position, it could be interpreted as empowering colleagues to voice their concerns, thereby expanding protections under the National Labor Relations Act for all employees, irrespective of formal union representation.

Australia has introduced substantial amendments to the Fair Work Act 2009 through the Fair Work Legislation Amendment Act 2022. These changes will have far-reaching effects, including the establishment of new rights for employee bargaining representatives to initiate negotiations. Furthermore, the legislation empowers the Fair Work Commission to terminate enterprise agreements that have exceeded their nominal expiry date in specific circumstances. The Commission will also gain new authority to rectify errors in enterprise agreements independently or upon application by affected parties.

Commencing on 6 June 2023, the amendments will introduce a single agreement approval requirement, focusing on genuine employee agreement. The 'better-off-overall test' will be turned into a global assessment rather than a meticulous line-by-line comparison.

Additionally, an expansion of the concept of multi-employer enterprise agreements will encompass more employees, potentially compelling businesses to negotiate collectively. In cases where an agreement appears intractable, the Commission will be empowered to issue declarations acknowledging the unlikelihood of reaching an agreement. Notably, collective agreements predating the Fair Work Act 2009 will automatically terminate on 7 December 2023.

Hungary has implemented restrictions on teachers' ability to engage in strikes, effectively hampering their capacity to organise meaningful labour actions. This development is of concern, as it may impact teachers' rights and the dynamics within the education sector.

New Zealand has introduced the Fair Pay Agreements Act, effective from 1 December 2022, which promises to set minimum standards for employees and employers across specific industries and occupations nationwide. Notably, only unions can initiate the bargaining process, either by attaining a threshold of support from ten per cent of or 1000 workers within the coverage or by meeting a public interest test. The content of Fair Pay Agreements must encompass aspects such as normal working hours, agreement duration, base wage rates, leave entitlements, redundancy and health and safety. Significantly, once ratified, all employers and employees within the occupation or industry will be bound by the Fair Pay Agreement, with no opt-out option available. Breaches of these agreements carry penalties of up to NZ\$10,000 for individuals and NZ\$20,000 for employers. Opposition parties have expressed intentions to repeal this legislation, potentially leading to political shifts in labour relations while bargaining for Fair Pay Agreements is already underway.

Supreme Decree No 014-2022-TR in Peru has ushered in several modifications to the Regulation of the Law on Collective Labour Relations. These changes aim to introduce new union formulas, open up collective labour relationships among independent workers, enhance the power and protection of union representatives and limit employers' options during strikes and collective bargaining proceedings. Notably, some companies have filed complaints against the amendments instituted in the Supreme Decree, highlighting potential tensions in the corporate landscape.

Portugal is anticipating changes outlined in the Decent Work Agenda for 2023, which grants workers the right to engage in union activities within the company, regardless of the presence of unionised workers. This includes the facilitation of workers' meetings at the workplace, access to company premises for union activities and the display and distribution of union information. These developments signify a commitment to enhancing workers' rights within the country and promoting an environment conducive to union activities.

In the UK, significant legislative changes are on the horizon with the introduction of the Strikes (Minimum Service Levels) Bill on 10 January 2023. This proposed bill aims to establish minimum service levels that must be upheld during strikes, prioritising public safety and ensuring access to critical public services. The bill targets essential services such as railways, ambulance services and fire departments, with the primary objective of reducing risks to human life and guaranteeing the public's ability to commute and receive assistance during industrial actions. Notably, the government places a particular emphasis on consultations regarding minimum service levels for fire, ambulance and rail services.

These consultations underscore the recognition of the severe disruptions that occur when these services are impacted by strikes, especially the immediate safety concerns associated with the disruption of emergency services.

Furthermore, while the government hopes to avoid implementing these powers for other sectors included in the bill – such as education, additional transportation services, border security, other health services and nuclear decommissioning – the legislation grants the government the authority to intervene and establish minimum service levels should the need arise. This proactive approach



aims to maintain a delicate balance between labour rights and public safety within the UK's industrial landscape.

### *Strike action*

Collective bargaining and strikes have remained at the forefront of labour relations in many countries. The Kenyan healthcare professionals' strike, the protracted academic staff strike in Nigeria, widespread strikes in the Netherlands and week-long strikes in the UK across key industries such as public transport are just some of the notable instances. The causes behind these strikes have ranged from workplace conditions, pay and benefits to general concerns about inflation and the cost-of-living crisis. In some countries, such as Peru, there has been a noticeable increase in the number of strikes. Conversely, other countries like Ukraine have not experienced significant strikes or organised employee actions. In the case of Ukraine this absence is likely attributable to the ongoing war and the imposition of martial law, which permits the prohibition of industrial action.

From 19 April to 3 May 2023, the Public Service Alliance of Canada (PSAC) led over 155,000 federal employees in one of the country's largest strikes, lasting almost two weeks. The settlement with the Treasury Board included a 12.6 per cent raise over four years for workers and an agreement on remote work, though not formalised in the contract. From 1 to 13 July 2023, over 30 ports in British Columbia, including the port of Vancouver, experienced strikes. The resolution included a five per cent annual increase for the first two years and a 4 per cent increase for the subsequent two years.

There were significant strikes in France in 2023, primarily driven by the proposed retirement reform. The strikes reflect widespread opposition to potential changes in the retirement system, including concerns about pension benefits, retirement age and the overall structure of the system.

### *Effect of the Covid-19 pandemic on trade unions*

The Covid-19 pandemic has had diverse effects on employee organisation and union membership across different countries, reflecting the unique socio-economic and legal contexts of each.

According to Statistics Norway (SSB), the number of union members in Norway saw a 3.9 per cent increase from 2020 to 2022. As of the start of 2023, out of approximately 2,866,000 employees in Norway, 2,017,266 were members of a union.

In Brazil, the level of employee organisation and union membership has experienced a continuous decline since 2017, following changes in labour laws that rendered the homologation of termination and union contribution payments optional. The Covid-19 pandemic exacerbated this trend as lockdown restrictions led to the temporary dissolution of several unions throughout 2020 and 2021. These challenges have further eroded the presence of unions in the Brazilian labour market.

By contrast, Chile witnessed a surprising increase in affiliation rates in 2022, reaching 22.2 per cent, the highest percentage recorded since 1990. The reasons for this surge remain unclear as the study does not provide specific insights. However, it is worth noting that a higher unionisation rate does not necessarily translate into expanded coverage of collective bargaining agreements to the same extent. The increase in union membership may reflect a broader interest in employee representation, even if it does not directly correlate with collective bargaining achievements.

In Italy, the Covid-19 emergency prompted a significant role for trade unions and works councils. Works councils played a pivotal role through simplified online consultations, enabling employers to access support measures specifically related to Covid-19. Territorial representatives of national trade unions also played a crucial part, as emergency legislation allowed employers to bypass the ban on organisational dismissals by reaching company-level agreements with these employee representatives. This unique involvement in addressing the pandemic's challenges underscores the resilience and adaptability of unions in Italy.

Mexico saw an increase in employee organisation due to the pandemic's economic impacts. Many companies sought to implement workforce reductions or modifications to navigate financial challenges brought on by the Covid-19 pandemic. In these cases, unions engaged in negotiations with employers to safeguard employees' rights, making strong union representation particularly important. While unions typically focus on salary and benefit increases, the pandemic shifted the discussion towards safeguarding employment entitlements and minimising workforce downsizing.

In the UK, Covid-19 had a nuanced impact on employee organisation and union membership. While union membership had been on the rise for several years, the pandemic itself did not significantly affect these trends. However, during the current cost-of-living crisis, unions have reported a surge in interest and membership. Issues such as job cuts and austerity measures have led to increased interest in union representation. Strikes and industrial action have further spurred interest, with a significant uptick in online searches for 'join union'. The pandemic indirectly accelerated these trends by bringing labour-related issues to the forefront of public consciousness.

### **3.13 Minimum wage, banking reform and executive remuneration**

#### *Minimum wage/remuneration models*

Several countries have active statutory minimum wage regulations; all of these reported an increase in the minimum wage over the past year. New Zealand, Brazil and Poland have increased their minimum wages to address concerns about inflation and the cost of living, particularly impacting minimum wage earners.

Countries typically adjust minimum wages at regular intervals, often annually, with the Netherlands even indexing them semi-annually. South Africa introduced a statutory minimum wage during the reporting year, and India's Wages Act has been passed but is awaiting implementation. This new act introduces a floor-level wage that considers minimum living standards and the geographical area of employment.

Countries differ in their approaches to minimum wage categories. Mexico distinguishes between 'general' and 'professional' minimum wages, with the former applying universally and the latter reserved for specific professions or trades, typically at higher rates. Hungary and the Czech Republic employ a 'guaranteed minimum wage', which varies based on job complexity. The UK employs both a National Minimum Wage (NMW) and a National Living Wage (NLW), adjusted according to age and apprenticeship status.

Denmark, Finland, Italy, Singapore and Sweden still have no statutory minimum wage. Switzerland has minimum wage laws in only a few cantons and acknowledges the positive impact of lower unemployment rates. Belgium, Denmark, Finland and Sweden set wages through collective agreements without government intervention. Singapore uses the Progressive Wage Model (PWM) to raise workers' wages through skills upgrading and productivity improvements in specific sectors.

The Directive (EU) 2022/2041 on adequate minimum wages in the European Union, to be transposed into national law by 15 November 2024, will necessitate that some countries introduce statutory minimum wages. Denmark, which adheres to the 'Danish model' rejecting government intervention in working conditions, is challenging this Directive on the grounds of compatibility with the Lisbon Treaty.

Opinions on the minimum wage's impact vary widely. Some countries, like Bulgaria, see it as a means to reduce poverty and income inequality. Romania also views it positively, since it makes certain employment sectors more appealing. However, many countries express concerns about higher business costs, potential job losses and rising inflation tied to minimum wage increases. Turkey highlights the minimum wage's contribution to inflation, while Russia worries about its impact on labour market mobility, potentially leading to undeclared work. Ukraine fears declining employment due to labour market supply outstripping demand.

Cyprus has recently enacted significant changes to its minimum wage policy. The minimum statutory wage has been increased to €1,000 a month, reflecting a commitment to address economic considerations and possibly enhance the well-being of the workforce. This adjustment aligns with the broader international dialogue on the minimum wage, showcasing how individual countries navigate the complex balance between economic considerations and social welfare in their labour market policies.

Fixed monthly salaries remain predominant in many countries, but variable pay based on employee performance (bonuses, awards, commissions) is gaining popularity. Large companies often use variable pay to attract skilled staff and boost motivation and efficiency. Non-salary benefits related to health, well-being and workplace flexibility are also on the rise. Companies frequently include benefits such as bicycles, smartphones, additional holidays, gym memberships, meal allowances and transport benefits in addition to fixed salaries.

Due to changes in economic policies in Venezuela, the remuneration model for payment of wages has had to adopt US dollars, leading to a general increase in remuneration.

Chile is considering Bill No 13240-13, which mandates that companies practise variable profit-sharing. Reports from Ireland show increased usage of stock options by companies affected by the Covid-19 pandemic. The data from Italy shows that medium- and long-term incentive plans (MTIs and LTIs) and stock option plans (SOPs) are primarily used by large companies. South Korea is working on a 'job-based pay system' to determine base wages according to job value. The government's goal is to implement the job-level system in 100 public institutions by 2024 and in more than 200 public institutions by 2027. In general, it also appears that several countries are making efforts to address the gender pay gap, working on the transparency of the pay structure.

Colombia and Luxembourg have seen wage decreases due to the pandemic. However, overall trends show wage increases, revisions and bonuses as countries strive to recover from its negative impact.

Geographic location still impacts salaries, with urban areas generally offering higher wages. Nevertheless, remote working has diminished the significance of location as a determinant of pay in certain sectors. Some countries, like Peru and Poland, cover teleworking costs (eg, electricity and internet) for employees, while South Africa has internal rules regarding these expenses.

### *Financial institutions/banking reform*

Australia has introduced the Financial Accountability Regime Bill 2022 to establish a Financial Accountability Regime (FAR) for transparency and accountability in the financial services sector. Ireland's Individual Accountability Framework Act 2023 aims to promote personal responsibility among financial services employees.

Hungary's new criminal code is expected to increase managerial accountability by penalising directors and employees for mismanaging control and supervision, potentially even charging them with budget fraud.

In 2022, the Sri Lankan government, in collaboration with the Central Bank, implemented policy measures to restore macroeconomic balance, including significant changes in interest rates to control inflation and manage inflation expectations. To address a critical foreign exchange shortage, the government temporarily suspended selected foreign debt payments, consolidated public debt with support from the International Monetary Fund (IMF) and managed foreign exchange outflows through various means, prioritising imports for essential goods to ease socio-economic turmoil.

### *Executive remuneration*

In the realm of executive remuneration, there is a distinction between the public and private sectors in most countries. While regulations regarding executive pay are prevalent in the public sector, they are less common in the private sector. Romania and Israel have taken steps to restrict executive remuneration specifically within the financial sector.

In contrast, several countries emphasise the importance of transparency in disclosing executive remuneration and benefits. Singapore, for example, enacted a law in January 2023 that mandates that all Singapore-listed companies disclose precise details and breakdowns of salaries and other payments to directors and chief executive officers in their annual reports.

Furthermore, the EU Parliament approved the EU Transparency Directive at the end of March 2023. This Directive requires EU companies to disclose information aimed at helping employees compare salaries and identify disparities. However, the primary focus of this Directive is to address gender pay inequalities and it does not specifically target taxation of executives.

## **3.14 The gender pay gap/equal pay for equal work**

Gender pay equality has become a significant global issue, leading several countries to enact legislation addressing the gender pay gap and advocating for equal pay for equal work. These initiatives demonstrate a shared commitment to addressing pay inequality between men and women and increasing transparency in pay practices.

In Australia, the Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022 amended the Fair Work Act 2009 to include gender equality as an objective. It updated the objectives for modern awards and minimum wages to encompass achieving gender equality in the workplace. This includes ensuring equal remuneration, eliminating undervaluation of work based on gender, addressing gender pay gaps and providing favourable workplace conditions for women's full participation. Additionally, the Australian government has introduced the Workplace Gender Equality Amendment (Closing the Gender Pay Gap) Bill 2023, which aims to enhance transparency by requiring larger employers to disclose gender pay gaps. This bill is currently under consideration by the Senate.

In November 2020, New Zealand amended the Equal Pay Act 1972 to improve the process of addressing pay equity claims. These amendments specifically target work performed by women that is different but of equal value to work performed by men. Various pay equity claims are currently being resolved, reflecting a commitment to addressing gender-based wage disparities.

South Korea has taken steps to combat gender-based discrimination and wage disparities. Employees can now file petitions with the Labour Relations Commission against employers for gender discrimination, including wage discrepancies. Employers bear the burden of proving they did not engage in gender discrimination or sexual harassment. If the commission rules in favour of the employee, the employer may be required to provide compensation and may face fines for non-compliance with corrective orders.

In Ecuador, the 'Violet Law', which came into effect in January 2023, aims to provide incentives for women's participation in various scenarios, including labour-related, professional, business-related, managerial and political settings. While the obligation for equal remuneration for all workers, including women, has long existed, this legislation reaffirms it and introduces control and sanction mechanisms to address any breaches of the obligation to pay equal remuneration to women. The law emphasises gender equality and introduces measures to ensure its enforcement in various aspects of public and professional life.

In May 2023, the European Parliament and Council signed the Pay Transparency Directive (Directive (EU) 2023/970) to strengthen the application of the principle of equal pay for equal work between men and women through pay transparency and enforcement mechanisms. The Directive grants employees the right to information on their individual pay level and average pay levels, broken down by gender, for employees in the same roles. It also establishes pay transparency requirements before employment, such as disclosing salary ranges and prohibiting inquiries about a candidate's pay history. Employers with over 100 employees must disclose information on the gender pay gap and conduct pay assessments if necessary. Member States have three years to transpose the Directive into national law.

Finland is actively planning legislation to empower workers to access information about their colleagues' earnings, particularly in cases of suspected gender-based discrimination. This initiative aims to close the wage gap by increasing opportunities for employees to exercise their right to equal pay through binding measures on pay transparency. However, the timeline for implementing this legislation remains uncertain.



In Ireland, the Gender Pay Gap Information Act 2021 laid the foundation for gender pay gap reporting. Organisations with over 250 employees are required to report on their gender pay gaps, fostering transparency and accountability in efforts to address the gender pay gap.

Luxembourg has been a pioneer in achieving equal pay through legislative measures. Since equal pay was made an integral part of the Labour Code in 2016, pay inequality has been considered unlawful. As a result, Luxembourg has significantly reduced the pay gap between women and men. Figures published in 2023 show that the average hourly wage of women exceeded that of men in 2021, making Luxembourg the only EU Member State to achieve equal pay. This progress can be attributed to women's higher education levels and their presence in sectors with higher salaries. Luxembourg joined the Equal Pay International Coalition (EPIC) in April 2021, aligning with the goal of achieving equal pay by 2030.

In Portugal, while there have been no recent legislative changes, efforts have been made to implement Law No 60/2018, which aims to ensure equal payment for men and women. The Authority for Work Conditions has notified over 1,500 companies with 50 or more employees that have gender pay gaps equal to or greater than five per cent. These companies must present an evaluation plan to address the pay gap within 120 days and implement it within a year. Failure to comply can result in substantial fines.

In 2022, Sweden adopted the EU Directive (2019/1158) on work–life balance for parents and caregivers. This Directive aims to achieve gender equality in the labour market and professional life by improving opportunities to balance work and family responsibilities, indirectly impacting salary equality. The implementation of the Directive led to various legislative changes, including amendments to the Social Security Code, provisions in the Act on leave for family care, the Parental Leave Act and the Act on the right to leave for urgent family reasons.

In summary, these legislative actions and proposals collectively demonstrate a global commitment to reducing the gender pay gap, promoting transparency and ensuring fair pay for women in the workforce. While progress may vary between countries, these initiatives represent a shared determination to narrow and ultimately eliminate the gender pay gap, marking a significant step forward in advancing gender equality in workplaces worldwide.

### **3.15 Immigration and talent issues**

In line with previous years, most countries continue to face persistent skills shortages in their workforce. However, a few countries, like Chile and Colombia, have reported no issues with skill shortages. Interestingly, Chile is experiencing an oversupply of professionals and technicians due to an influx of immigrants, leading to a lack of vacancies in their respective fields. Consequently, these individuals often find themselves employed in unrelated areas. In contrast to last year, India now reports a shortage of talent at the senior management level, particularly in advanced high-tech industries. Additionally, the country lacks managerial skills in infrastructure, research and development.

Skilled labour shortages are prevalent across various sectors in the surveyed countries, irrespective of professional requirements and salary levels. However, certain sectors face particularly acute shortages. The IT sector, for instance, has long-standing skills shortages, affecting occupations



such as civil engineers, telecommunications and computer systems engineers, information and communication technology specialists, AI specialists and software developers. The health sector is also mentioned by most countries, with jobs in this field often considered unattractive due to comparatively low pay and physical strain. In the Netherlands, employees in these services feel they lack flexibility and are burdened with excessive administrative work.

Generally, many countries report that skills shortages are most common in blue-collar occupations with low wages and low educational requirements, such as construction, manufacturing, HORECA (hotels, restaurants and cafés) and social services. The HORECA sector in particular has faced labour shortages after laying off staff during the Covid-19 pandemic; it has since struggled to recruit new employees.

Several factors contribute to these shortages. Sectors forced to suspend operations due to the pandemic continue to face significant recruitment challenges. Some countries report a waning interest among young people in science, technology, engineering and mathematics (STEM) education. Brazil explains that the shortage in the IT sector is the result of relatively new job opportunities, leading to a small number of graduates. Moreover, there is a general inclination to pursue ‘traditional’ or perceived ‘safer’ professions like business, medicine, law and economics.

Since 23 June 2023, Sri Lanka has been grappling with a significant shortage of medical specialists. This crisis is exacerbated by the emigration of 350 specialists, the impending retirement of an additional 300 and delays in the Ministry of Health publishing the transfer list. In response, the government raised the retirement age for specific doctor categories from 60 to 63. However, a gazette notification on 5 December 2022 mandated all public sector employees to retire at 60, leading 176 specialist doctors to file a fundamental rights petition. They argue that reducing their compulsory retirement age from 63 to 60 violates their legitimate expectation to work until age 63.

In Pakistan, there is a skills shortage in the following industries: engineering services, telecommunication, civil aviation, financial services and accountancy.

Many countries (eg, Pakistan, Poland, Portugal, South Korea, Taiwan and Ukraine) attribute the shortage to a ‘brain drain’. This phenomenon occurs when a significant number of highly skilled and educated individuals, including scientists, doctors, engineers and other professionals, emigrate from one country or region. According to the reporting countries, brain drain often arises from foreign companies offering higher salaries, better job prospects, improved working conditions and a higher standard of living. Additionally, the rise of remote work has led to more locals working online for foreign companies.

### *Governmental strategies*

The vast majority of the countries surveyed are taking action to compensate for an existing skills shortage or to mitigate the prospect of such a shortage. Various countries have long-term national strategies in place aimed at compensating for labour shortages, such as the newly introduced National Infrastructure Plan of March 2022 in South Africa. These strategies mainly revolve around activating unused potential. For example, the Serbian Youth Guarantee system (as of February 2022, final implementation was scheduled for June 2022) aims to provide young people with job offers,

practical work experience or education within four months of becoming unemployed or completing formal education. However, the government simply providing information to aid reintegration into the labour market was not deemed successful in some countries, such as Argentina and Mexico.

Frequently used programmes generally revolve around skilled migration. One measure is the improvement of prediction lists for skills shortages. As an example, Latvia implemented a forecasting platform in 2021. The Australian government uses Skilled Migration Occupation Lists, which it regularly updates to reflect genuine skills needed where migration is an appropriate response, to target migration in areas with a skills shortage. In this context, many countries have made adjustments lately. This includes simplifying the process of employing foreigners, especially highly qualified people, expanding permits to family members and establishing pop-up recruitment centres in other countries. In Germany, the ministries involved in drawing up a strategy to combat the shortage of skilled workers have agreed to make it easier and quicker in future to recruit skilled workers from third countries into the German labour market, and easier for potential employees from outside the EU to find a suitable job in Germany. A new bill in Sweden aims to counteract the exploitation of working immigrants, to attract and retain international skills and to counteract so-called 'skills expulsions'. Furthermore, Denmark lowered the minimum salary requirement for international workers as of July 2022.

Another common response to skills shortages is reskilling and upskilling schemes. For example, the NextGenerationEU Plan proposed by the European Commission aims to invest €450m in skills training. When it comes to skills training, some countries (eg, South Africa and Luxembourg) also reported collaborations with employers. In addition, most countries are changing their educational and vocational systems in line with labour market needs. Regarding changes to the labour market, the Swedish government decided on 27 January 2022 on a major reform of the labour law rules intended to improve the long-term flexibility, adaptability and security of the labour market. It will be much easier for middle-aged people with work experience to further their education with the help of a student grant corresponding to at least 80 per cent of the person's salary.

The Canadian government is actively addressing labour shortages by implementing strategies to attract skilled immigrants, particularly in industries with workforce gaps. A key initiative is the Economic Mobility Pathways Pilot (EMPP), which introduced a new economic pathway in the summer of 2023. This pathway connects skilled refugees and displaced individuals with Canadian employers facing shortages in key occupations. The goal is to welcome vulnerable populations while providing employers access to an untapped talent pool, fostering economic growth. In-demand professions such as nurse aides, software engineers, teachers and hospitality workers benefit from this federal initiative.

Other countries which noted a strong brain drain aim to respond by improving employment conditions. This includes increasing wages, especially for people working in the healthcare sector, and tax exemptions to enhance competitiveness. Moreover, some governments are giving out scholarships to students in industries with skills shortages.

Most governments are actively addressing skills shortages and working to prevent potential deficits, boost employment and enhance workforce capabilities. Efforts at the legislative and executive levels to counter labour deficits often focus on immigration-related measures. For instance, Australia

regularly updates its Skilled Migration Occupation Lists to target migration in areas with skills shortages. Malaysia aims to streamline the process of recruiting foreign workers, reducing it to less than 30 days. Germany implemented the Skilled Immigration Act in June 2023 to reduce bureaucratic burdens for skilled workers coming to the country.

In Finland, a bill on the recruitment of foreign workers was introduced in February 2023 to increase employment-based immigration and promote integration. The Finnish Immigration Service also launched a fast-track process for start-up entrepreneurs and skilled workers to obtain a residence permit in just two weeks. New Zealand has expanded the Green List to include occupations in sectors like construction and introduced a streamlined Specific Purpose Work Visa to retain critical workers. Poland has focused on regulating the status of those arriving from Ukraine, granting them full access to the Polish labour market. Singapore introduced the 'One Pass' to attract top talent and experienced tech professionals, allowing them to have multiple job commitments simultaneously.

Many countries are also taking action to activate untapped potential. Kenya is focusing on competencies and digital skills in its curriculum; Argentina's Ministry of Labour provides information and contacts for workers to integrate into the local economy, including government-sponsored scholarships for poor students; and Mexico has introduced the 'Young people building the future' programme, offering monthly government internships to young and unemployed individuals to develop professional skills and integrate them into the labour market.

Increasing the employability of jobseekers through skills training is another common response to labour shortages. Countries like Belgium, Brazil, Nigeria, Romania and Serbia use reskilling and upskilling programmes to ensure individuals have the necessary skills for a changing labour market. Brazil's National Strategy for Skills for Productivity and Employment aims to match worker training with industry demand. Malaysia, Romania and the Netherlands focus on IT and technology skills. Belgium provides free training for shortage occupations and supports unemployed individuals to attend such training with transport and childcare costs.

Countries experiencing brain drain are making the local labour market more attractive by increasing salaries, promoting job security and reducing administrative burdens. Many countries ensure professionals are paid competitively, especially in critical sectors like healthcare, engineering and information technology. Addressing education gaps and encouraging higher education and vocational training are also important measures taken by several countries to produce a skilled workforce to meet current and future needs.

### *Employer strategies*

Employers respond to skills shortages in various ways, depending on the specific nature of the skills gap. Outsourcing, recruiting foreign workers and providing training are common strategies employed across countries to address these shortages.

Many countries have reported that recruiting foreign workers is a common measure, particularly in sectors such as health, construction, IT and STEM occupations. However, Bulgaria has observed that the Covid-19 pandemic demonstrated the feasibility of remote work for most professions. Consequently, many companies, especially in the technology sector, have sought alternative business

locations. Outsourcing certain functions or projects to external companies is seen as advantageous, as it provides access to the required skills at a lower cost.

The UK has experienced a significant increase in the recruitment of workers from abroad in recent years. Brazil has also seen a rise in companies offering remote jobs to foreigners. Some countries, including Belgium, Bulgaria, Denmark and Hungary, have considered Ukrainian war refugees as a potential solution to labour shortages. However, these countries have faced challenges in integrating these refugees into the local labour market. For instance, in Belgium, only 20 per cent of working-age beneficiaries of temporary protection were employed in October 2022 and in Bulgaria, only 11 per cent were employed in July 2023. These individuals were primarily working in hotels, restaurants, trade and manufacturing. Denmark attributes the poor integration to language barriers and a lack of professional qualifications.

Employers are actively seeking ways to improve working conditions to attract and retain suitable employees. This includes implementing measures such as flexible working arrangements, salary increases and enhanced benefits packages, as well as fostering a healthy work environment and providing opportunities for personal development. In Hungary, Turkey and New Zealand, employers are investing in the future workforce by developing internship and scholarship programmes and collaborating with educational institutions for talent acquisition. In Kenya, addressing skills shortages often involves investing in training programmes to develop the skills of existing employees. Meanwhile, companies in Germany are focusing on retaining employees by improving the working atmosphere, work-life balance and workplace facilities as well as offering better promotion and career opportunities.

Companies worldwide are addressing the evolving skills required in the workplace primarily through reskilling and upskilling opportunities, self-directed training and workshops. The focus is on developing the most in-demand skills in the labour market, such as digital skills and sustainability skills. Workers are being encouraged and incentivised to enhance their skills as the modern workplace adapts to new technologies like AI. Governments are also taking steps to reform education systems, promote apprenticeships, attract skilled workers from abroad and introduce regulations on reskilling and upskilling.

For instance, Belgium has enacted a new Labour Deal that grants individuals the right to five days of paid training per year. In Finland, the emphasis is on education and training, with companies required to consider training time as part of working hours. Bulgaria organises career forums like ‘National Career Days’ to facilitate live meetings and virtual interviews between employers and job seekers. Other strategies mentioned by several countries include collaborating with entrepreneurs and increasing quotas in blue-collar sectors. Despite the efforts of most governments, many countries still rely on skilled migration to meet the changing demands for skills in the workplace.

### *Foreign nationals, immigration and business visitors*

Several countries have recently implemented changes to their immigration laws, resulting in more relaxed requirements for foreign nationals and their families to obtain residence permits or visas. These changes primarily aim to facilitate access to employment opportunities for foreign workers,

especially highly skilled professionals in critical industries and international students who have completed their education.

Overall, countries are striving to streamline and simplify visa procedures, making them more convenient and efficient. Digitalisation of visa applications has been implemented in various countries, such as Lithuania, Serbia and Kenya, providing a more streamlined process for obtaining essential permits. Additionally, many countries are working to expedite the visa application process. For instance, the Finnish Immigration Service has introduced a fast-track option for start-up entrepreneurs and skilled workers, enabling them and their families to obtain a Finnish residence permit in just 14 days. Lithuania has reduced the processing time for temporary residence permits by one month and has partnered with technology company VFS Global on issuing temporary residence permits.

To address skill shortages, many countries have introduced exemptions and extended the duration of residence and work permits. Denmark, for example, has extended the maximum duration of residence permits to five years; it also now grants foreign students who have completed their higher education in Denmark a temporary residence permit for 12 months, during which time they may find employment. Estonia has also extended permits for employees of fast-growing technology companies and for Ukrainian citizens.

In response to healthcare workforce gaps, New Zealand has established an immediate pathway to residence for registered nurses and midwives. From March 2023, this pathway has been expanded to include teachers, drain layers, motor mechanics and skilled civil machinery operators. Singapore has made changes to its Global Investor Programme, increasing the minimum investment requirements and introducing criteria related to hiring locals for the renewal of re-entry permits. The programme offers permanent residence status to global investors who want to operate their business and drive investment growth from Singapore. Additionally, Singapore has introduced the ONE Pass, a five-year work pass that allows high-earning professionals to set up, operate and work for multiple companies simultaneously. Malaysia has launched the Premium Visa Programme, also known as the 'Residency by Investment Programme', to attract wealthy investors from all countries and boost foreign investment.

In October 2022, the Australian government announced the composition of the 2022–23 migration programme, which aims to address critical labour shortages where the skills of Australians are not keeping pace with industry demand. Bulgaria introduced a start-up visa as a basis for foreign entrepreneurs developing high-tech or innovative projects to obtain long-term residence. Belgium has introduced a combined application procedure for third-country trainees and volunteers staying for more than 90 days starting in 2023, with researchers following in March 2023.

The conflict between Ukraine and Russia has also influenced policies towards foreign nationals in many countries. The Irish government lifted visa requirements for Ukrainian citizens travelling to Ireland as an emergency measure. The Czech Republic introduced temporary protection for Ukrainians, granting them access to the labour market.

Poland adopted a special law on assistance to Ukrainians, regulating their status and allowing them to stay and work in the country. At the same time, Latvia has implemented a decree, effective from September 2022, to restrict the entry of Russian citizens, allowing only certain categories to enter the country,



in an effort to prevent security risks. Similarly, it has become more challenging for citizens of Russia and Belarus to obtain work and residence permits and enter Ukraine, requiring the approval of the Security Service of Ukraine.

The requirements for obtaining a tourist permit for business activities are mostly consistent across participating countries. Initially, the Covid-19 pandemic prompted the implementation of various health measures for business visitors to the surveyed countries. However, by 2022, most of these measures had been phased out. Currently, only a few countries still require a vaccination certificate or a negative polymerase chain reaction (PCR) test for travellers, along with mandatory quarantine for symptomatic individuals.

In Chile, a new law allows foreigners who do not plan to reside in the country to obtain a temporary residence permit for a maximum of 90 days, which can be renewed for an additional 90 days. Malaysia has also introduced a new provision for short-term residents. The Social Visit Pass, introduced in October 2022, is available for up to 30 days to foreign professionals who urgently need to perform critical tasks in the country. This pass applies to various industries, including security, manufacturing, construction, healthcare, tourism and more.

Another significant change is the upcoming implementation of the European Travel Information and Authorisation System (ETIAS) through Regulation (EU) 2018/1240. This system will have a major impact on visitors from non-EU countries, as residents of countries that previously enjoyed visa-free travel to the Schengen area will now need to obtain a visa to enter the region.

## *Refugees*

Many respondents acknowledged their countries as popular destinations for individuals seeking refugee status. The global refugee situation has witnessed significant changes over the past year, driven by ongoing conflicts and crises in various regions. Several countries have experienced substantial inflows of refugees, particularly from conflict-affected nations like Afghanistan, Syria, Ukraine and Venezuela. While some countries have actively supported the social and labour-market integration of refugees, others have faced challenges due to legal, political or resource limitations (eg, Estonia).

Argentina is widely recognised as a destination for refugees, primarily from neighbouring Latin American countries. Chile serves as a transit country, with a notable number of refugee applications being rejected in 2022. Colombia has witnessed an increase in the immigration of Venezuelan nationals and has implemented policies providing health coverage, food subsidies and special permits allowing a stay of up to two years and employment without the need for a work visa. Although Brazil is not a primary destination for refugees, it has extended support to Venezuelan refugees in terms of regularisation and integration. Mexico, as a destination for Central and South American refugees, offers temporary support programmes and facilitates the integration of recognised refugees into society and the workforce.

Due to the escalating global refugee crisis, several European countries have reported higher numbers of refugees and are grappling with challenges related to integration, legal frameworks and resource allocation for refugee assistance and support. Reports from the UK highlight the reform of its asylum system, in which new policies and partnerships are being implemented to manage



refugee flows and discourage irregular entry. Malaysia, while lacking a legal framework for refugees, managed to establish guidelines for refugee work permits in 2022. India continues to admit refugees based on socio-political considerations, without a defined national refugee framework.

The global landscape of refugee destinations extends to Cyprus, a country that has traditionally been a popular choice among asylum seekers and refugees. Cyprus holds the largest share of refugees in terms of its population within the EU. Historically, the country attracted many individuals seeking refuge, benefiting from a favourable welfare system. However, this system has undergone substantial amendments in response to perceived abuses by immigrants and refugees from conflict zones. In light of these concerns, the Cypriot government has introduced changes to its asylum seeker policy, aiming to discourage the inflow of immigrants. One notable measure is the establishment of a special court dedicated to the review of refugee and asylum seeker applications. This initiative is designed to expedite the processing of outstanding applications, addressing the challenges posed by the increased influx, particularly in the wake of conflicts such as those in Gaza and Ukraine.

Luxembourg, although not a major destination for refugees, has experienced a significant increase in refugee applications, primarily from Afghanistan, Eritrea, Syria, Turkey and Venezuela. Bulgaria has also witnessed an influx of refugees from Afghanistan, Syria and Ukraine, with integration measures funded through international and national channels. Belgium has seen a surge in asylum applications, particularly from refugees fleeing the conflict in Ukraine. Integration efforts in Belgium include the provision of integration classes, social benefits and employment support for refugees. The Estonian government is making efforts to integrate Ukrainian refugees by allowing them to work and providing social benefits. Denmark introduced a special law in March 2023 to facilitate the employment of refugees from Ukraine and their families, with temporary provisions until 2024. Meanwhile, Finland actively promotes the integration of refugees into society, offering language courses, vocational training and employment support.

Many European countries have observed changes in refugee flows due to the war in Ukraine. The European Council activated the temporary protection mechanism for individuals fleeing the conflict in Ukraine following the Russian armed forces' invasion on 24 February 2022. Additionally, the earthquakes in Turkey and Syria in February 2023 also affected refugee movements. Turkey has reported an increase in migration from Syria, although official data has not yet been released.

Several countries have experienced a significant influx of Ukrainian refugees. For instance, Ireland saw the highest number of immigrants in 15 years in 2022, with approximately 25 per cent of them being Ukrainians. Similarly, Sweden granted residence permits to one third of refugees from Ukraine under the Temporary Protection Directive 2001/55/EC. Poland also faced its largest-ever influx of refugees due to the Russia–Ukraine war, with the number of migrants in the country still rising according to the Polish Immigration Office. Portugal has approved a temporary protection regime for Ukrainian citizens and their relatives who cannot return home due to the war, offering a special protection programme and granting residence permits. In Australia, the government allocated AU\$18.4m for three-year temporary humanitarian visas for Ukrainians and their immediate family members, allowing access to Medicare for 12 months. The UK government has established various immigration schemes to assist Ukrainian nationals and their families in coming to the UK for up to three years, providing work opportunities and access to public services and benefits. The number of

Ukrainian refugees arriving in the UK in 2022 is roughly equivalent to the total number of people granted refuge from all countries between 2014 and 2021.

In Germany, the government has been actively involved in facilitating the integration of refugees and immigrants into society and the labour market, recognising integration as a priority area and a shared responsibility for the entire society. This commitment is outlined in the Residence Act, which grants foreigners legally residing on German territory access to federal integration services. These services encompass various aspects such as language lessons, integration into training, work, and education, as well as social integration. Integral to the integration process is the implementation of an integration course, consisting of language lessons and an orientation program. The goal is to empower individuals to actively participate in and contribute to German society. Furthermore, the German government is planning to increase funding for business German courses, recognising the importance of language proficiency in the professional sphere. In an effort to enhance educational opportunities, particularly for young foreign citizens, the federal government aims to boost participation in education. Notably, a significant portion of foreign adults aged 20–34 currently lack vocational qualifications, and addressing this gap is a crucial aspect of fostering successful integration.

In the US, the integration of refugees and asylum-seekers, primarily from South and Central America, varies based on the political climate. Under the Trump administration, efforts to impede refugees were prominent, with increased immigration raids on manual labour workplaces. While the Biden administration has slowed such raids, the approach differs by state. Texas has restrictive rules for undocumented immigrants' work rights, while locations like New York City and certain Californian cities protect against discrimination based on immigration status. Legal papers remain essential for job applications.

While the Covid-19 pandemic initially impacted migration flows, with strict regulations on transit and entry into many countries leading to a significant decrease in refugee applications, this impact is no longer being felt to a significant extent. Germany has reported that asylum applications approached pre-pandemic levels between June and December 2020 and exceeded them from mid-2021 onwards. This upward trend continued into 2022.

### **3.16 Covid-19**

The Covid-19 pandemic has had a significant impact on labour markets and workplace cultures worldwide. It has ushered in several changes, including the adoption of remote working and digitalisation in many countries. While the pandemic's significance is diminished compared to previous years, its effects continue to reverberate.

Several countries, including Belgium, initially faced logistical challenges and worker absenteeism due to Covid-19. However, by 2022, most of these challenges had been overcome. Hybrid working models have gained popularity on account of their flexibility for both employers and employees. In some countries, there is an ongoing debate about enshrining the right to work from home into legislation. For instance, Ireland is in the process of introducing legislation that allows employees to request remote work.

In the Netherlands, remote working increased in 2022, although it remained less common than during the peak of the pandemic, even after the Covid-19 containment measures were lifted. Portugal continues to maintain teleworking practices, emphasising the hygiene benefits. Romania witnessed a return to office work for many employees in 2022, while some opted for hybrid models. Sweden experienced a surge in hybrid working solutions, with offices being adapted to accommodate meetings and focused work being done at home.

The war in Ukraine had a greater impact than Covid-19, making it challenging to assess pandemic-specific changes. The conflict resulted in the loss of millions of jobs, though there is potential for recovery after the conflict.

Notably, the Covid-19 pandemic has led to job losses and rising unemployment rates in most countries. For instance, Argentina has seen significant job losses among workers under the age of 29. In Australia, the pandemic has primarily affected short-term casual workers and sectors such as tourism, hospitality and travel, resulting in business closures. Some governments, like in Bulgaria, have taken measures to support businesses and maintain relatively low unemployment rates.

However, the labour market is gradually recovering. In Ireland, for instance, the unemployment rate decreased from five per cent to 4.3 per cent between March 2022 and March 2023. Some countries are grappling with labour shortages due to pandemic-induced emigration, leading to demands for higher wages from workers in these countries.

Many countries initially introduced extensive legislation to impose Covid-19 containment measures, but most of it has now been repealed. The remaining laws primarily focus on regulating remote working and other flexible arrangements. For example, Argentina's regulations cover remote working, leave mechanisms, financial support and workplace assistance for the unvaccinated. In Colombia, Decree 1227 of 2022 introduced more flexible regulations to promote hybrid work models. Israel enacted an economic support programme in January 2022, which was later relaxed.

In New Zealand, various financial support schemes were introduced for businesses, including Covid-19 support payments. These legislative measures reflect the diverse responses of countries to the challenges posed by the Covid-19 pandemic on their labour markets and human resources.

In response to the pandemic, employers around the world implemented various safety measures in workplaces. During the pandemic's peak, common measures included compulsory vaccination, social distancing, testing, mask-wearing and teleworking. As the pandemic's impact diminishes, many of these measures have fallen out of use.

The Covid-19 pandemic significantly affected labour markets, resulting in financial difficulties for workers in most countries. Argentina, for instance, is reducing public spending, potentially affecting cost-of-living adjustments to pension payments and labour regulations. Sectors like tourism, hospitality and education have been hit hard due to reduced foreign student numbers. The shift away from business travel to digital meetings necessitates new programmes and mechanisms for secure online interactions.

Brazil and the Czech Republic faced challenges like rising unemployment and inflation due to the pandemic. The increased use of telecommuting and home offices has reduced social interaction,

exacerbating mental health issues. As a result, talent retention strategies, wellness tools and enhanced security measures have become critical. Many workers no longer prefer traditional office setups.

In Germany, several sectors are facing challenges, partly due to disruptions caused by the pandemic. Worker shortages are evident in the catering industry, at airports, in the care sector and in trades. This is partly because many workers switched sectors during the pandemic due to job insecurity.

The workplace changes induced by the pandemic include the widespread adoption of hybrid working models and flexible arrangements. Policy documents have been adapted to accommodate remote work and considerations related to employees' work-life balance.

As we move into the post-pandemic era, some practices introduced during the pandemic continue to be relevant. Remote and teleworking options in particular remain in demand. Business travel has decreased and face-to-face meetings are less common. Consequently, there has been a reduction in the demand for office space in several countries, with a simultaneous increase in digital communication methods in the workplace. Increased cleanliness and disinfection measures, as observed in Bulgaria, may persist beyond the pandemic.

Notably, virtual courts, like the one established in Kenya, have become an enduring feature. Virtual hearings and court sessions have been widely embraced. Hand sanitiser provision has become commonplace in most companies.

In conclusion, the Covid-19 pandemic has left a lasting impact on labour markets and workplace culture, although only a few practices introduced during the pandemic have endured.

### **3.17 Impact of other political and world events**

In today's interconnected world, the global labour market is significantly influenced by a myriad of political and environmental factors. This comprehensive analysis examines the impact of three major events: the Russia-Ukraine war, ongoing trade conflicts and climate change. These factors have led to complex challenges in global labour markets – affecting immigration, mental health, inflation, supply chains and more. In addition, the consequences of Brexit and the rise of nationalism have reshaped labour dynamics, while social movements and climate awareness initiatives have sparked changes in workplace policies.

The war between Ukraine and Russia has left an indelible mark on the global labour market. The conflict has led to a massive exodus of people, causing economic hardship not only in Ukraine but also in other regions. Rising food and energy costs have reverberated around the world, impacting inflation rates and challenging employers across a range of industries. Companies are struggling with high production costs, especially increasing import and export prices, leading some to temporarily halt operations in affected countries.

Host countries must strike the right balance between providing people in need with aid and the requirements of national labour markets. A great number of Russian refugees have entered Argentina as a consequence of the war, trying to avoid mandatory draft. Most of them work from their homes. Bulgaria, Lithuania and Hungary, as well as many other countries, are tightening the requirements for working in their country. For example, Bulgaria guarantees access to the labour

market for citizens of Ukraine under the following circumstances: ‘Ukrainians and members of their families who have been granted the right to temporary protection according to the Act on Asylum and Refugees have the right to work in our country without a permit to access the labour market’.

Most refugees in the most recent wave are women and children escaping the war in Ukraine. Men are subject to conscription, so the conflict has restricted the movement of workers from Ukraine and changed the composition of foreign workers on the labour market in the Czech Republic. Political disputes and conflicts in the workplace might become a problem as so many different nationalities and cultures come into contact.

In Russia, the number of foreign workers has fallen.

Looking at a positive development, the influx of foreign nationals into Serbia during 2022 has contributed to an increase in the number of skilled workers.

In addition, the emotional toll of the war on employees and managers cannot be underestimated. Uncertainty about the conflict and its impact on employees’ mental health and well-being have emerged as significant issues. Individuals with family ties to Ukraine or who are experiencing heightened anxiety as a result of the war face exacerbated mental health challenges in the workplace.

Trade conflicts, particularly between the US and China and between the US and the EU, have disrupted the global economic landscape. The influx of low-cost Chinese products into some countries has led to unemployment in certain sectors, for example in Colombia. The effects of the Covid-19 pandemic, such as reduced working hours and layoffs, have compounded these challenges.

Supply chain disruptions, trade barriers and uncertainty about production locations have affected European companies, leading to shortages of critical materials such as pharmaceuticals and microchips. Also, European companies that are active in the Chinese market are questioning whether to keep production there or move to other countries. These disruptions can also have an impact on employment, with some factories having to limit or regulate their operations and production in view of the shortage of certain materials or production components. The US–Mexico–Canada Agreement provides for specific employment obligations for Mexico, which were the guidelines for the provisions of the Labour Reform. This reform set out the right of employees to be involved in union negotiations and restrictions on employers interfering in union activities.

While trade conflicts have negative aspects, they also present opportunities for certain countries. India, for example, stands to benefit from the relocation of production and supply chains away from China. Taiwan has seen growth as companies and professionals relocate from China following the trade war.

Brexit, the withdrawal of the UK from the EU, has had different effects on labour markets in different countries. In particular, EU Member States have faced challenges related to foreign workers in the UK and Britons working in EU countries. The UK’s exit has led to stricter requirements for its citizens to obtain work and residence permits in different EU countries. Countries such as Estonia and Finland have introduced new requirements for UK workers, especially for those who have not worked there before, while Germany faces issues such as skills shortages, trade barriers and supply chain disruption. Ireland’s Common Travel Area with the UK gives Irish and UK citizens certain rights, including the ability to work without needing additional permission. Currently, employment



rights remain the same since the UK's withdrawal from the EU except for some changes to employer insolvency for UK employees working in the EU, membership of European works councils and employing EU citizens. A bill has been introduced to put an end to EU-based legislation the UK has retained since Brexit.

The rise of nationalism and isolationism in some countries has led to changes in the workplace. In Chile, increased nationalism driven by foreign immigration has raised concerns about social security and employment, especially related to the displacement of Chilean nationals. In South Africa, a preference for workers who share cultural backgrounds has led to a less diverse workforce and discrimination against foreign workers. Kenya, however, has welcomed foreign workers and investors from a variety of countries. In addition, some countries, such as Kenya and Mexico, have promoted diversity and inclusion as part of their social policy agenda. Many companies are adopting policies and programmes to promote inclusivity, but disparities remain in the promotion of LGBTQI+ rights, particularly in African subsidiaries of Western companies.

Due to the current governmental situation in Peru, multiple national highways have been blocked by protesters, preventing the employees of some companies, especially mining companies, from working.

The climate crisis poses a multi-faceted challenge to the global labour market. Direct impacts include disruptions to ecosystem-based industries such as agriculture, forestry, fisheries and tourism. Extreme weather events also affect infrastructure, potentially affecting jobs in the energy, water, transport and telecommunications sectors.

However, efforts to combat the climate crisis are creating new employment opportunities in renewable energy, biofuels and resilient infrastructure. Remote working has gained traction as a means of reducing commuting costs. In Australia, the coal mining industry and the coal-fired electricity generation industry (which are substantial in Australia) will be impacted with the reduction of job opportunities and job security. The principal mining union has called for the establishment of an energy transition authority to inform policies and initiatives to protect and support employees affected by the transition from coal-fired electricity generation to other energy sources. In Belgium company cars will have to be fully electric by 2026.

Denmark's own objective is to eliminate 70 per cent of greenhouse gas emissions by 2030. The Finnish government has approved a change pursuant to which the tax value of fully electric company cars would be reduced for at least the years 2021–23. However, some of the large Indian groups have committed to saving the environment and reversing climate change by announcing investments and greenfield projects (for example, hydrogen energy). Also, many countries like the UK and Iceland are working on a four-day work week concept, which may lead to reduction of travelling costs and the saving of energy.

The global labour market is a dynamic ecosystem shaped by a complex interplay of political and environmental factors. The Russia–Ukraine war, trade conflicts, Brexit, nationalism, social movements and the climate crisis are together reshaping employment landscapes around the world. While these challenges present obstacles, they also open doors to innovative solutions and new opportunities for countries and companies alike. As awareness of the climate crisis and diversity



grows, employers and companies are increasingly adapting to create more sustainable, inclusive and climate-friendly workplaces.

### 3.18 Global leadership issues

#### *Current human resources challenges*

In the dynamic landscape of human resources law, various countries face unique challenges that have significant implications for employment, labour relations and workforce management.

Argentina is urgently drafting labour reform to address high hiring costs and rampant unregistered work. Key elements of this reform include improving union financial transparency and enhancing healthcare services. The government recognises the critical need for a healthier and more transparent labour environment. Additionally, Argentina faces a pressing issue with its underfunded public retirement system, which is receiving inadequate social security contributions. This threatens the future financial security of retirees; the government has acknowledged the urgent need to implement reforms.

In Australia, significant changes are underway in workplace laws, representing the most substantial shift since the Fair Work Act 2009. Employers are grappling with adjusting to new provisions, including those related to collective bargaining, flexible work and pay secrecy. The rise of the gig economy in Australia has created complexities in defining employment status and protecting workers' rights. According to new workplace laws, from no later than 26 August 2024, the Fair Work Commission will be able to set fair minimum standards for these 'employee-like' workers, including the gig economy, by making minimum standards orders or guidelines. Furthermore, Australian employers are managing the challenges posed by high inflation and the demand for increased employee remuneration while striving to enhance productivity. The government is committed to supporting businesses in navigating these complexities effectively. Additionally, the regulatory landscape in Cyprus is evolving to encompass cutting-edge technologies such as AI. Managing and regulating issues related to AI and other similar matters present a distinct set of challenges for human resource professionals and organisations.

In India, comprehensive labour code reforms encompass the Code on Wages, the Industrial Relations Code, the Code on Social Security and the Occupational Safety, Health and Working Conditions Code. Employers face substantial compliance adjustments as state governments introduce draft rules under these codes. The smooth transition to new labour regulations is a key focus for both employers and government authorities. As India gradually emerges from Covid-19 lockdowns, employers face the challenge of employees accustomed to remote work resisting returning to physical offices. Balancing flexibility with organisational needs is a significant HR challenge. In response to growing signs of a recession, some global employers in India are considering layoffs, while others are exploring strategies to retain talent within their financial constraints and amid economic uncertainties.

Building on precedents from the UK regarding the legal status of gig workers, Kenya is exploring a regulatory framework for gig workers, particularly in the cab-hailing and delivery sectors. Employers are concerned about whether *force majeure* events, including the impact of Covid-19, can release them from their contractual obligations and allow them to terminate employment relationships without

facing unfair termination claims. Despite successful negotiations between public servant unions and the government, implementing these collective bargaining agreements (CBAs) has proven challenging. Employees seek effective mechanisms to enforce these agreements, which have involved significant time and resources.

Recent subcontracting reform in Mexico has ushered in significant changes in the Mexican labour landscape. The implementation of these measures, particularly in relations between Mexican and foreign companies and within the construction industry, presents considerable challenges. Mexican employment legislation currently offers limited flexibility for modern working practices, including flexible schedules and temporary employment arrangements. This creates obstacles for HR professionals aiming to modernise practices while managing legal risks. Recent legal changes have impacted freedom of association, collective bargaining, union representation and the transparency of union activities. The labour environment is expected to become more active, necessitating proactive measures by HR professionals to prevent labour conflicts.

An increased focus on creating a safe working environment in the Netherlands follows revelations of transgressive behaviour in the workplace. Employers are grappling with formulating effective policies and duty-of-care measures. Labour strikes have surged in frequency due to disparities between inflation and wage increases. Trade unions are demanding wages that keep pace with inflation, but employers may struggle to meet these expectations, leading to frequent negotiations and further strikes. The Netherlands faces personnel shortages and a significant portion of vacancies are proving difficult to fill. Ageing demographics and the impact of Covid-19 have exacerbated this issue, leading to a more competitive labour market.

HR challenges in Portugal revolve around evolving workplace organisation models, technology and environmental and mental health concerns. Key challenges include the 'anywhere office' model, adopting 'all-in-one' software, employing AI in recruitment, promoting reskilling and addressing issues of environmental responsibility and mental health.

The South African government is grappling with high unemployment rates, Covid-19 policies, including mandatory vaccinations for employees, and concerns surrounding data privacy legislation and the protection of employee data.

In conclusion, human resources law is faced with diverse challenges across different countries, influenced by unique legal, economic and societal contexts. Governments and employers are actively seeking innovative solutions to address these challenges that ensure employee welfare and foster harmonious labour relations.

### *Litigation*

In various countries, a range of human resources issues commonly lead to litigation, reflecting the diverse labour landscapes and legal frameworks. These disputes shed light on the complex and evolving nature of employment law globally.

In Australia, three main human resources issues stand out in terms of generating significant litigation. The first is termination of employment, which often give rise to claims of unfair or unlawful dismissal or discrimination. The second is disputes related to the interpretation and application of collective

agreements and other employment rights. Finally, litigation often arises in connection with the enforcement of employment law obligations and terms and conditions of employment.

In Chile, frequent sources of litigation include alleged discrimination or violations of constitutional rights, which may lead to legal action. Alleged unlawful terminations also commonly result in legal disputes. Moreover, cases revolving around severance and compensation, particularly concerning workplace accidents and occupational diseases, contribute to the litigation landscape.

Hungary faces litigation primarily in areas such as termination of the employment relationship, which is a common cause for legal disputes. Remuneration-related conflicts, including disputes over performance-related remuneration and overtime compensation, are another significant source of litigation. Furthermore, claims for damages related to the employment relationship often make their way to court.

In Kenya, redundancy exercises caused by corporate restructuring are a common trigger for litigation. Unfair employment practices, including cases of discrimination and unfair termination, frequently lead to legal action. Additionally, disputes related to compensation and benefits can result in litigation as employees seek to protect their rights and interests.

Mexico sees a significant number of cases involving the termination of employment without justified cause. Mexican labour law upholds the principle of ‘stability in work’, providing employees with job security unless there are legitimate grounds for termination. Cases of employment termination without just cause, particularly in the context of the Covid-19 pandemic, have led to an uptick in employment-related complaints.

In Peru, unlawful termination claims are a frequent cause for litigation, often resulting from alleged wrongful dismissals. Cases related to the payment of benefits and disputes over these payments are also common. Additionally, claims involving damages due to work-related accidents and occupational illnesses add to the litigation landscape.

Based on a recent report from Singapore, the human resources issues that most often lead to litigation are salary disputes. Claims related to basic pay and pay in lieu of notice are most prevalent among local employees, while foreign employees frequently file claims for basic pay and pay for overtime work. Dismissal claims, challenging the reasons for termination, also contribute to the litigation caseload.

In the UAE, significant litigation arises from non-payment of dues, including end-of-service gratuities, bonuses and commission payments. Disputes over the reasons for termination are another frequent source of legal action. Additionally, cases involving workplace injuries also contribute to employment-related litigation.

In the UK, while data on the most litigated claims is not detailed, unfair dismissal and discrimination claims are commonly asserted in employment tribunals. The Ministry of Justice’s statistics indicate that, despite fluctuations in the number of claims, these issues remain prominent in the UK’s labour litigation landscape.

The range of human resources issues that are the subject of litigation globally highlight the importance of understanding and complying with labour laws, as well as the need for robust dispute resolution mechanisms in different countries.

### *Future human resources challenges*

The field of human resources is subject to diverse challenges and emerging trends across different countries, reflecting unique socio-economic contexts, labour laws and cultural factors. Here, we explore some of the key issues and future trends in human resources among various nations.

In Argentina, monthly subsidies to non-working voters and their families during Peronist administrations have reduced the incentive to look for work. High unemployment subsidies often make it more economically attractive for individuals to remain unemployed than to seek formal employment. The educational system's inadequacy in providing skills for high-demand sectors has hindered workforce readiness. Moreover, high taxes and limited opportunities have encouraged a brain drain as educated youth emigrate to seek better opportunities. Certain powerful unions, like the Teamsters, have exerted substantial influence, even dictating the format of financial documents to maintain their members' employment. Addressing this influence will be a significant challenge in the future.

Australia faces challenges in reconciling its industrial relations framework with the modern economy, particularly concerning collective bargaining and the operation of the awards system. The country must adapt to and manage flexible working practices and innovative labour engagement arrangements. The ageing workforce poses its own set of issues, and the influence of global market forces and technological advancements continue to reshape the job landscape.

In Brazil, the increasing adoption of AI may lead to the replacement of certain jobs, necessitating rapid upskilling of the workforce. Compliance, particularly in training and investigation areas, is on the rise. Collective negotiation skills are becoming more relevant as labour reforms empower unions to negotiate critical aspects for employers. Telework and remote work present practical challenges, especially concerning taxation and benefits.

For Chile, establishing a more cooperative relationship with unions is essential. Furthermore, the pandemic has underlined the importance of balancing work and family life. Providing better incentives for employees, investing in training and implementing corporate internal policies related to ethical standards and the prevention of misconduct are vital.

In Denmark, robots and AI are reshaping the labour market and leading to debates about how they will affect employment. More termination cases should be expected as companies adopt new technologies. AI regulation will impact HR practices, particularly related to data protection and human rights. Remote work is likely to remain prevalent long after the pandemic.

In Finland, a significant number of cases revolve around atypical employment relationships. The courts are addressing the rights of fixed-term and on-demand employees, leading to potential changes in the definition of employment relationships. Wages paid in shares and local agreements outside collective bargaining agreements are introducing new challenges to human resources laws.

As self-employment becomes more common, regulatory changes are expected to address protections for the self-employed and entrepreneurs.

The growing importance of a healthy work–life balance and changing work preferences may challenge employers to adapt in Germany. Establishing a secure system for remote work and addressing data security concerns are key issues. Labour shortages and a shifting demographic balance pose significant challenges for employers.

For Kenya, ensuring cybersecurity and data protection amid rising cyber threats is a priority. Statutory provisions for employee transfers during mergers and acquisitions are also needed. Furthermore, gender identity, diversity and inclusion in the workplace are emerging topics.

## 4. Conclusions

In summary, this year's report reflects and continues the trends outlined in the 11th edition. The profound impact of the Covid-19 pandemic persists, though its dominance has nearly completely waned, allowing for a nuanced exploration of post-pandemic trajectories. The transformative shift towards remote work catalysed by the pandemic continues to affect the employment landscape. Notably, the persistent challenge of skilled labour shortages remains prominent globally. However, a notable departure from the preceding report is the unfolding energy crisis, exacerbated by the war between Russia and Ukraine that began in early 2022. This geopolitical event introduced unprecedented challenges for human resources law, with far-reaching consequences transcending national borders. Its specific effects remain uncertain, though they are certain to shape the narrative of future reports as the world navigates through this evolving landscape. In particular, the fluctuations in inflation rates underscore the dynamic nature of the economic environment, demanding ongoing attention and adaptation in the face of unforeseen global events. As we reflect on the shifts since the last report, it becomes evident that resilience and adaptability are paramount in navigating the intricate interplay of factors shaping the contemporary world of work.

### *Labour market*

The labour market is undergoing significant changes globally, influenced by factors such as technological advancements, demographic shifts and the aftermath of the Covid-19 pandemic. Governments and employers are implementing various measures to address the evolving demands of the labour market. These measures include reforming education systems, promoting apprenticeships, attracting skilled workers from abroad and introducing regulations on reskilling and upskilling. The focus is on developing in-demand skills in fields such as digital work and sustainability. Remote work has also become prevalent, and countries are working on establishing secure systems for remote working and addressing data security concerns.

### *Discrimination and diversity*

Governments are actively addressing workplace discrimination, and fostering diversity and inclusion through evolving legal frameworks. Laws pertaining to discrimination based on factors such as gender, sexual orientation, age, race, ethnicity, religious belief and disability are continuously being adopted. Some jurisdictions have implemented governmental quotas or objectives for achieving gender parity, which sometimes extend to board members and the individuals with disabilities. Employers are increasingly providing comprehensive training on workplace discrimination laws and how employees must comply with them. Advancements have been made in strengthening the rights and standing of the LGBTQI+ community and safeguarding them against discriminatory practices. Furthermore, employers are increasingly introducing training and education initiatives that underscore diversity as a core corporate value. Legislative measures and employer practices are adapting to ensure gender parity, prevent workplace discrimination and accommodate diverse religious practices. Although the pace of progress varies between countries, an encouraging trend is



discernible in the collective commitment to enhancing working conditions and advancing diversity across workplaces worldwide.

### *Alternative working arrangements*

Flexible working arrangements have gained importance in a trend accelerated by the Covid-19 pandemic. Countries have introduced legislation to promote flexible working and address employees' work–life balance. Companies are adopting practices such as remote work and flexible schedules. However, challenges related to taxation and benefits related to remote work need to be addressed. The right to disconnect from work has also gained attention, with countries enacting laws to establish boundaries between personal time and work.

### *Other notable trends*

#### RECENT POLITICAL AND SOCIAL DEVELOPMENTS

The Russia–Ukraine war, ongoing trade conflicts, Brexit, nationalism, social movements and the climate crisis have reshaped employment landscapes globally. These events have led to challenges in immigration, mental health, inflation, supply chains and more. Employers and governments are actively seeking innovative solutions to address these challenges and create more sustainable and inclusive workplaces.

The Russia–Ukraine conflict in particular has had huge effects on labour markets. The conflict has led to an increase in Ukrainian immigrants seeking refuge in other countries. This influx of immigrants has presented challenges and opportunities for host countries, as they must strike a balance between providing aid to those in need and managing the requirements of their own labour markets. Additionally, the Russia–Ukraine conflict has contributed to rising gas prices, which in turn have had a broader impact on the global economy and labour markets. The effects of increased energy costs have reverberated around the world, impacting inflation rates and posing challenges for employers across various industries. Companies are grappling with high production costs, leading some to temporarily halt operations in affected countries. Import and export prices have also been affected, further complicating the economic landscape.

#### RETIREMENT

Retirement policies have seen significant developments, with countries introducing reforms to expand retirement provisions and address underfunded public retirement systems. Efforts are being made to ensure the future financial security of retirees and to support businesses in navigating these complexities effectively.

#### STRESS AND MENTAL HEALTH

Stress and mental health in the workplace have gained increased attention, with companies and governments implementing measures to address these issues. Support services, counselling and flexible leave policies are being provided to promote employee well-being.

## DATA SECURITY AND PRIVACY

Data security and privacy continue to be significant concerns, with countries introducing regulations and internal policies to safeguard employee data. The implementation of the EU Whistleblower Directive in several countries will protect whistleblowers and encourage the reporting of misconduct.

## ARTIFICIAL INTELLIGENCE

The adoption of AI and technology in the workplace is a growing trend, with countries investing in innovation and automation to achieve cost efficiency. Challenges related to biased algorithms and the need for digital skills and worker representation in the digital era are being addressed through education, legislation and innovative solutions.

## UNION ACTIVITY/STRIKES

Union activity and strikes remain a notable trend, with countries experiencing labour disputes and conflicts. Legal changes and strategies to curtail workforce-related expenditures, such as agency employment and temporary work, are being implemented to minimise operational costs.

## REMUNERATION, CORRUPTION AND DISPUTES

Remuneration, corruption and disputes are also important areas of focus. Countries are taking steps to address the gender pay gap, promote transparency and ensure fair pay for women in the workforce. Efforts to combat corruption and protect whistleblowers are being made through legislation and internal policies. Dispute resolution mechanisms are being strengthened to ensure fair and effective resolution of employment disputes.

## SUSTAINABILITY/ETHICAL BUSINESS

Companies worldwide are increasingly implementing sustainability measures and ethical business practices to minimise their environmental impact. The EU Corporate Sustainability Reporting Directive, which came into force in 2023, strengthens rules on social and environmental reporting, ensuring transparency and access to information regarding companies' impact on people and the environment.

## 5. About the IBA GEI

The International Bar Association Global Employment Institute was established in 2010. Its primary purpose is to develop a global and strategic approach to the main issues in the human resources and human capital fields for multinational groups and global institutions.

The Executive Council Officers of the IBA GEI are:

- Co-Chair: Todd Solomon
- Co-Chair: Chris van Olmen
- Vice Chair: Oscar De La Vega Gómez
- Vice Chair: Ignacio Funes de Rioja
- Vice Chair for Institutions: Peter Talibart
- Vice Chair for Knowledge Management: Valeria Morosini
- Vice Chair for Internal Affairs: Ignacio Funes de Rioja
- Vice Chair for Communications: Jelle Kroes
- Vice Chair of Membership: Philip Berkowitz
- Vice Chair for Diversity and Inclusion: Anne Frances O'Donoghue
- Secretary: Regina Glaser
- Treasurer: Ivan Suarez
- Chair, Advisory Board: Anders Etgen Reitz
- LPD Council Liaison Officer: Pascale Lagesse
- Council Members:
  1. Patrick L Benaroche
  2. Juan Bonilla Blasco
  3. Johan Lubbe
  4. Ueli Sommer
  5. Peter Talibart
  6. Gerlind Wisskirchen
  7. Marianne Granhøj
  8. Karl Waheed

# Schedule 1: Countries and lawyers

## **Albania**

Jonida Braja (Wolf Theiss) – Employment and immigration law

## **Argentina**

Juan Javier Negri (Negri & Pueyrredon) – Employment and immigration law

## **Australia**

Adrian Morris and Alexandra Goodman (Ashurst) – Employment and immigration law

## **Belgium**

Chris Van Olmen (Van Olmen & Wynant) – Employment and immigration law

## **Brazil**

Patricia Barboza, Maury Lobo de Athayde (CGM) – Employment and immigration law

## **Bulgaria**

Youliana Naoumova (Djingov, Gouginski, Kyutchukov & Velichkov) – Employment and immigration law

## **Canada**

Patrick L Benaroch and Charif El-Khoury (Stikeman Elliott) – Employment and immigration law

## **Chile**

Óscar Aitken (Carey) – Employment and immigration law

## **Colombia**

Lorena Arámbula and Ángela Cubides (Dentons Cardenas & Cardenas) – Employment and immigration law

## **Cyprus**

Andreas Thoma (Deloitte) – Employment law and immigration law

## **Czech Republic**

Andrea Krásná (Baroch Sobota) – Employment and immigration law

## **Denmark**

Anders Etgen Reitz (IUNO) – Employment and immigration law

## **Ecuador**

José Xavier Endara Madera (Lexvalor) – Employment and immigration law

## **Estonia**

Heili Haabu (COBALT) – Employment and immigration law

## **Finland**

Jani Syrjänen (Borenius) – Employment and immigration law

## **France**

Karine Audouze (Watson Farley & Williams) – Employment and immigration law

## **Germany**

Björn Otto and Carolin Millgramm (CMS Germany) – Employment law

Gunther Mävers (michels.pmks) – Employment and immigration law

## **Hungary**

Zoltán Balázs Kovács (Szecskay) – Employment and immigration law

## **India**

Vikram Shroff (AZB & Partners) – Employment and immigration law

## **Ireland**

Duncan Inverarity and Ronan McCann (A&L Goodbody) – Employment and immigration law

## **Israel**

Tsvi Kan-Tor and Daniel Aspiro (Kan-Tor & Acco) – Employment and immigration law

## **Italy**

Angelo Zambelli, Barbera Grasselli and Alberto Testi (Zambelli & Partners) – Employment law

Marco Mazzeschi (Mazzeschi) – Immigration law

## **Japan**

Masako Banno (Okuno & Partners) – Employment and immigration law

## **Kenya**

Sean Omondi and Allan Kakai (RONN Law Advocates) – Employment and immigration law

## **Latvia**

Sintija Radionova (WALLESS) – Employment and immigration law

## **Lithuania**

Robert Juodka and Greta Bagdanavičiūtė (PRIMUS) – Employment and immigration law

## **Luxembourg**

Anne Morel, Pauline Wirtzler and Alexandra Simon (Bonn Steichen & Partners) – Employment and immigration law

## **Malaysia**

Vijayan Venugopal (Shearn Delamore & Co) – Employment and immigration law

## **Mexico**

Francisco Javier Peniche Beguerisse and Julio Rodrigo Alvarez Ortega (Creel, García-Cuéllar, Aiza y Enríquez) – Employment and immigration law

## **Myanmar**

Pimvimol (June) Vipamaneerut (Tilleke & Gibbins) – Employment and immigration law

## **Netherlands**

Cara Pronk and Puck van Genuchten (Van Doorne) – Employment law

## **New Zealand**

John Rooney (Simpson Grierson) – Employment and immigration law

## **Nigeria**

Adekunle Obebe and Adebisi Lamidi (Bloomfield) – Employment and immigration law

## **Norway**

Stein Kimsås-Otterbech (Thommessen) – Employment and immigration law

## **Pakistan**

Salim Hasan (Meer & Hasan) – Employment and immigration law

## **Peru**

Mario Pasco Lizárraga (Rodrigo, Elías & Medrano) – Employment law

Iván Blume (Cuatrecasas) – Employment and immigration law

## **Poland**

Tomasz Rogala, Piotr Kozłowski and Aleksander Dżuryło (PCS Paruch Chruściel Schiffter Stepień | Littler Global) – Employment and immigration law

## **Portugal**

Sofia Costa Lobo (CMS – Rui Pena & Arnaut) – Employment and immigration law

## **Romania**

Ileana Glodeanu (Wolf Theiss) – Employment and immigration law



## **Russia**

Irina Anyukhina and Elena Chershintseva (ALRUD) – Employment and immigration law

## **Serbia**

Milena Jakšić Papac and Milijana Tomić (Karanovic & Partners) – Employment and immigration law

## **Singapore**

Jenny Tsin and Michelle Thio (Wong Partnership) – Employment and immigration law

## **South Africa**

Irvin Lawrence and Kara Barnard (ENSafrica) – Employment and immigration law

## **South Korea**

Soojung Lee, Christopher Mandel, Jahyeong Ku and Tae Eun Lee (Yulchon) – Employment law

## **Sri Lanka**

John Wilson (John Wilson Partners) – Employment law and immigration law

Shiara Sellamuttu (MAC Holdings) – Employment law and immigration law

## **Sweden**

Jonas Lindblad (Nordia Law) – Employment and immigration law

## **Switzerland**

Irène Suter-Sieber and Gustaf Heintz (Walder Wyss) – Employment and immigration law

## **Taiwan**

Christine Chen (Winkler Partners) – Employment and immigration law

## **Thailand**

Pimvimol (June) Vipamaneerut, Penrurk Phetmani, Ketnut Pukahuta, Dusita Khanijou and Piyawat Vitooraporn (Tilleke & Gibbins) – Employment and immigration law

## **Turkey**

Emre Atayilmaz, Tuğrul Demir and Kardelen Akça (PAE Law) – Employment and immigration law

## **United Arab Emirates**

Rebecca Ford (Morgan, Lewis & Bockius) and Sarit Thomas (Clyde & Co) – Employment and immigration law

## **United Kingdom**

Paul McGrath, Laura May-Jones and Charlotte Moorhouse (McDermott Will & Emery) – Employment and immigration law

**United States**

Abigail M Kagan (McDermott Will & Emery) – Employment and immigration law

**Ukraine**

Oksana Voynarovska, Valeriya Bezpala and Anna Odynokova (Vasil Kisil and Partners) – Employment and immigration law

**Venezuela**

John D Tucker (LEGA) – Employment and immigration law

# Schedule 2: Questionnaire

## 2023 Annual Global Report Questionnaire

Please briefly respond to each question. When relevant, please describe both legal rules and employee/employer practices (whether or not legally required).

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I. Country: \_\_\_\_\_

II. Attorney name(s) and Employer to list in the Annual Global Report: \_\_\_\_\_

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### I. Immigration and Talent

#### A. Skills shortage and changing skills requirements

1. Is there a skills shortage in your country? In which industries? What are its causes?
2. How is the government responding to any skill shortage?
3. How are employers responding to any skill shortage (outsourcing, recruiting foreign workers, training, re-hiring retired employees/pensioners, etc)?
4. How are the government and employers addressing changes in skills needed in the workplace?

#### B. Foreign nationals and business visitors

1. What changes have there been to your country's laws regarding foreign nationals, including the right to obtain permanent residence and changes in the rights and benefits of their family members?
2. Have there been any changes in your country regarding short-term assignments for business visitors (eg, limits on length of stay, reporting requirements, specific visa obligations), in particular with regard to the Covid-19 pandemic?

#### C. Refugees

1. Is your country a common destination for foreign populations seeking refugee status? If so, how is your country encouraging the integration of refugees into society and the workforce?
2. Have refugee/migration flows changed due to the Covid-19 pandemic and/or the war in Ukraine or other geopolitical circumstances? If so, in which way?

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## II. The Work Environment

### A. Work–life balance

1. What changes have there been in your country’s laws that are intended to have an impact on flexible working practices, including remote working and flexible hours?
2. Are employers applying flexible working practices to a greater degree?
3. What types of flexible working arrangements are most common in your country?
4. Do you see a shift from remote working/working from home (WFH) as an optional offer to a mandatory requirement (eg, with a view to reduce office space/cost) in your country? Or do you rather experience employers asking employees back to the office/to reduce their WFH home time?
5. Have there been any changes in legal rules or corporate practices regarding the ‘right to disconnect’ from work (ie, certain hours or days when an employee is not obligated to monitor or respond to work communications)?
6. Have there been any changes in the rules relating to maternity, paternity or dependants? Are employers receptive to paying enhanced benefits over and above their legal obligations?
7. Is there a trend in your country in which employees are voluntarily resigning from their job (‘Great Resignation’/’Big Quit’) or are increasingly doing only what is outlined in their job description/needed as a minimum to complete their tasks (‘quiet quitting’)? If so, what are the reasons?
8. Is there a cost-of-living crisis in your country?

If so, how do employers and/or legislators react to higher prices/costs of living in an employment law context (eg, state-backed subsidies for food/energy in return for no-dismissal commitments, out-of-cycle wage increases, etc)?

If so, how do employees and/or employee representatives react to higher prices/costs of living (eg, moonlighting, increasing levels of industrial action, etc)?

### B. Alternative workforce

1. Have there been any developments relating to the use of temporary workers, including independent contractors, agency workers, the ‘gig’ economy, and crowd-working schemes?
2. Have regulations been enacted to ensure adequate payment, working conditions or social security (insurance) for ‘gig’ economy workers?

### C. Stress and mental health

1. Have there been any legal developments or employer-led changes in response to employee stress and mental health issues resulting from the Covid-19 pandemic, in particular with a view to remote working?

2. Have there been any legal developments or employer-led changes in response to employee stress and mental health issues unrelated to the Covid-19 pandemic?

#### D. Collective bargaining

1. Have there been any significant strikes or other organised employee/industrial action in the public or private sectors?
2. What legal changes have there been in relation to collective bargaining, freedom of association, strikes or other industrial action?
3. Did Covid-19 have an impact on the level of employee organisation/union membership?

#### E. Remuneration

1. Has a statutory minimum wage been introduced or modified in your country? What effects on the labour market can you identify in this context?
2. What changes have there been with regard to gender equality in remuneration, including legislation addressing the gender pay gap and the reporting of gender pay disparities? Are such laws showing effect?
3. What trends can you identify in terms of remuneration models and compensation structure?
4. Since the introduction of post-financial-crisis regulations, have there been legal developments regulating financial institutions and their executives?
5. Have there been changes with respect to executive remuneration (eg, CEO pay ratio, etc)? Are laws on executive remuneration enforced and, if so, how - by the government, or in the courts?
6. What remuneration related changes have there been, if any, with regard to the Covid-19 pandemic (eg, remote working packages, special bonuses, salary cuts)? If workforces become more agile due to Covid-19, is geographic location still a relevant factor for determining pay?

#### F. Corruption and whistleblowing

1. Have there been any legal or employer changes to address corruption and bribery in the workplace, including whistleblowing procedures? Have these been effective?

#### G. Privacy

1. Have there been any legal or employer changes related to privacy, surveillance, data protection, and the use of social media in the workplace?

#### H. Human rights

1. Please describe any developments related to the protection of human rights in the workplace, including legal requirements and employer practices.

#### I. Discrimination

1. What changes have there been in laws on discrimination in the workplace by reason of gender, sexual orientation, age, race, ethnicity, religious belief or disability?

2. Do employers in your country provide training to their employees about workplace discrimination laws? Do employers generally comply with anti-discrimination laws?

#### J. Diversity and inclusion

1. Have there been any developments in law or employer practice relating to the imposition of government quotas or targets for gender parity, including board membership or employment of individuals with disabilities?

2. To what extent do employers in your country make accommodations for religious practices or beliefs?

3. Have there been any other changes in law or corporate practices designed to increase diversity in the workplace?

#### K. Sexual harassment

1. Have there been any changes in laws or employer practices regarding sexual harassment in the workplace?

#### L. Sustainability/ethical business

1. Have there been any changes in laws or employer practices regarding sustainability/ethical business/green behaviour in the workplace (eg, anti-modern slavery regulation, corporate social responsibility initiatives)?

#### M. Technology/artificial intelligence

1. Has there been an increase in employer reliance on artificial intelligence/workforce analytics software in your country?

2. Have artificial intelligence tools resulted in a loss of jobs or in the creation of new jobs in your country? If so, in which areas/industries?

3. Have there been any laws adopted in your country related to the use of artificial intelligence?

4. Who is responsible (state/government, employee, employer) for ensuring that employees obtain the skills required in an increasingly digitalised economy? Are there specific programmes of government bodies/authorities providing training/support in this respect?

5. Have you noticed any effects of digitalisation/technical systems on employee representation?

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### III. Separation from Service

#### A. Termination

1. What changes have there been that affect the ability of employers to dismiss employees? Do employers in your country generally observe these procedures?

2. Are there other trends or specific models besides termination to reduce headcount/workforce related costs in your country?



3. Have there been any significant changes in relation to enforcement of restrictive covenants and obligations of confidentiality?
4. Have measures been taken in your country to ease the impact of Covid-19 on the labour market and to avoid dismissals/redundancies? If so, what laws and measures have been implemented (eg, extended furlough schemes, etc.)?

#### B. Retirement

1. Have there been any legal or employer changes related to early retirement, including the ability to impose early retirement?
2. Have there been government or employer efforts to incentivise employees to work longer due to longer life expectancies, financial need, lack of qualified workers, or other demographic or corporate needs?
3. Are limited public pension funds a concern, and how are the government and employers addressing this issue?
4. Have there been any developments regarding private (company-sponsored) pension schemes?

#### C. Employment disputes

1. Have there been any changes in the way employment cases before the courts and tribunals are reported, including the power to restrict reporting at the request of the parties?
2. Are employment disputes resolved more often in court or via arbitration proceedings?
3. Is it legal and common to have employment court hearings held by video rather than on site in your country? Have there been (temporary or permanent) changes due to the Covid-19 pandemic in this respect?

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### **IV. Impact of Recent Political and World Events**

#### A. Covid-19 pandemic

1. How has Covid-19 impacted the workplace in your country?
2. How has Covid-19 impacted the labour market in your country?
3. Please shortly summarise the main legislation adopted since January 2022 to address the pandemic's effect on human resources issues in your country.
4. Besides regulations implemented by the government, what are measures that employers take to ensure safety in relation to Covid-19 (e. g. mandatory testing/vaccination; home office)?
5. What global human resources issues have arisen, or do you expect to arise, with respect to the Covid-19 pandemic and the resulting impact on the economy?

6. Are there any practices, rules or trends that were established during the Covid-19 pandemic that you envisage to be kept beyond the end of the pandemic (eg, remote work, different hygiene practices in the office, less in-person meetings, less business travel)?

#### **B. Other recent and political world events**

1. What global human resources issues have arisen, or do you expect to arise, with respect to the war in Ukraine?

2. What global human resources issues have arisen, or do you expect to arise, with respect to current trade conflicts (eg, US–China; US–EU) and the resulting impact on the economy/labour markets?

3. Have you seen labour and employment issues and legal changes in relation to the uncertainties surrounding Brexit, and do you expect additional developments now that Brexit has taken place?

4. Have you seen any other changes in the workplace as a result of increased isolationism/nationalism?

5. Have there been notable human resources issues or regulatory developments in relation to other political developments (on a global and/or regional scale)?

6. Have you noticed any effects of climate change/climate change-related regulations on the labour market in your country?

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#### **V. Summing Up Current and Future Trends**

A. What do you consider to be the top three challenges in the area of human resources law and practice in your country right now? Is your government considering or implementing any solutions?

B. Which human resources issues in your country generate the most litigation?

C. Which challenges in the area of human resources law and practice do you expect to become more important over the next five to ten years?



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