

## **Zurich-Oxford report: New social contract needed to make workforce more resilient as COVID-19 accelerates change**

- **New global report on employment by Zurich and University of Oxford says pandemic has accelerated trends such as digitalization and amplified strains on social protection systems**
- **All working generations are affected, with the young becoming more risk-averse and older workers looking to postpone retirement**
- **Pandemic shows urgency of rethinking worker protection and helping individuals to mitigate job risks while taking advantage of new opportunities**
- **Collaboration between state, employers and benefit providers could enable a new social contract to protect workers against risks of post-pandemic economy**

Zurich, October 5, 2020 – The outbreak of COVID-19 has created a new urgency to address issues affecting working people worldwide, including the digitalization of the economy, the need for continuous education, and the fragility of many national social protection systems.

A new report by Zurich Insurance Group (Zurich) and the Smith School of Enterprise and the Environment at the University of Oxford – based on two global surveys and interviews with business leaders – argues that no single stakeholder can shoulder the impact of these changes alone. The long-term health of societies depends on the sharing of responsibility among individuals, employers, benefit providers and governments.

“Having a workforce that is protected, well-trained and agile is paramount for a healthy economy and everyone needs to play their part,” said Alison Martin, Zurich’s CEO Europe, Middle East & Africa (EMEA) and Bank Distribution. “At Zurich, our commitment to employees includes prioritizing internal hiring, keeping as many jobs as possible in-house as opposed to outsourcing, and training and development to build the skills our people need for the future.”

Key findings of the report [“Shaping a Brighter World of Work: The Case for a New Social Contract”](#) include:

- **A growing need for adequate protection:** The pandemic highlighted the importance of strengthening protection for atypical workers such as freelancers, gig workers or part-time workers, many of whom have lost work and fall between the cracks of existing and emergency social safety nets.
- **Millennials and Gen Z will likely become more risk-averse:** Before COVID-19, younger generations were twice as likely as older workers to choose freelancing as a career path. The trend may now reverse with younger workers seeking job security, which might imply rethinking self-employment and their part in the gig economy.
- **Higher pressure to adapt to technological change as digitalization accelerates:** With COVID-19 boosting digitalization, including the use of AI and automation, the need for reskilling has increased. However, the global survey showed a mismatch between an individual’s self-perceived personal level of risk and their willingness to take steps to address it. Governments and employers alike could play a role in informing workers about the risks to their jobs and the opportunities available.
- **New forms of public-private partnerships help ease pressure on governments:** The adoption of compulsory unemployment insurance – as well as insurance for health, disability, and income protection, along with protection for dependents – can provide security and allow people to reskill and adapt to a changing world of work.
- **Redistribution and increased flexibility are necessary features of protection beyond COVID-19:** Compulsory health insurance schemes ought to have embedded within them a redistributive capacity as a means of reducing inequality, such as between higher and lower income earners as well as between different worker generations. The rise of a new world of big data also calls for protection that is designed with greater inbuilt flexibility and continuity across career choices, which includes a more flexible uptake, payment for, and switching between and within insurance products.

### **About the research program:**

Zurich Insurance Group and the Smith School of Enterprise and the Environment at the University of Oxford are examining the potential for lifelong, tailored, contemporary social protection under a three-year research program begun in 2018.

This report draws on [empirical insights](#) from earlier phases of the project, as well as key findings from a previous research program, to sketch a multi-stakeholder approach to the challenge of protecting the workforce in a post-COVID-19 world. The report serves as a bridge between the old world and the new, putting the new reality front and center while reinforcing the most salient messages of the program.

We have much to learn about the near- and long-term consequences of the pandemic. As events continue to unfold, it would be premature to offer a set of solutions as such. The report instead outlines emerging thinking on a new social contract, recommending areas for further investigation and action to key stakeholder groups: governments, employers, and the insurance industry, as well as households.

The Zurich and University of Oxford research has consistently shown that although the main issues addressed have global importance, the details vary considerably by country. The next and final report for the project, due in 2021, will consist of country profiles, each tailored to one of the 17 countries sampled in our 2019 survey.

### **Further information**

More information on the workforce protection program can be found [here](#).

**Zurich Insurance Group (Zurich)** is a leading multi-line insurer that serves its customers in global and local markets. With about 55,000 employees, it provides a wide range of property and casualty, and life insurance products and services in more than 215 countries and territories. Zurich's customers include individuals, small businesses, and mid-sized and large companies, as well as multinational corporations. The Group is headquartered in Zurich, Switzerland, where it was founded in 1872. The holding company, Zurich Insurance Group



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