



Flexicurity experiences in Europe

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The policy background.....

- **1996 Green Paper**, 'Partnership for a new organisation of work'
- **2005, OMC**, How to 'promote flexibility combined with employment security and reduce labour market segmentation'
- **2006, Green Paper**, 'Modernisation of Labour law'
- **2007, Expert report**, 'Flexicurity Pathways, Turning hurdles into stepping stones'



*Reinforcing
the Lisbon Strategy*



Polymorphic Notion

Security	Job security	Employment security	Income security	Combination security
Flexibility				
External numerical flexibility	<ul style="list-style-type: none"> ■ Types of employment contracts ■ Employment protection legislation ■ Early retirement 	<ul style="list-style-type: none"> ■ Employment services/ALMP ■ Training/life-long learning 	<ul style="list-style-type: none"> ■ Unemployment compensation ■ Other social benefits ■ Minimum wages 	<ul style="list-style-type: none"> ■ Protection against dismissal during various leave schemes
Internal numerical flexibility	<ul style="list-style-type: none"> ■ Shortened work weeks/part-time arrangements 	<ul style="list-style-type: none"> ■ Employment protection legislation ■ Training/life-long learning 	<ul style="list-style-type: none"> ■ Part-time supplementary benefit ■ Study grants ■ Sickness benefit 	<ul style="list-style-type: none"> ■ Different kind of leave schemes ■ Part-time pension
Functional flexibility	<ul style="list-style-type: none"> ■ Job enrichment ■ Training ■ Labour leasing ■ Subcontracting ■ Outsourcing 	<ul style="list-style-type: none"> ■ Training/life-long learning ■ Job rotation ■ Teamwork ■ Multi-skilling 	<ul style="list-style-type: none"> ■ Performance related pay systems 	<ul style="list-style-type: none"> ■ Voluntary working time arrangements
Labour cost/wage flexibility	<ul style="list-style-type: none"> ■ Local adjustments in labour costs ■ Scaling/reductions in social security payments 	<ul style="list-style-type: none"> ■ Changes in social security payments ■ Employment subsidies ■ In-work benefits 	<ul style="list-style-type: none"> ■ Collective wage agreements ■ Adjusted benefit for shortened work week 	<ul style="list-style-type: none"> ■ Voluntary working time arrangements



Various Components...

4 basic components (European Commission 2007)

- “Flexible and reliable contractual arrangements
- Comprehensive lifelong learning (LLL) strategies
- Effective active labour market policies (ALMP)
- Modern social security systems





Criteria

- Combination of measures
- Balance: workers AND business needs
- Negotiations on definition, regulation, implementation and assessment of the Flexicurity policy



National flexicurity policies: how it works?

- No polarisation, promotion of flexibility & security to different degrees
- New policies supplement or correct existing ones
- Preference for some flexicurity components:
 - ▶ Secure atypical employment
 - ▶ LLL > employability
 - ▶ Activation of job seekers
- Not an established or overarching policy goal



Disappointing state of play at national level

- Neither common solutions Nor similar ways to implement . Not a fully fledged flexicurity approach can be found
- Not an established reference for
 - ▶ public policies
 - ▶ industrial relations

Exceptions

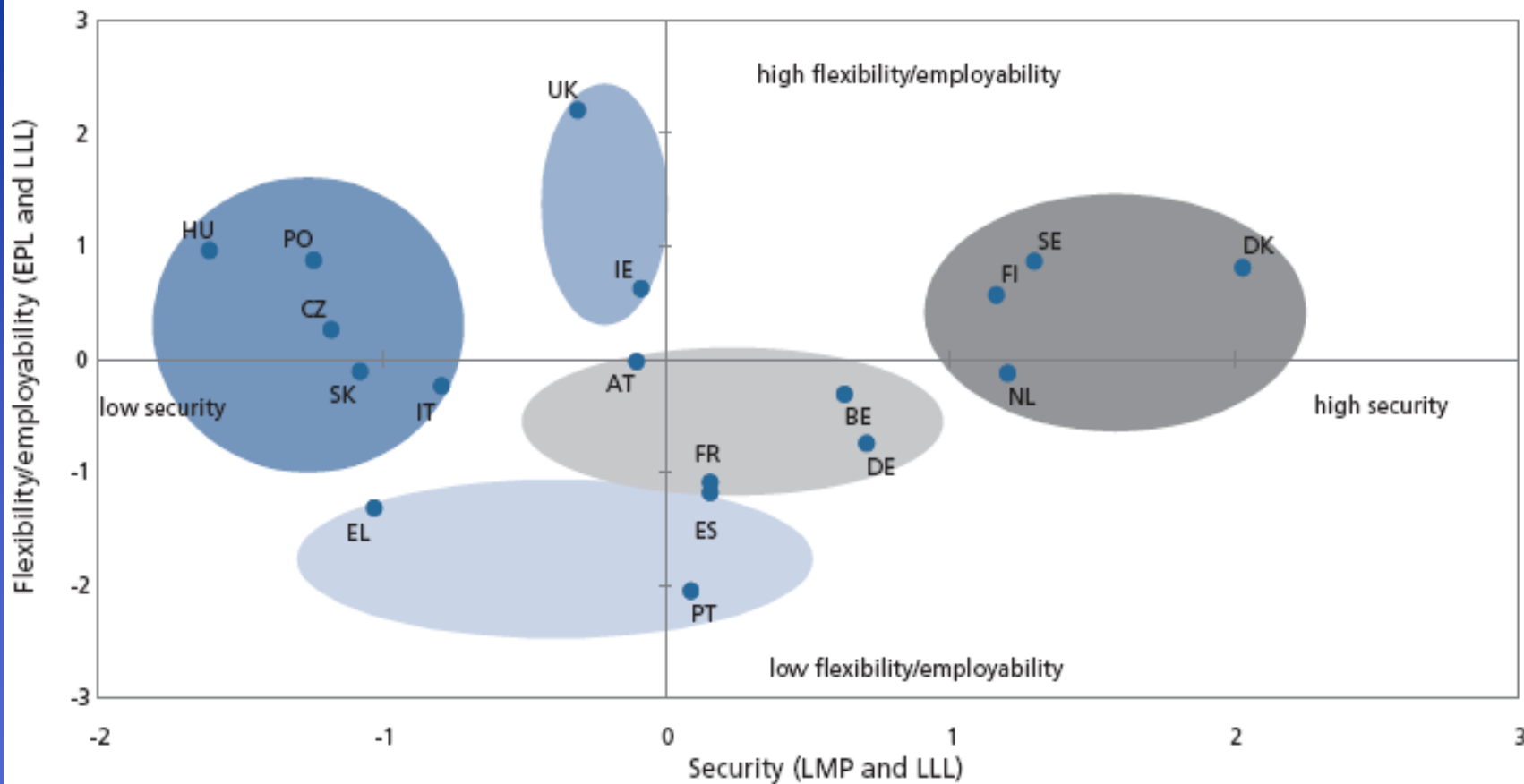
Nordic Countries (FI, SE)

NMS (BG)

Baltic countries + HU, CY



Flexicurity policies in the EU



National flexicurity patterns and country clusters

Note: EPL = Employment protection legislation; LLL = Lifelong learning; and LMP = Labour market policies.

Source: European Commission, 2006, p. 106



Variety

- **FixedTerm**

- ▶ BE,CZ,DE,EL,ML,NL,SI

- **TAW**

- ▶ BE,CZ,DE,ES,NL,NO,PL

- **LLL**

- ▶ AT,DK,**EE**,BE,EL,EL,FI,FR,IE,IT,**LT**,LU,**LV**,**ML**,NL,
PT,**SI**,**SK**,UK

- ▶ BG,CY,CZ,HU,PL,RO



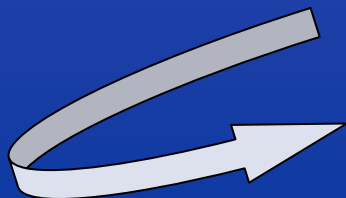
<i>Self Employed</i>	AT	Contractual Arrgt	Severance paye
	ES	SS	Statute
	♀ <i>Labour Market Participation</i>	CY	Contractual Arrgt
		HU	ALMP ↓ Social Contribution/ ♀ after maternity
		IT	Contractual Arrgt Income support /most disadvantaged



Social Partners

Contributions can be made:

- the 'political dimension', participating to the definition and management of policies
- in the 'regulation', joint or CB (introduce, implement)
- the 'unilateral input', providing specific services to their members



Political Role (A) significant
But (B) + (C) less common



Industrial relations and flexicurity

		Regulatory dimension			
		<i>High</i>		<i>Low</i>	
		Unilateral dimension		Unilateral dimension	
		<i>High</i>	<i>Low</i>	<i>High</i>	<i>Low</i>
Political dimension	<i>High</i>	Ireland, Luxembourg, Portugal, Sweden	Austria, Belgium, Denmark, Finland, France, Italy, Netherlands, Norway, Slovakia	Bulgaria, Malta	Estonia, Hungary, Latvia, Spain, Romania, Slovenia
	<i>Low</i>	Germany		United Kingdom	Cyprus, Czech Republic, Greece, Lithuania, Poland

Source: R. Pedersini, 2008
« Flexicurity and IR »



Social Partners....2)

* Views

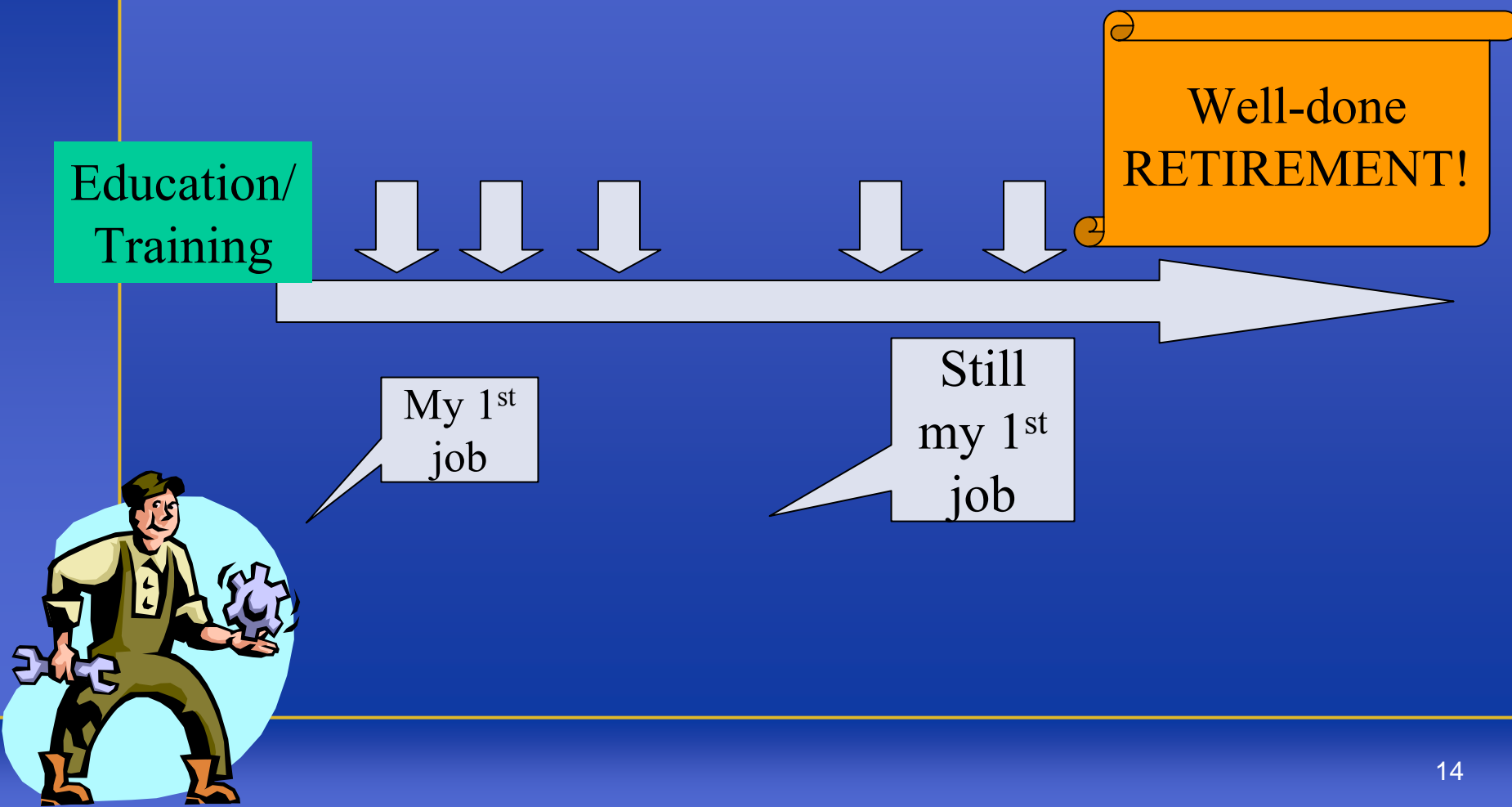
- General concept / Specific measures
- TU/Security + EO / Flexibility

* Actions

- Some convergence
 - ▶ Increasing security of atypical workers
 - ▶ Consensus, ex LLL (BE/BG/EE/LV)
- Still great divergence

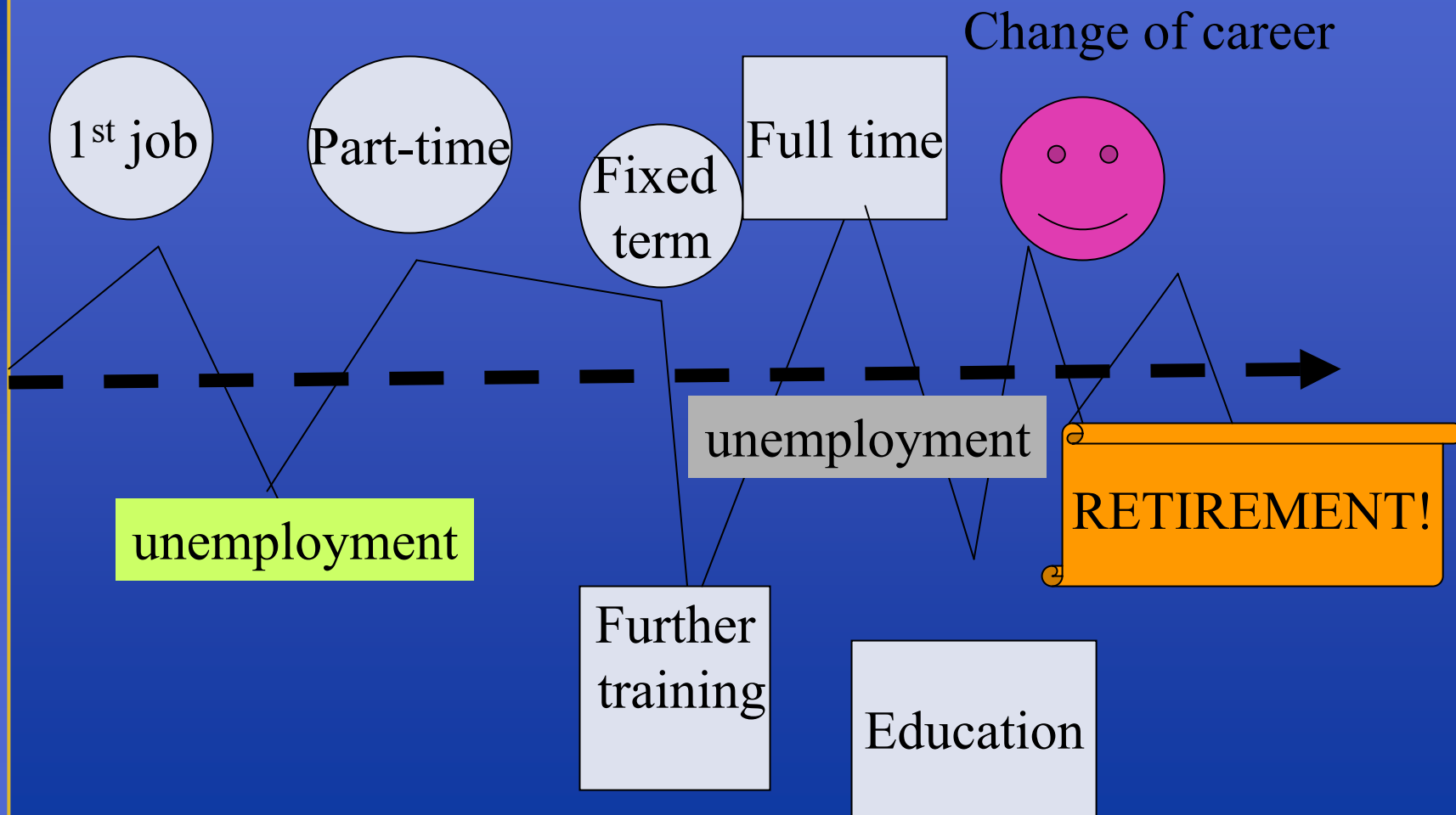


Employment patterns: the end of an era





Today's employment pattern





Collective bargaining on flexicurity

- Flexibility of pay: variable pay for security of workers
- Working time flexibility
- Training & job placement



Training

- Training is a crucial component of the flexicurity approach
- Workers: enhancement of skills and employability
- Companies: increased productivity, competitiveness
- Collective bargaining on training is well developed

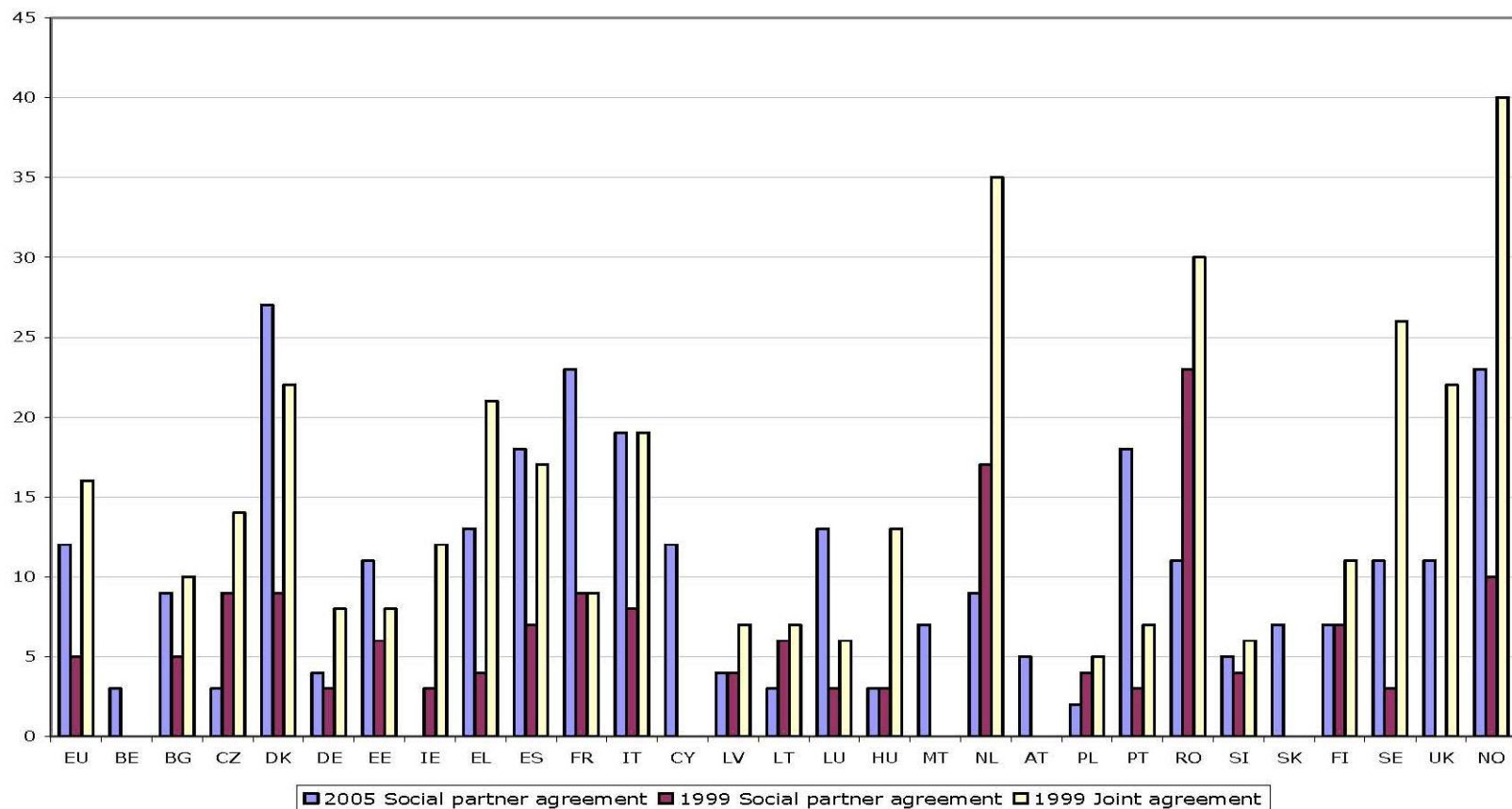


The political framework

- New Lisbon guidelines
- The Copenhagen process (2002): stronger involvement of stakeholders in reaching the goal of 12,5% adult participation rate in education and training by 2010
- Joint Strategy Framework of Actions for Lifelong development of competencies and qualifications (ETUC/UEAPME/UNICE/CEEP) since 2002
- EC Communication: “New skills for new jobs”
- European Globalisation Adjustment Fund expanding



Figure 5: *Companies with CVT agreements, 1999–2005 (%)*



Notes: The 2005 survey did not cover 'joint agreements' in a comparable manner (see Annex 2). No data for CY, MT and SK in 1999; data for AT and BE excluded due to unreliability. No data for IE in 2005. Provisional data for 2005.

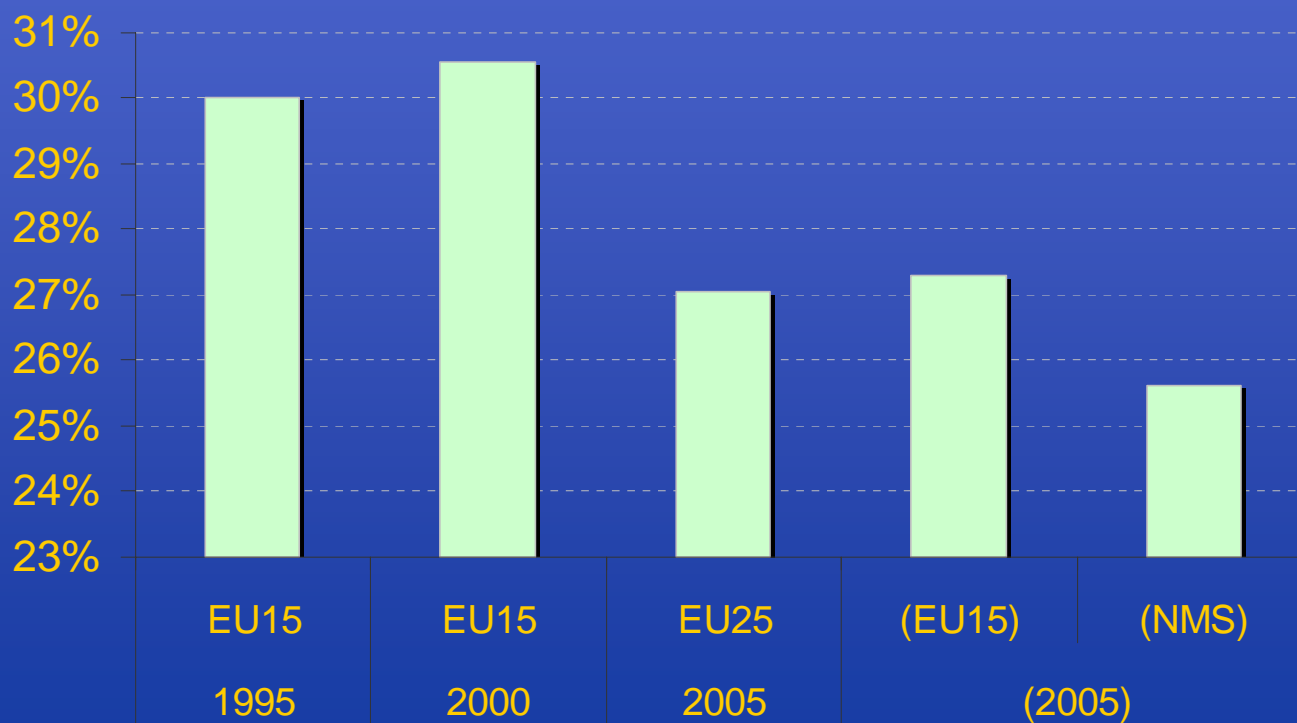
Source: Eurostat



Some findings from the Foundation European Working Conditions Survey

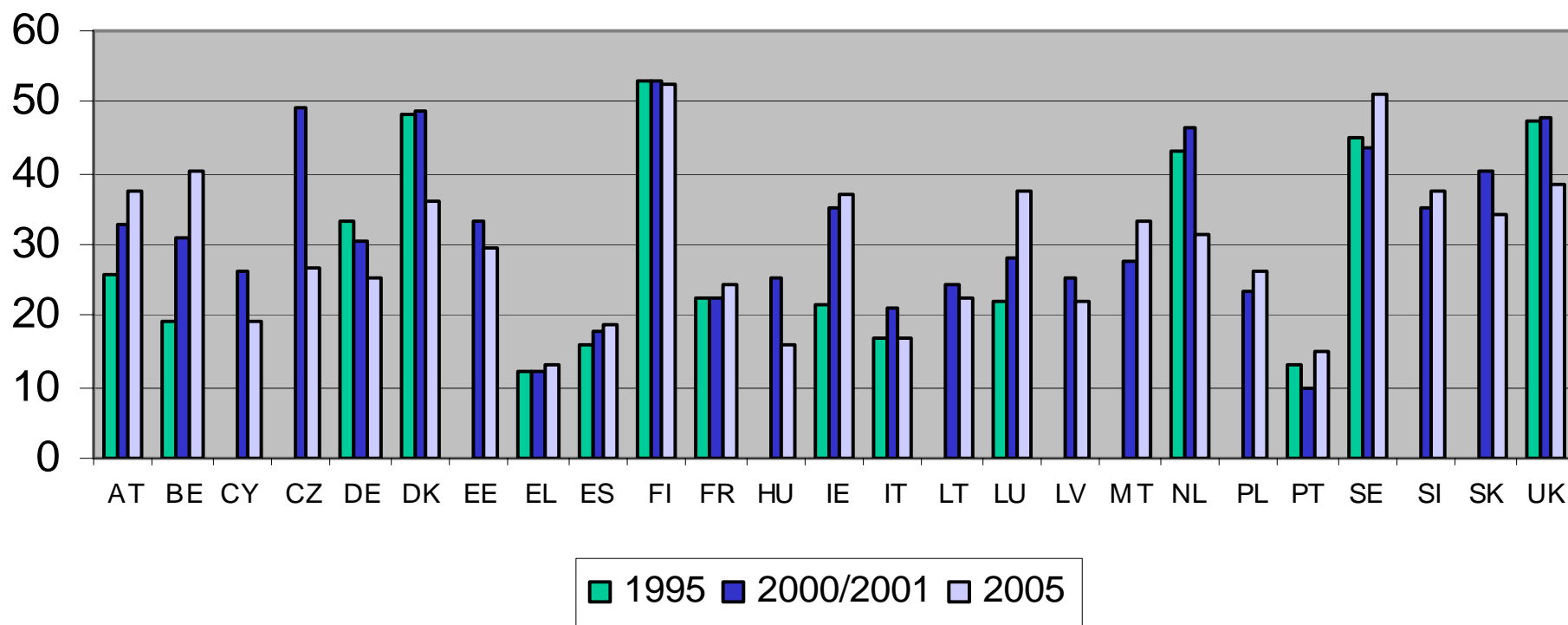


Training paid by employer



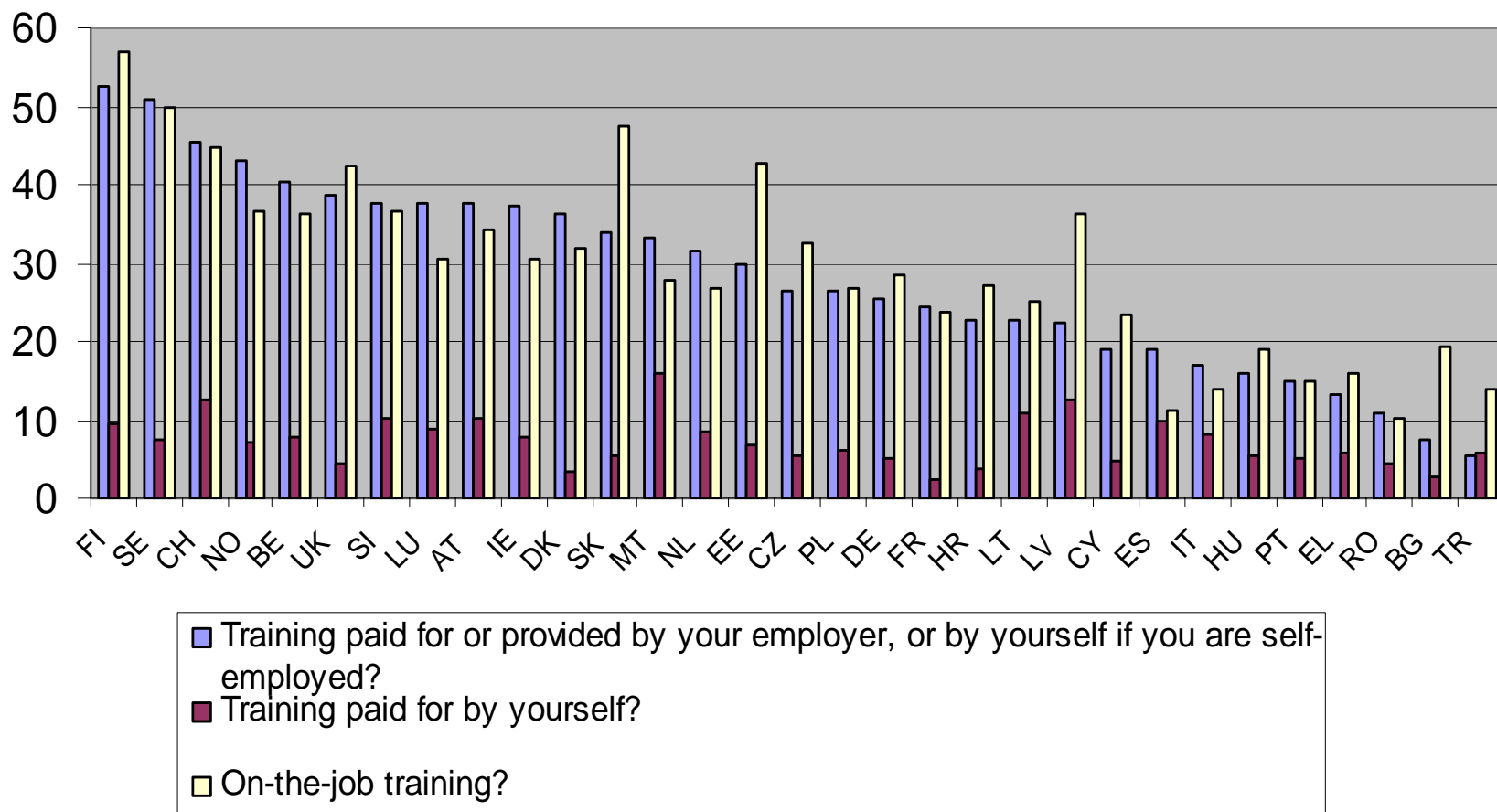


Training over time: huge differences over countries



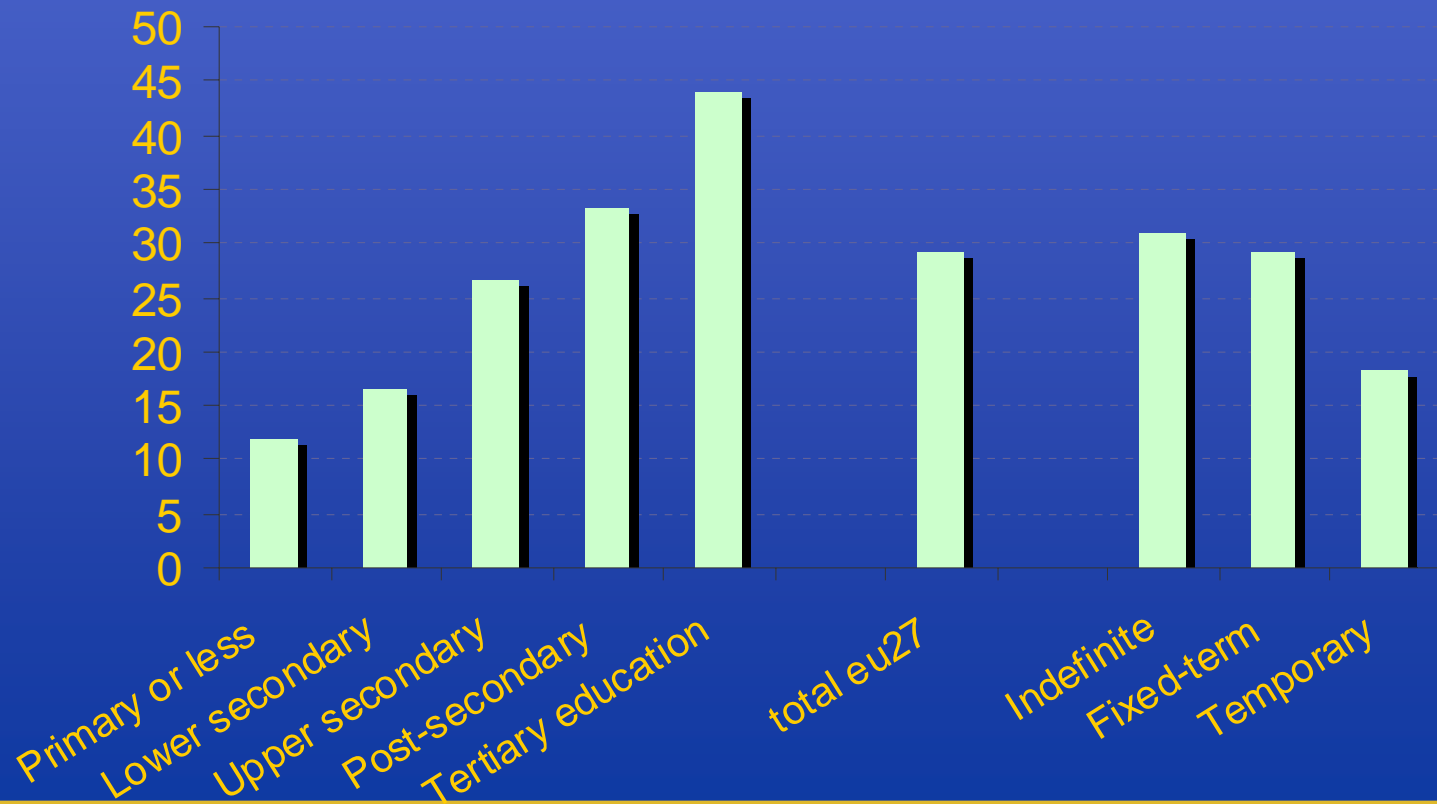


Training





Training paid by the employer or yourself by education and type of employment contract





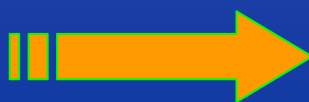
Recent developments on VTS

- Spain: legislation to reform & improve VTS, smooth transition, employability of young, recognition of professional experience
- Luxembourg: Individual training right by law
- UK: New educational and skills Act requires all 17y old to participate in training/education from 2013 and all 18y old from 2015
- Estonia: new national qualification system



As a conclusion

- Training is an area where agreement can be easily reached across all EU countries
- Flexibility in pay and working time: several instances
- However, not all 'bargained flexibility' is Flexicurity
- Attention: Flexicurity can potentially lead to confrontation and not only convergence of interests
- Mutual trust!
- Crucial role of public authorities: show the way and guarantee balance of interests



*Interest for Flexicurity
From other countries*



Thank you!

<http://www.eurofound.europa.eu>