



THE ROLE OF SOCIAL PARTNERS  
IN THE DEVELOPMENT AND IMPLEMENTATION OF  
FLEXIBILITY AND SECURITY IN CONTEMPORARY LABOUR MARKETS

## CLUSTER 1 SEMINAR WARSAW 22 & 23 NOVEMBER 2010

### SEMINAR NOTES

#### Organisation and programme

The first country cluster on flexicurity in the joint European level social partners' project, "The implementation of flexicurity and the role of social partners" took place in Warsaw, Poland on the 22nd and 23rd November 2010. It was attended by European social partners, experts and social partners' representatives from the following countries: Finland, Belgium, Italy, Greece, Malta, Czech Republic and Poland. An attendance list is attached as appendix one.

Presentation of the questionnaire survey results as well as the national analysis was done by Alan Wild & Eckhard Voss (questionnaire survey results). Anna Kwiatkiewicz presented comparative results of the 8 national fiches of cluster 1.

*National cases presented by social partners:*

- **Poland** – presentation by Barbara Surdykowska (NSZZ Solidarnosc) and Malgorzata Rusewicz (PKPP Lewiatan)
- **Finland** – presentation by Mikko Rässänen (EK) and Anne-Mari Mäkinen (SAK)
- **Italy** – presentation by Giorgio Usai (Confindustria) and Antonio Zorzi (CISL)

All presentations are attached and available on the EU Social Partners resource centres websites<sup>1</sup>

#### Seminar Notes

##### Welcome and information on the project by the European Social Partners

Steven D'Haeseleer and Joël Decaillon welcomed the participants and presented the background of the project in the context of the EU social partners' work programme 2009 - 2010, its main purposes and methodology (survey, interviews, national fiches, cluster seminars, final conference).

Both explained that the joint project on flexicurity should be regarded as a follow-up of previous joint activities, in particular the European Social partners joint analysis on key challenges facing European labour markets. The EU SPs are aware of the difficulty both sides have with the term flexicurity. Therefore the purpose of the project is to carry out a stocktaking of experiences and practices as well as gathering information on good practices on the ground that move "beyond ideology" (D'Haeseleer).

<sup>1</sup> <http://www.resourcecentre.etuc.org/> & <http://www.erc-online.eu/Content/Default.asp>



The SPs also stressed that flexicurity is both a very complex as well as diverse concept while at the same time concepts not always reflect reality (Decaillon). Therefore studying and discussing practical experiences is key.

The basic aim of the four cluster seminars organised in the context of the project is to discuss the issue of flexicurity in a smaller context by bringing together a sample of 7-8 countries. The country clusters have been selected by purpose: each cluster comprises a mix of Northern, Southern, Central and Eastern European countries. By this, different backgrounds, views and opinions on flexicurity should be brought together.

- The EU SPs invited the participants to discuss flexicurity from different national perspectives and learn about national experiences and policies;
- Learn more about the role of social partners in national reform processes and flexicurity-oriented policies
- Comment on the draft country fiches that were sent prior to the country cluster in order to improve the quality of the research carried out by the team of experts

### **Comparative results of the EU Social Partners' survey**

The experts Alan Wild and Eckhard Voss presented comparative results of the survey-based questionnaire conducted amongst national member organisations in spring 2010 in the context of the project (the presentation is attached as appendix two).

The experts highlighted that the survey was an important preliminary step that contributed positively to the preparation of national fiches. In particular, the answers given to the open questions of the survey were very useful. Also the relative high number of cases of good practices reported in the replies was stressed as a positive outcome.

A discussion after the presentation of the survey results followed. The following comments were made by national social partners:

- The Belgium trade unions have not filled in the questionnaire but prepared a written statement in which they explained their disagreement to the methodology used. The positions and comments made by the Belgium trade unions should therefore be taken into account in the final evaluation of the survey as well as when reviewing the Belgium national fiche.
- The Polish trade unions commented that the survey results present a very optimistic picture, e.g. regarding the outcomes of social dialogue in the Central and Eastern European Countries, since only 5 replies were received from social partners based in this region. From their experience the general results regarding social dialogue do not reflect the reality. In Poland for instance sectoral social dialogue does not take place.

### **Flexibility and security in recent labour market and social policy reforms: state of play of the implementation of the common principles – comparative results of the analysis Part A**

The expert Anna Kwiatkiewicz presented results of the comparative analysis of the cluster countries focussing in Part A on the issues of flexible and reliable contractual arrangements, greater internal and external flexicurity (the presentation is attached as appendix three).

*Highlights of the discussion:*

- The Belgium trade unions made several comments on the national fiche (working time, apprenticeship) and will also provide the author with more detailed information in order to review the country fiche accordingly;

- Representatives from Malta stressed the gap between theory and practice for example in the field of part-time work. There is a concern about the increase in part-time and decrease in full-time jobs and increasing share of undeclared workers that are not covered by any collective agreements;
- Czech participants welcomed the work done by the experts. They stressed the case of the requalification training funds and mentioned the problem of bogus self-employment in Czech Republic;
- Polish trade unions commented on the strong legal focus of the national fiche – the implementation and real life of regulations and instruments should be strengthened. The country fiche should mention the vulnerable position of self employed in Poland who are not adequately covered by the current social security and pension system;
- The Finnish social partners stressed that the quality of the translation of the national fiche is rather low (e.g. translation of fixed-term contracts). Some figures also need to be corrected or updated. On contents they indicated the lack of information on internal flexibility (company agreements, collective agreements systems or working time flexibility) and that the issue of “change security” is covered quite extensively in the report;

The expert team stressed that they are very happy about the oral comments and suggestions regarding the fiches. They also encouraged other participants to make similar comments and if possible to do this in writing to improve the quality of the final versions of the fiches as well as the overall comparative evaluation and to prepare the synthesis report.

### Case study Poland

Ms. Rusewicz of PKPP Lewiatan delivered a presentation on „*Improving of skills and qualifications at the company level*” in Poland (the presentation is attached as appendix four).

The presentation was followed by a speech of Ms. Surdykowska of NSZZ Solidarność on the issue of skills development and training at company level and the role of social partners.

#### *Highlights of the presentation and discussion:*

- 90% of training activities at company level are financed by enterprises;
- With regard to lifelong learning and continuous vocational training Poland is lagging behind the EU average.
- Unfortunately Polish social partners are not able to influence the Polish decision makers’ strategy at all levels for a better use of the ESF notably in the field of LLL.
- The legislative framework is good but the practical implementation of training funds at the company level and social dialogue is insufficient;
- Polish social partners seem to be mature enough to start with the recognition of non formal and informal learning and to implement the learning outcomes approach in the field of qualifications;
- The challenge is to put principles into practice – in particular at company and sector level the influence of social partners is too weak. There is a need for stronger social dialogue at sectoral and regional level.

### **Flexibility and security in recent labour market and social policy reforms: state of play of the implementation of the common principles – comparative results of the analysis Part B**

The expert Anna Kwiatkiewicz presented results of the comparative analysis of the cluster countries focussing in Part B on the issues of supportive social security systems, gender equality, cost effective

allocation of resources and flexibility and security in the context of crisis and recovery ( the presentation is attached as appendix five).

*Highlights of the discussion:*

- The stability and sustainability of social security systems and standards are a major challenge in all countries;
- The other common challenge to all countries is to make social security systems reliable and at the same time to sufficiently motivate people to take up a job;
- Cost/effective allocation of resources and the need to revisit social protection schemes and policies are generally a new topic for social partners;
- In some countries (e.g. Belgium, Czech Republic) a growing share of employees and groups outside the labour market lack a sufficient coverage of social security;
- Social dialogue has played an important role in the context of anti-crisis response measures;
- Tackling the significant gender pay gap (25%) is a major challenge for Belgium;
- In some countries, security related anti-crisis measures will end in December 2010 while the problems on the labour market still exist.

### **Case study Finland**

M. Räsänen of the Confederation of Finnish Industries EK presented an overview of *“Flexibility and Security in the Context of the Crisis and Recovery – the case Finland”* (the presentation is attached as appendix six). The presentation was followed by a speech of Anne-Marie Mäkinen of SAK Finland.

The Finnish social partners presented an overview of longer term labour market trends in Finland as well as the evolution of flexicurity-style policy responses to crisis and restructuring.

*Highlights of the presentation and discussion:*

- Companies have different options of internal flexibility to react in crisis situations before having to dismiss workers;
- The future of flexibility and security in the Finnish labour market is addressed by a tripartite committee on flexicurity since 2007;
- Trade unions do not like to term flexicurity but rather prefer to speak about “employment security” or “quality of the working life”. For unions the real essence of flexicurity is “working life quality”;
- Flexibility and security in Finland are an issue of permanent bilateral dialogue between unions and employers;
- The representative of the Finish SME organisation, Rauno Vanhanen, explained that a major challenge is the improvement of flexicurity-style practice in Finnish SMEs. The flexicurity principles could be regarded as a guideline/orientation for the need to increase productivity in SMEs and/or react to challenges such as skill needs, demographic change etc.

### **Flexibility and security in recent labour market and social policy reforms: State of play of the implementation of the common principles – comparative results of the analysis Part C**

Anna Kwiatkiewicz presented results of the comparative analysis of the cluster countries focussing in Part C on the role of social partners and social dialogue in the implementation of the common principles of flexicurity (the presentation is attached as appendix seven).

### Highlights of the discussion:

- The conditions with regard to social dialogue and the role of social partners are very diverse in the 8 countries observed;
- The quality of social dialogue is not only influenced by traditions and legal frameworks but also by the political contexts;
- The perception about social partners' involvement varies significantly (ranging from co-responsibility to counter-balancing);
- The experience of social partners' involvement in the design and implementation of anti-crisis measures varies significantly – there is a gap between theory and practice, between formal and real dialogue and influence. The experience in countries such as Denmark, Ireland, Romania or Portugal was rather frustrating;
- In the Czech Republic it is reported that social partners at various levels (national, company, sector) have been under strong pressure as a result of the crisis. No real dialogue and any serious consultation has taken place;
- There is a need to compare the role of social dialogue and social partners below the national level, i.e. to look at sector-level playing fields and to the company level.

### Case study Italy

Giorgio Usai of Confindustria, delivered a presentation of the “*FONDIMPRESA*”, a joint inter-professional training fund of the Italian social partners (Confindustria, UIL, CISL, CGIL). The presentation is attached as appendix eight.

The following points can be highlighted:

- Training funds were established in 2004 as a major instrument to support CVT at the company level – there are 18 similar funds in Italy but Fondimpresa is the biggest one;
- The fund is financed entirely by deductions of social security contributions (0.3.% of the workers payroll);
- The programme is quite successful in terms of number of companies joining it and coverage of SMEs (84% of all companies taking part have less than 50 employees);
- Flexicurity-style reforms have had a negative impact on contractual arrangements in Italy (different effects on different type of contracts). The major aim of the government was to reduce wage costs;
- In principle, flexicurity is regarded by both social partners as positive if implemented in a good way – it could be in the interest of workers (skills, adaptability, employment security) as well as enterprises (increase competitiveness).

Antonio Zorzi of CISL complemented Mr Usai presentation and provided trade unions' assessment of this inter-professional training fund. He highlighted that these funds could be very useful, but they are rather unknown by both employers and workers' representatives. Accessibility is still difficult and bureaucracy to obtain the financing is high. In order to develop its use, trade unions have proposed to broaden the fund to apprentices and to SMEs' managers who are currently not eligible.

## Final plenary discussion – Summarizing strengths, weaknesses and challenges

The final session was introduced by Alan Wild who summarized major aspects arising from the debates during the two days:

- Trade-offs between social partners are visible with regard to flexicurity-inspired reforms and policies;
- Labour market segmentation is regarded as a challenge in many countries: While some groups of the labour market are very flexible, others enjoy more security; increasing flexibility for certain groups not always go hand in hand with increasing security for the same group;
- A further challenge to the flexicurity idea of increasing employment rates is the long-term trend of “jobless growth” (which contrasts to the Italian experience of “growthless job creation” that occurred between 1998 – 2008);
- In many countries the crisis situation after 2008 has resulted in a state of “legislative emergencies” – high pressures on social partners and no substantial involvement;
- A major challenge in the context of flexicurity is the implementation of the principles in SMEs and/or the integration of SMEs into the flexicurity concept.

### *Highlights of the following discussion:*

- Though social partners have a joint responsibility, flexicurity cannot be implemented by the social partners only – it has to be based on active government practice and tripartite responsibilities (“Political Governance of Flexicurity”);
- For some trade unions flexicurity is merely another term for a “race to the bottom”. There are quite different perceptions of unions and employers regarding flexicurity. Negative trend on the labour market (growth in precarious jobs) are undermining the balance between flexibility and security;
- Only in few cases flexicurity-style policies are implemented in a coherent, balanced and holistic approach;
- An important precondition of flexicurity reforms is an atmosphere of trust, mutual understanding, willingness and commitment.

## Closing round table

The representatives of the European social partners (ETUC, UEAPME, CEEP and BUSINESSEUROPE) summarized the presentations and debates of the two days and drew some initial conclusions.

### *J Decaillon, ETUC:*

- Countries such as Poland and the Czech Republic show that the role of the government is important in the implementation of flexicurity principles – the social partners on their own could not carry the whole responsibility;
- The enterprise and territorial level are important, there are many good practice examples of flexicurity approaches at the company/territorial level that should be studied in more detail;
- In regard to implement flexicurity, each EU country is different from each other with view on the role of different instruments and levels of social dialogue and social partners involvement (sector, regional, local level, collective bargaining etc.);

- As a result of structural change in the EU countries, major labour market trends as well as the effects of the crisis the social dimension has become a substantial challenge in the context of implementing the flexicurity concept. Further challenges are the informal economy, the coverage of unemployed and dependent self-employed people by social security;
- Flexicurity should not be regarded as an aim of its own: it is about the quality of employment, stability and security:
- At the seminar the differences between countries in regard to social partners involvement and the role of social dialogue in times of crisis became very evident;

*L Volozinskis, UEAPME:*

- The seminar debates highlighted the need to have an holistic and integrated approach of flexicurity in place. In order to achieve the objectives embedded in the flexicurity principles such an integrated approach is crucial. While this seems to have happened in some countries, there are many countries where this is not yet the case.
- Three aspects seem to be very important for all participants of the seminar though they are coming from quite different national and sectoral backgrounds: contractual work arrangements and flexible working time, , training and skills development, governance (social partners versus governments) .
- Flexicurity principles should evolve and cannot be applied in a static manner whatever the point of departure of countries. The Finnish case showed the need to permanently revisit and adapt policies especially those dealing with social affairs, employment and education and training to reach higher level of performances and innovation. The seminar discussion and presentations also stressed the need to pay more attention to the position of SMEs in the context of flexicurity – the implementation of flexicurity principles in smaller companies and in particular external flexibility because of the handicap of their size, skills development and training activities are crucial for their competitiveness and job creation potential.
- Furthermore the role of social partners and governance is key for a full implementation of flexicurity principles. A recurrent problem is about the real involvement of social partners. Concerning SMEs it is essential to have a good social dialogue at sectoral and territorial levels, best adapted to the SME reality.

*A Persson, CEEP:*

- The seminar illustrated the large variety and diversity of national backgrounds and approaches of flexicurity.
- The seminar contributions and cases presented also illustrated the important role that governments have in the context of implementing a coherent and integrative approach of flexicurity.
- There is no single approach to implement flexicurity, flexibility and security has to be implemented in respect to certain and specific national, sector-specific and other conditions, frameworks and traditions.
- The experience of public services is important – there are many examples of implementing reforms and change processes in a way that is reflecting the certain balance of flexibility and security that is needed today.

*S D'Haeseleer, BUSINESSEUROPE:*

- In today's labour markets there is a need to reduce rigidities (in order to improve competitiveness in times of increasing global competition and to unlock barriers of job creation) but also a need for stability (with view on social conditions, labour relations etc.)

- Cases presented at the seminar and other experiences at company as well as sectoral level show that it is possible to combine both needs. Here, it should be stressed that a remarkable progress has been made in regard to internal flexicurity all over Europe
- Apart from the importance of developing integrated approaches under certain and specific conditions it seems to be important that social partners look at flexicurity from a specific angle: What are the expected outcomes? How could win-win-situations be created? What are the specific conditions for those situations?
- Here, the country fiches may help in order to identify specific national challenges and potential win-win-situations. Therefore they should concentrate on the identification of major national trends and challenges with regard to flexibility and security in the respective countries
- The debates at the seminar illustrated also an important lesson in regard to the role of social dialogue: Good and strong social dialogue is a necessary but not a sufficient condition of progress.