



BUSINESSEUROPE



INTEGRATED PROGRAMME OF THE EU SOCIAL DIALOGUE 2009 – 2011
JOINT STUDY OF THE EUROPEAN SOCIAL PARTNERS:

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

RESULTS OF THE STUDY

Eckhard Voss

Wilke, Maack und Partner | wmp consult

EUROPEAN SYNTHESIS SEMINAR
BRUSSELS, 31 March – 1 April 2011

The joint project

Main purpose

- *“jointly monitor(ing) the implementation of the common principles of flexicurity, notably in order to evaluate the role and involvement of the social partners in the process and draw joint lessons”*

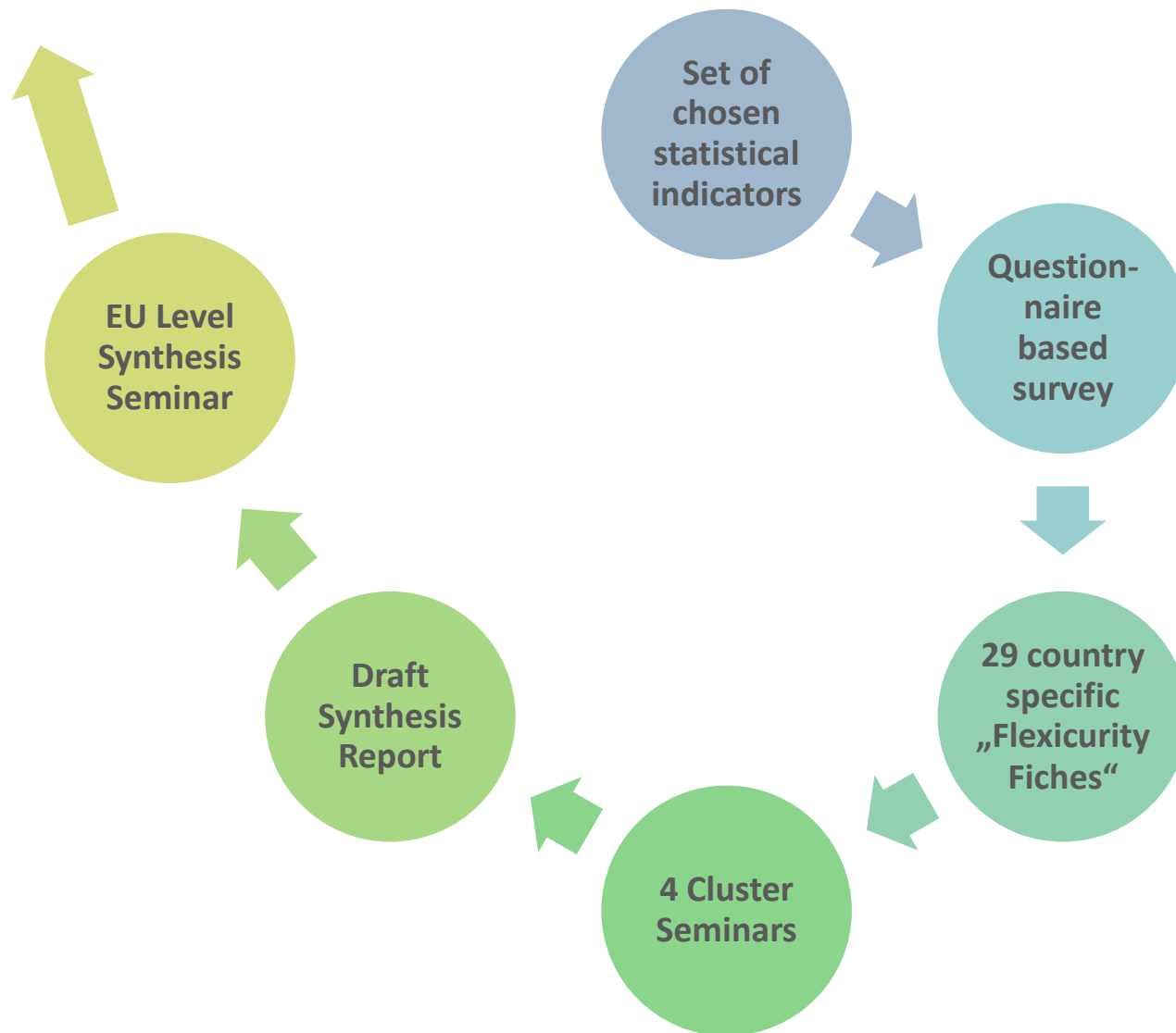
Further aims:

- Promote greater trust and mutual understanding
- Facilitate the implementation of flexicurity principles at national level

Implementing the study

- 12 months
- Supported by a team of experts
- Application of different methodological tools

The EU Social Partners' Study on Flexicurity 2009 - 2011



RESULTS OF THE STUDY

Results of the study



EUROPEAN SOCIAL DIALOGUE 2009 - 2011:

Social Partners and Flexicurity in Contemporary Labour Markets

SYNTHESIS REPORT

Draft version
prepared for the European Conference
on 31st March and 1st April 2011

Authors:
Eckhard Voss, Antonio Dornelas,
Alan Wild and Anna Kwiatkiewicz

Brussels, March 2011

This presentation

- Flexicurity and the role of social partners: Introduction and overview
- Flexicurity and security in contemporary labour markets
- The role of social partners and social dialogue in implementing the common principles of flexicurity
- Flexicurity in times of crisis and recovery
- Conclusions

The flexicurity concept at EU level

- Notion of combining flexibility and security already emerged in the mid-1990s in EU policy debate – 1993 White Paper on Growth, Competitiveness and Employment
- 1996 Green Paper on “Partnership for a new organisation of work” mentioning the “right balance between flexibility and security” in work organisation
- 2006 Green Paper on Modernising Labour Law
- 2007 EU Councils eight Common Principles of Flexicurity – member states should establish and implement their own flexicurity strategies
- 2008 “Mission for Flexicurity” – flexicurity promoted as the official European labour market policy
- 2009 Council conclusions on flexicurity in times of crisis:
“the common principles of flexicurity, as a means of implementing the European Employment Strategy, provide a comprehensive policy strategy to coordinate efforts to manage the employment effects and social impact of the crisis, and to prepare for the economic upturn.”
- Flexicurity a central concept for the New Skills for New Jobs flagship initiative as well as for the 2009 „Shared commitment to employment“

The role and position of social partners in flexicurity

- EU institutions consider the role of social partners as essential to the successful implementation of flexicurity in the respective national contexts

“Active involvement of social partners is key to ensure that flexicurity delivers benefits for all. It is also essential that all stakeholders involved are prepared to accept and take responsibility for change. Integrated flexicurity policies are often found in countries where the dialogue – and above all the trust – between social partners, and between social partners and public authorities, has played an important role.”

- 2007, EU Social Partners in their joint labour market analysis called upon national governments to:

“[to] design a right mix of policy measures addressing flexibility and security dimensions (labour law and contractual arrangements, effective and high quality active labour market policies, lifelong learning policies, efficient and sustainable social protection systems, social dialogue) for workers and employers in a holistic and balanced way. Flexicurity policies must be accompanied by sound macroeconomic policies, favourable business environment, adequate financial resources and the provision of good working conditions.”

The role and position of social partners in flexicurity

- In 2007, EU social partners called upon national governments to review and if necessary adjust labour law, employment and social policy frameworks with view to
 - ensure an optimal balance between flexibility and security for all employment relationships. Provide adequate security for workers under all forms of contracts in order to tackle segmented labour markets;
 - enhance legal certainty and transparency for both employers and workers with regard to the scope, coverage and the enforcement of labour law;
 - develop complementary employment security measures promoting transitions into productive and rewarding jobs;
 - implement and respect at the national level the principles and rules of European social directives, including those deriving from a framework agreement among European Social Partners, as well as the basic principles of equal treatment and non-discrimination;
 - promote stable employment relationships and sustainable labour market practices;
 - put in place the framework to develop work place practices improving the work/life balance and in this way promoting full use of the productive potential of the European labour force.

FLEXIBILITY AND SECURITY IN CONTEMPORARY LABOUR MARKETS

Flexicurity – History, Notions and definitions

- The concept “flexicurity” combines the notions of ‘flexibility’ and ‘security’ and has been defined in a number of different ways
- Whilst the work of the proponents of the flexicurity concept emphasise the complementarity of its component parts, others tend to see them as competing alternatives
- Historic roots in 1990s and labour market models of the Netherlands and Denmark:
 - Dutch “Flexicurity and Security Act” 1999
 - Danish labour market model – “Golden Triangle of Flexicurity”
- Key aspects:
 - Equal rights of different groups in the labour market (“Flexworkers” in NL)
 - Flexible regulation of dismissals combined with strong employee I&C rights and long periods of notification
 - Rights to training and ALMP
 - High social standards
 - Strong role of social partners, tripartite dialogue and collective bargaining
 - Other aspects: low social inequalities, inclusive labour markets, culture of “change is good”, geographical and occupational mobility

Mapping and measuring flexicurity

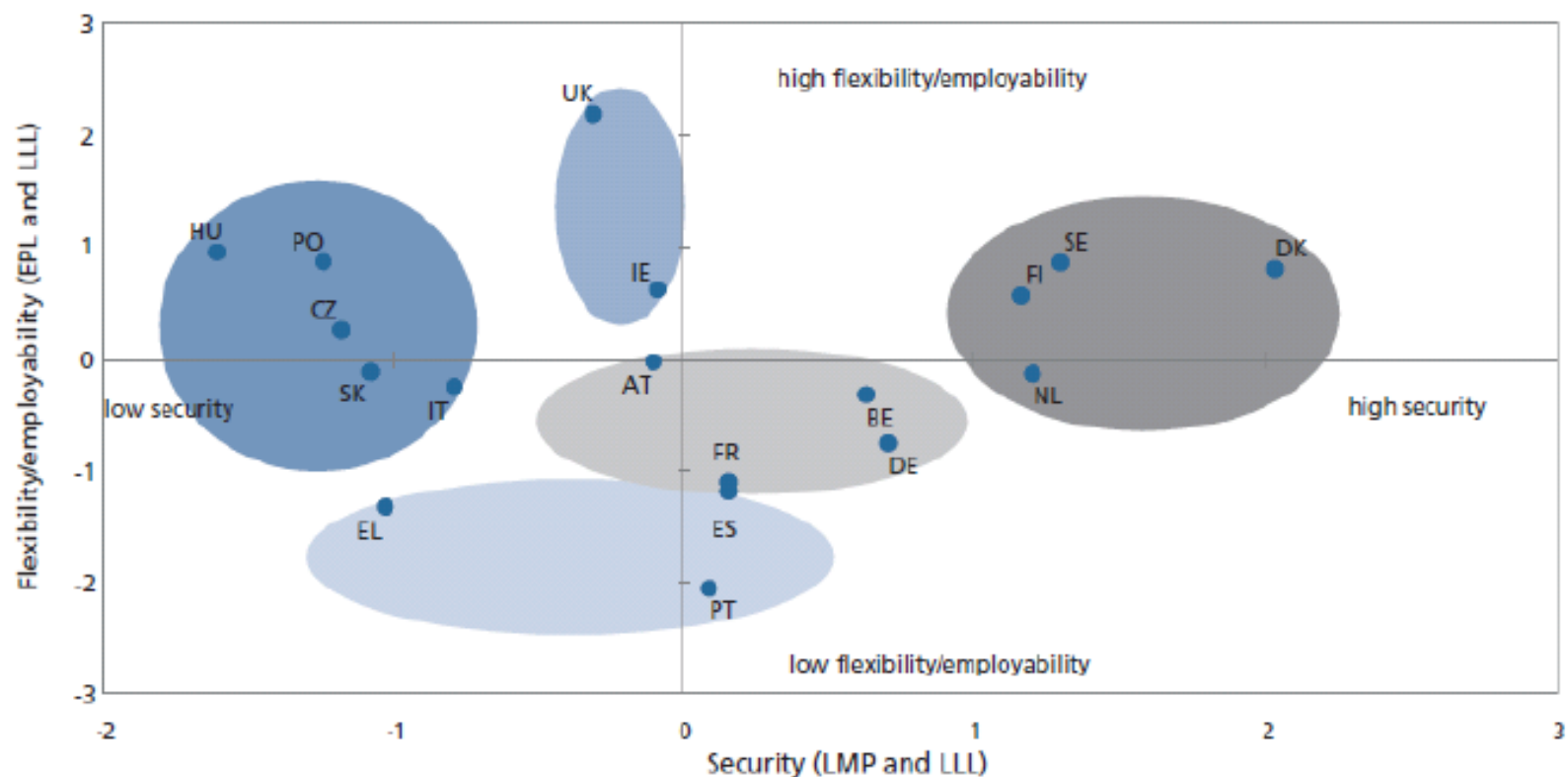
Flexicurity indicators according to EMCO

Flexicurity components	Indicators as suggested by EMCO
Flexible and reliable contractual arrangements	<ul style="list-style-type: none"> • Strictness of the Employment Protection Legislation (EPL) • Access to flexitime • Diversity and reasons for contractual and working arrangements • Employees with overtime work • Transitions by type of contract • Over-time hours
Comprehensive lifelong learning (LLL) strategies	<ul style="list-style-type: none"> • Public spending on human resources • Investment by enterprises in training of adults • Lifelong learning (age 25-64) • Participation in continuous vocational training • Transitions (labour status, pay level) • Educational attainment of adults • E-skills
Effective active labour market policies (ALMP)	<ul style="list-style-type: none"> • Expenditure on LMP-measures as % of GDP • Expenditure on LMP-measures per person wanting to work • Activation/Support (regular and assisted activation) • New start/Prevention • Activation of registered unemployed • Follow up of participants in regular activation measures • PES follow up indicator on training measures
Modern social security systems	<ul style="list-style-type: none"> • LMP expenditure on supports per person wanting to work • LMP expenditure on supports as % of GDP • Unemployment trap • Low wage trap • Child care / Care of dependant elderly • Inactivity trap after child care cost (lone parent with 2 children) • Activation/Support (support) • Employment impact of parenthood

Source: EMCO 2009

Mapping and measuring flexicurity

Mapping flexicurity along security and flexibility/employability in the EU



Source: *Employment in Europe Report 2006*, p. 106.

THE ROLE OF SOCIAL PARTNERS AND SOCIAL DIALOGUE IN IMPLEMENTING THE COMMON PRINCIPLES OF FLEXICURITY

RESULTS FROM THE SURVEY AMONGST NATIONAL SOCIAL PARTNERS

Survey Methodology and replies

Main section	Contents	Sub-sections	Questions	Closed	Open
A	Details on the respondent				
B	Relevance, main national measures and trends	3	33	22	11
C	The role of social partners	5	27	23	4
D	Overall opinion on flexicurity	1	4	4	0
		9	64	51	15

- ▶ 64 questions – 51 closed 15 open
- ▶ Overall number of filled in questionnaires: 51, quite good though not representative (in particular for some countries)
- ▶ Qualitative replies very important (B.1) – 46 replies
- ▶ Comment section (C.4) – 22 commented on the survey, some sent only comments
- ▶ Good practice (C.5) – 42 replies with more than 60 cases

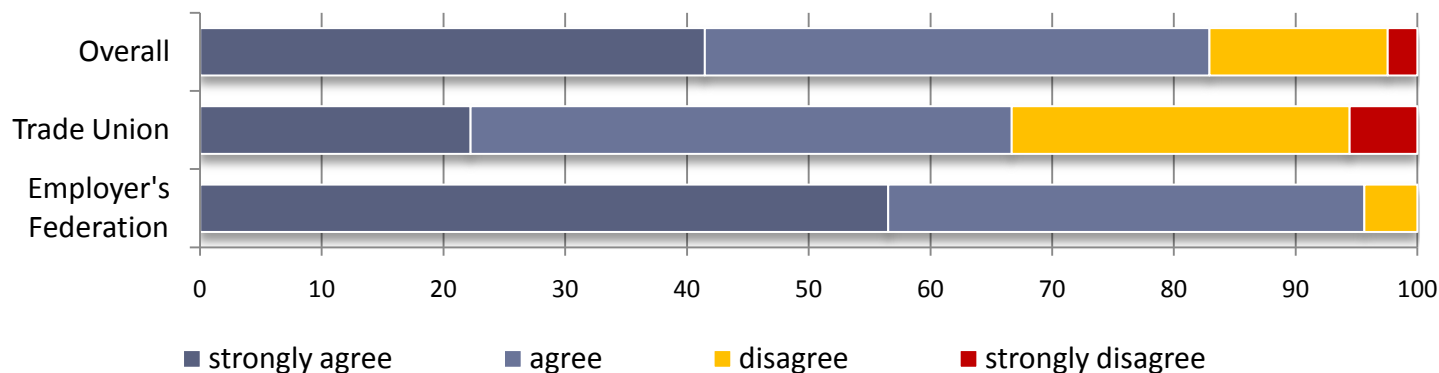
Replies from different country groups

	Total	CEEC	Southern	Northern	Continental
Total number of replies	51	10	16	13	12
Countries with no reply	6	3	2	-	1
Trade union replies	25	6	11	4	3
Employer organisation replies	27	4	5	9	9

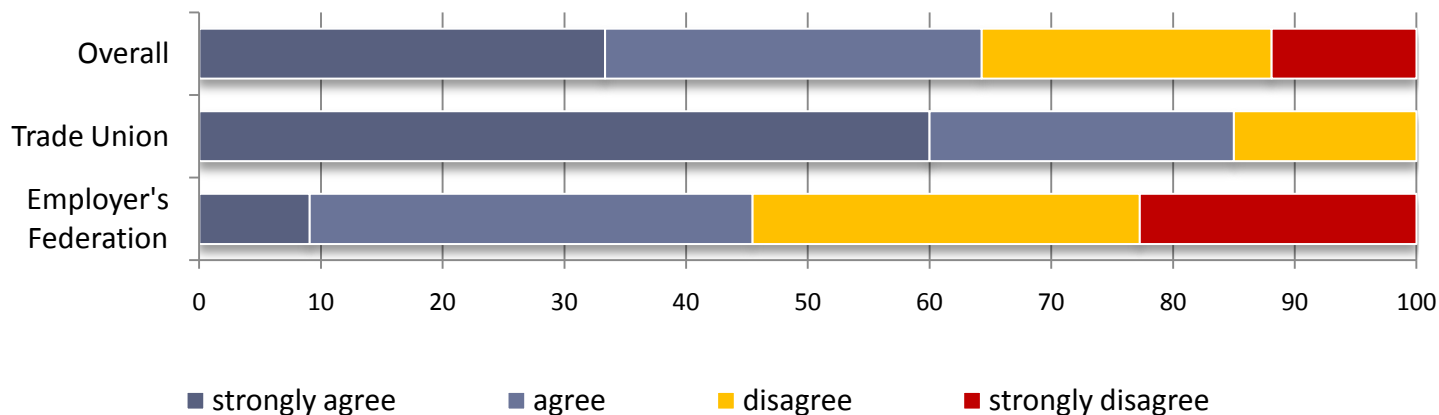
- ▶ Fairly equal coverage of four main groups of countries
- ▶ Rather weak coverage of CEEC countries and “new” member states
- ▶ Trade unions in Southern Europe more likely to respond than employers organisations
- ▶ In Northern and continental countries the opposite is the case

Overall opinion on flexicurity

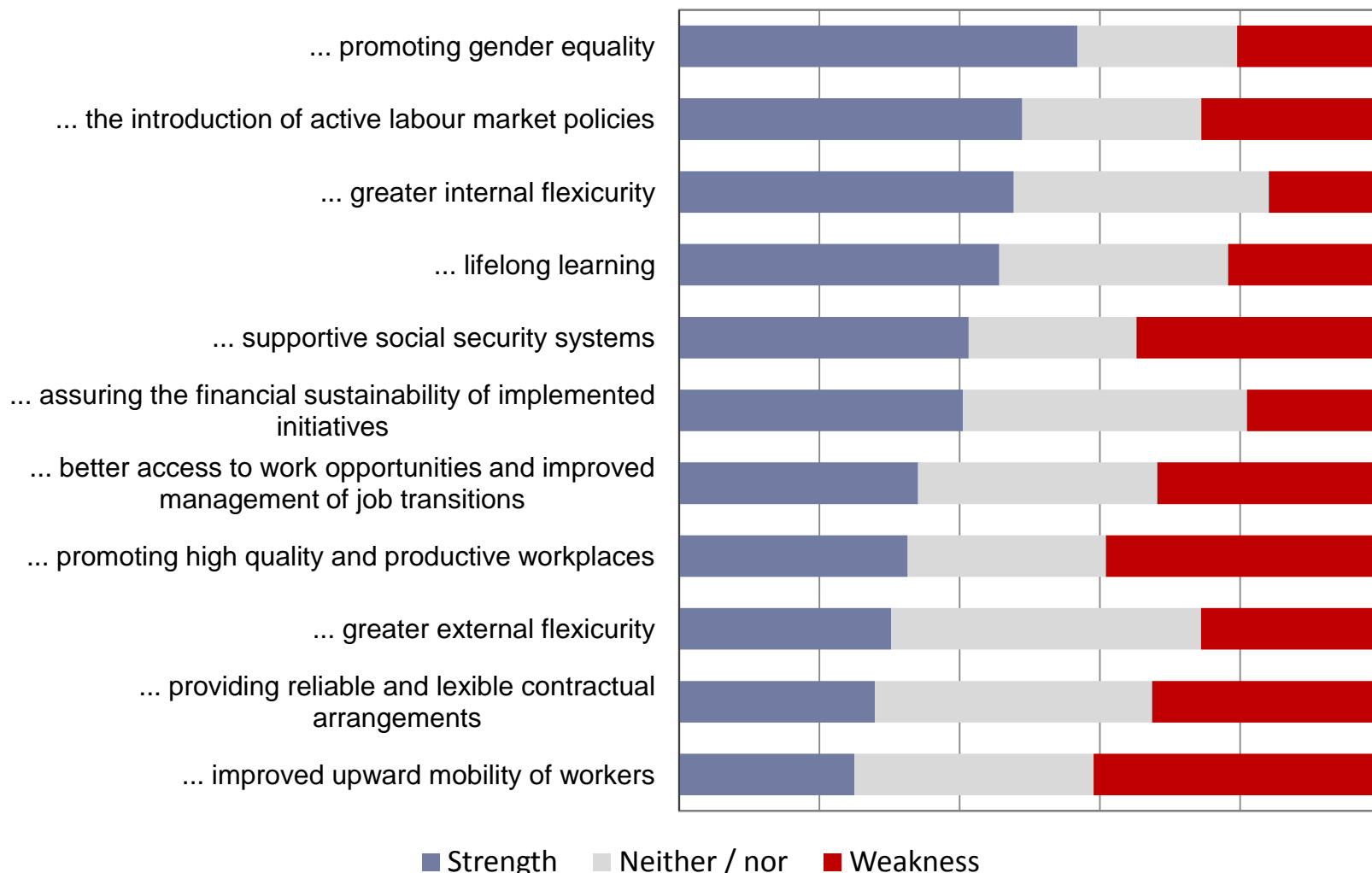
If Implemented in a balanced and holistic way, the common principles of flexicurity can provide a win-win situation for workers and enterprises



Flexicurity has not yet proven itself to offer a balanced approach for workers and enterprises



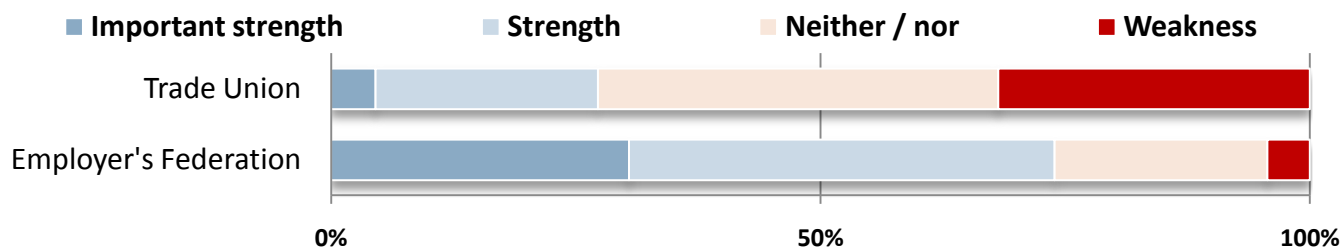
Areas of strength and weakness in the implementation of flexicurity policies



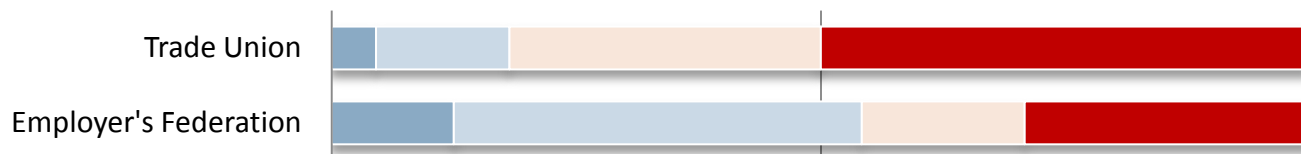
Areas of strength and weakness in the implementation of flexicurity policies

- The strength/weakness ranking differed significantly between employers and trade unions in three areas: *lifelong learning*, *reliable and flexible contract arrangements* and *quality and productivity of workplaces* and also - employers saw these issues as important strengths:

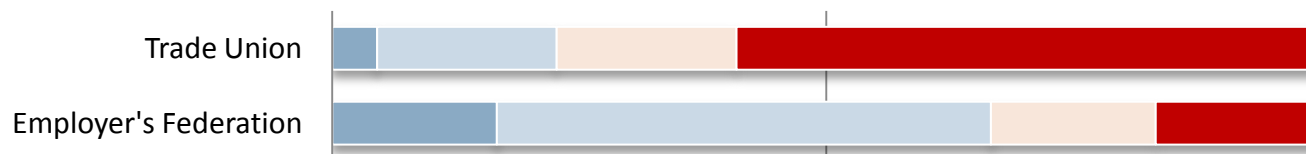
Lifelong learning



Reliable and flexible contractual arrangements



Promoting high quality and productive workplaces



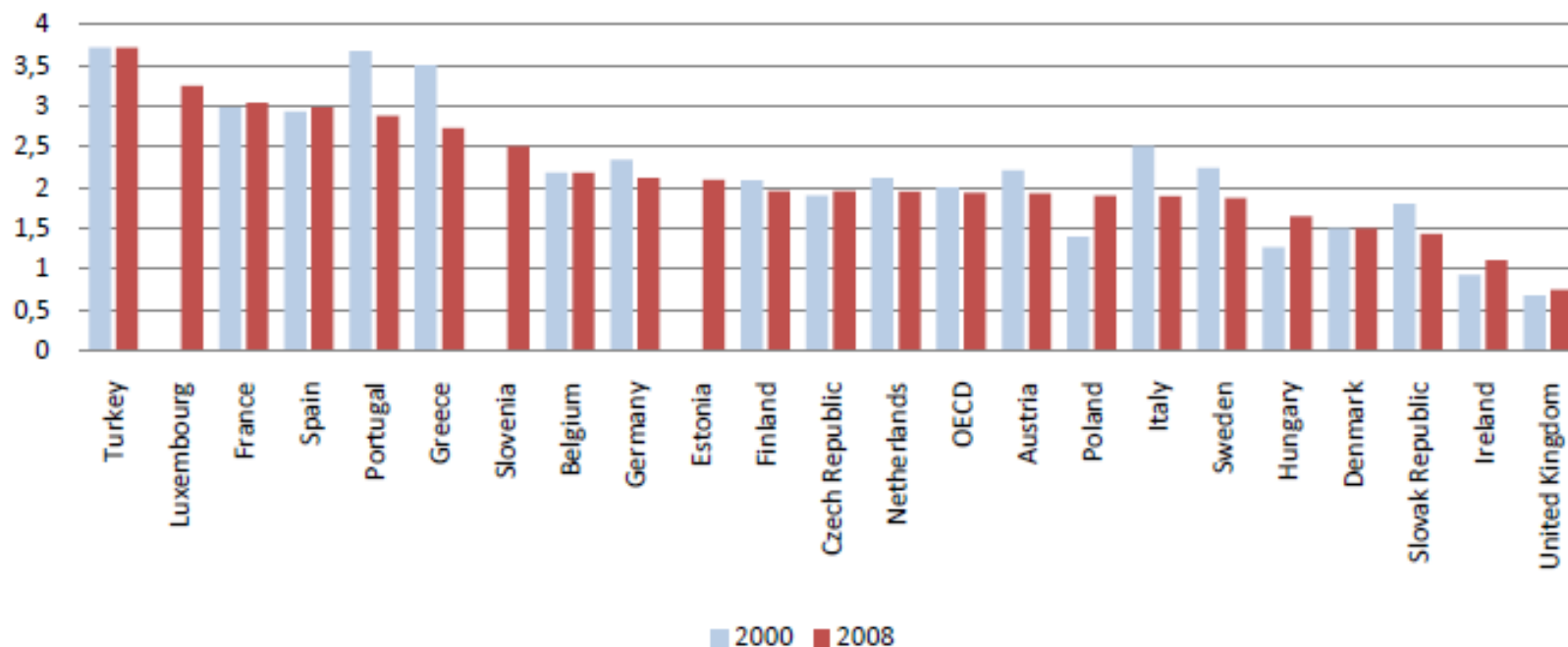
FLEXIBLE CONTRACTUAL ARRANGEMENTS AND EXTERNAL FLEXICURITY

Issues, policy fields and assessments

- Flexible contractual work arrangements such as part-time work, temporary and fixed-term work as well as other forms of flexible work, can contribute to job creation.
- They can also contribute to professional transitions and the existence of stepping-stones for entering a new job
 - “Flexible contractual arrangements can give fresh impetus for employment creation.”*
- At the same time, the Common Principles
 - stress the need to *avoid labour market segmentation*
 - and the need to accompany contractual flexibility by *“secure transitions from job to job”*
- In particular trade union replies to the study have raised concerns about negative effects of flexible contractual arrangements
 - “Reforms have hollowed out employment security.”*
- Observations:
 - Significant differences of understanding
 - Different frameworks and variety of reform processes and development trends
 - Challenges and policy reforms depending very much on national frameworks

Employment protection legislation

Strictness of employment protection (OECD, overall indicator)

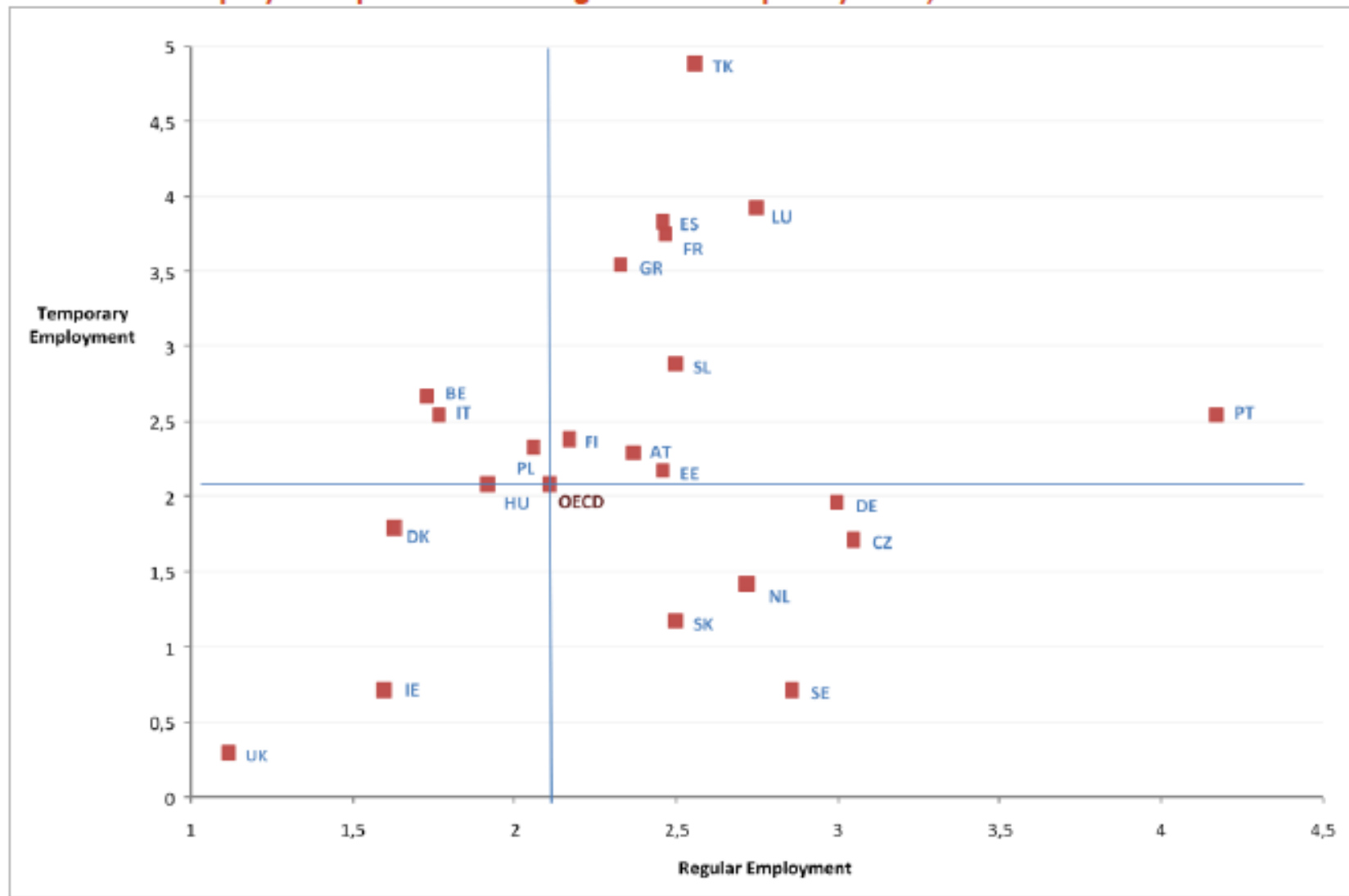


Source: OECD –Stat, 2010. Data for France and Portugal refers to 2009.

- ▶ Large differences in overall strictness
- ▶ 2000 – 2008:
 - ▶ FR, ES, PL, HU, IE and UK have increased strictness (slightly)
 - ▶ PT, EL, DE, FI, NL, AT, IT, SE have reduced strictness
 - ▶ TK, BE, DK – no change

EPL Strictness – Temporary and regular employment

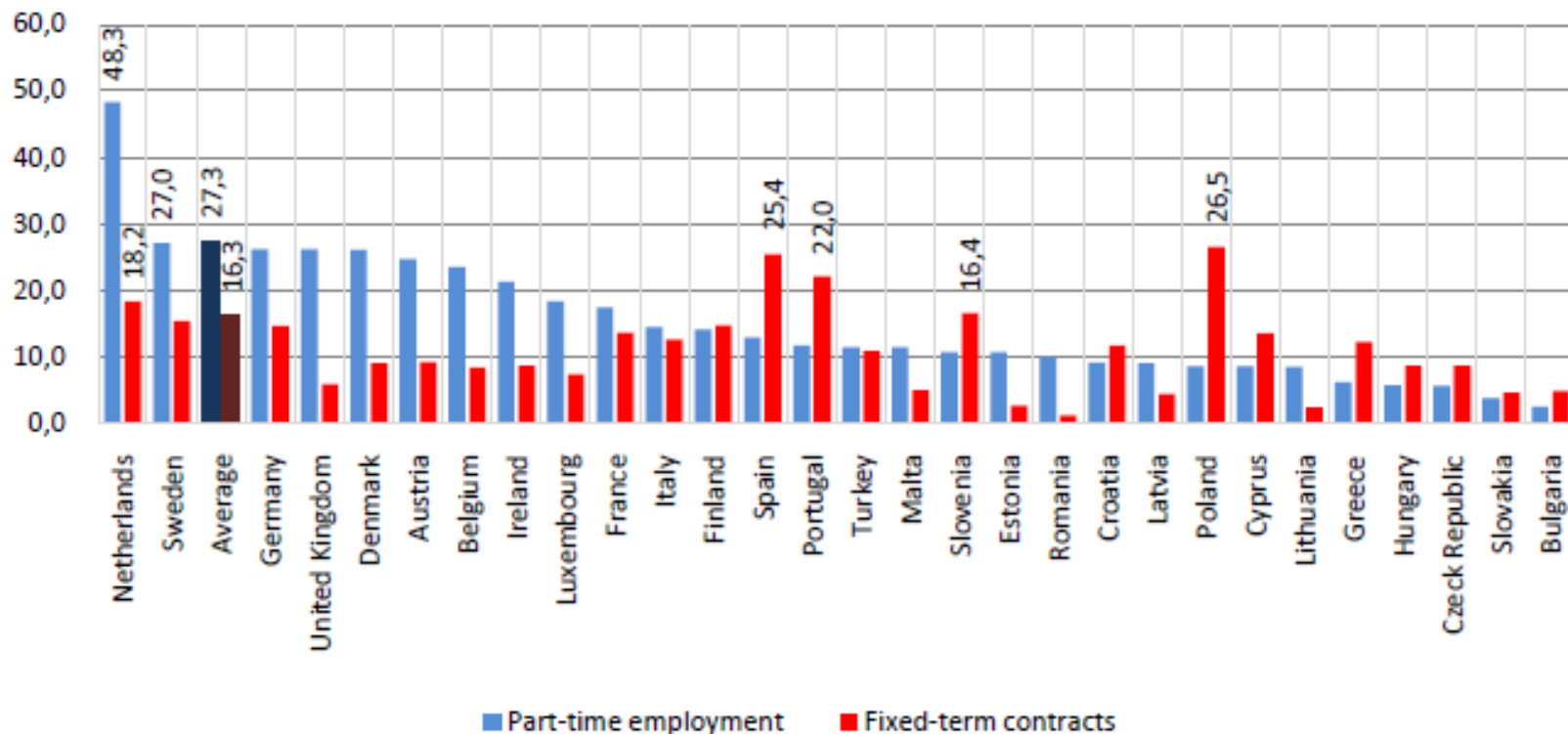
Strictness of employment protection on regular and temporary work, OECD 2008



Source: OECD-Stat, 2010

Part-time and fixed-term contracts

Non-standard forms of employment (% of total employment, 2009)



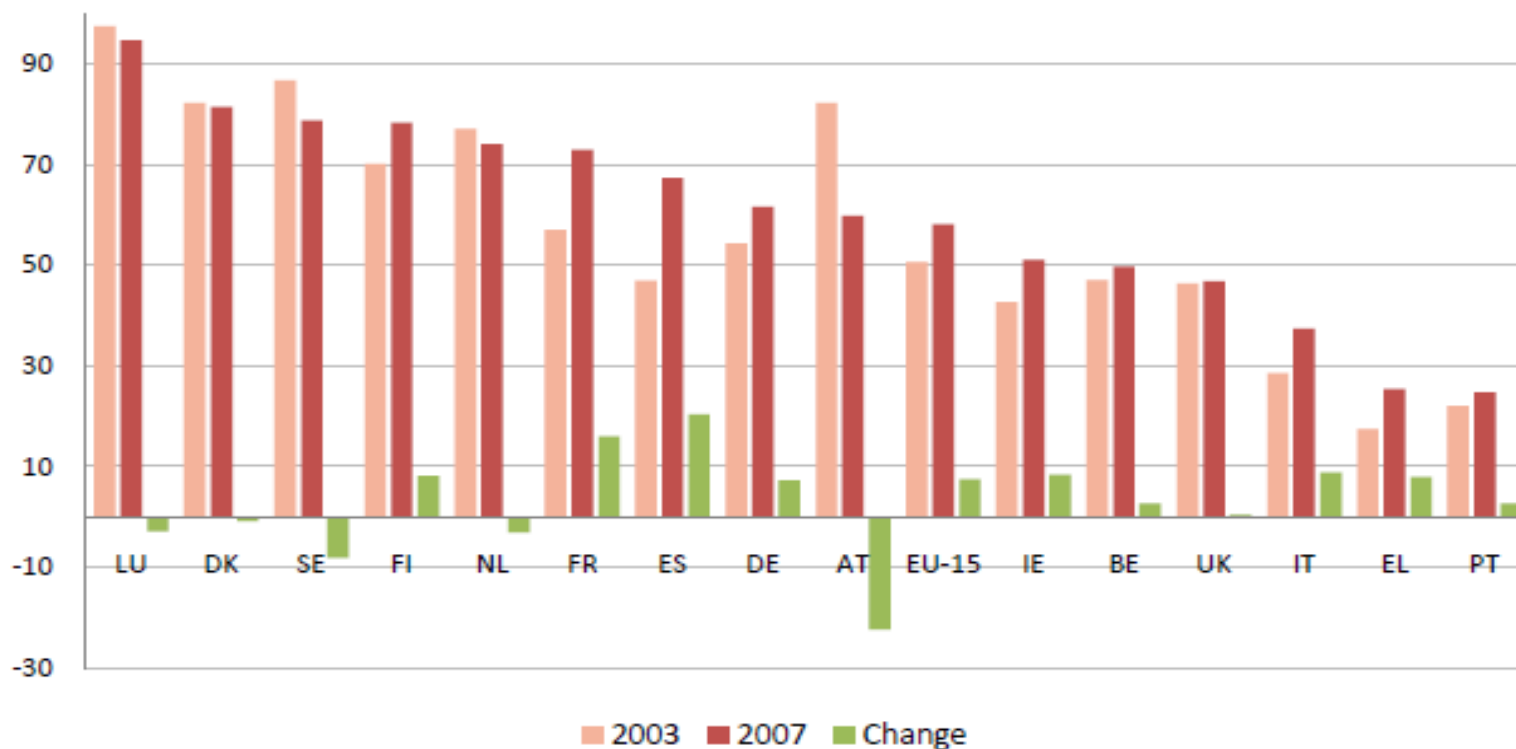
Source: *Employment in Europe, 2010*

- ▶ Large differences in share of part-time as well as fixed-term contracts
- ▶ High share of fixed-term contracts in countries with above the average EPL Strictness (ES, PT, SLO) – but also PL that is not characterised by high EPL strictness
- ▶ Divergent reform processes: PT 2009 – reducing fixed-term contracts; HU 2010 – making it more attractive

Coverage of flexible workers by unemployment benefits

- ▶ Striking gaps – no clear trends between 2003 and 2007
- ▶ Coverage of flexible workers (part-timers, temporary and self-employed) was reduced in LX, SE, NL, AT
- ▶ Increase in FI, FR, ES, IE, BE, IT, EL, PT
- ▶ Almost stable: DK, UK

Coverage of flexible workers by unemployment benefits (% of total)



Labour market segmentation and dual labour markets

- Was a major debate at cluster seminars and important issue in qualitative survey replies
- Coverage of flexible workers by employment security a major concern of trade unions:

Estonia: Security of workers in case of redundancies

Despite the fact that the new *Employment Contract Act* was supposed to make the labour market more flexible and to provide more security for workers the reality has turned out to be quite different. The contractual agreements are more flexible but the security of workers in case of redundancies has worsened.

Source: Reply to the questionnaire survey

- Informal work a major challenges in countries such as TK, RO, BG, CY or MT:
“The major problem in labour market of Turkey is related to the fact that 42% of total employment is “informal” and out of any system of social protection security.”
- Employers: too strict EPL may also result in labour market segmentation by encouraging employers to resort to temporary contracts with lower protection levels
- Joint approaches to improve coverage of flexible workers:
 - Reform of unemployment benefit in Spain
 - Italy: collective agreements on more security for non-standard forms of employment
 - Austria: coverage of self-employed
 - France: “*professional transition security*”

INTERNAL AND FUNCTIONAL FLEXICURITY

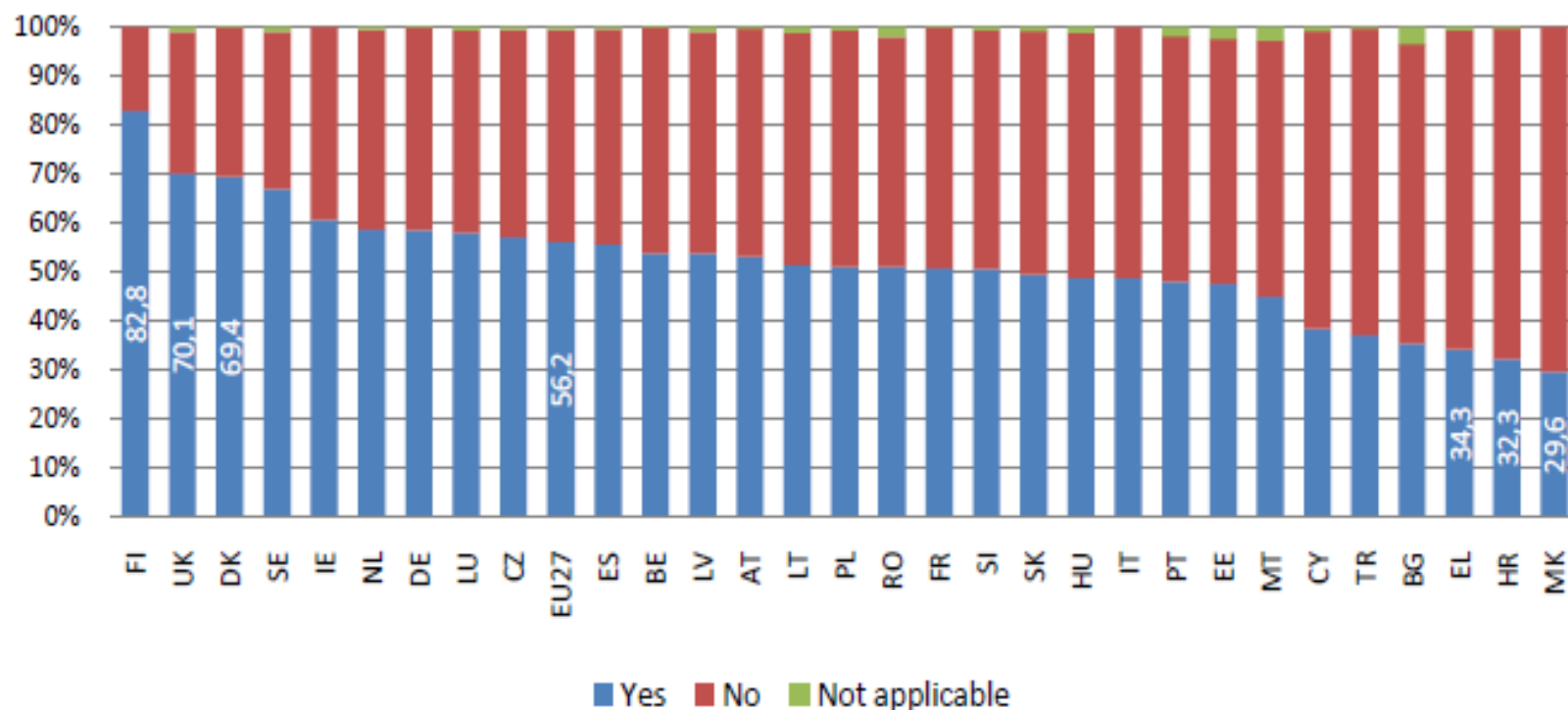
Trends and observations

- As the overall survey results show the social partners regard internal flexicurity rather a strength
- There are different possibilities to combine flexibility with security and the internal dimensions with the external ones
- Working time adaptability and internal functional adaptability are generally considered to be the main forms of the internal sphere of flexicurity
- Internal flexicurity is regulated in the genuine playing ground of collective bargaining and social dialogue between social partners at various levels
- Many examples of good practice
 - Austria: 2007 Working Hours At
 - Portugal 2009: Organisation of working time
 - Italy: Collective agreements on flexible working time
 - Denmark: Self-autonomy in work organisation
 - Netherlands: Life-course savings

Internal flexicurity: Access to flexitime

- ▶ Flexitime according to ECS quite widespread
- ▶ More than half of all establishments with more than 20 employees in EU27 offer some form of flex-time arrangements to employees
- ▶ Share of enterprises ranging from 30% (HR) to around 80%

Companies with flexitime for at least a part of the workforce (2009)



Source: Eurofound, European Company Survey, 2009

ACTIVE LABOUR MARKET POLICY AND EFFECTIVE JOB TRANSITIONS

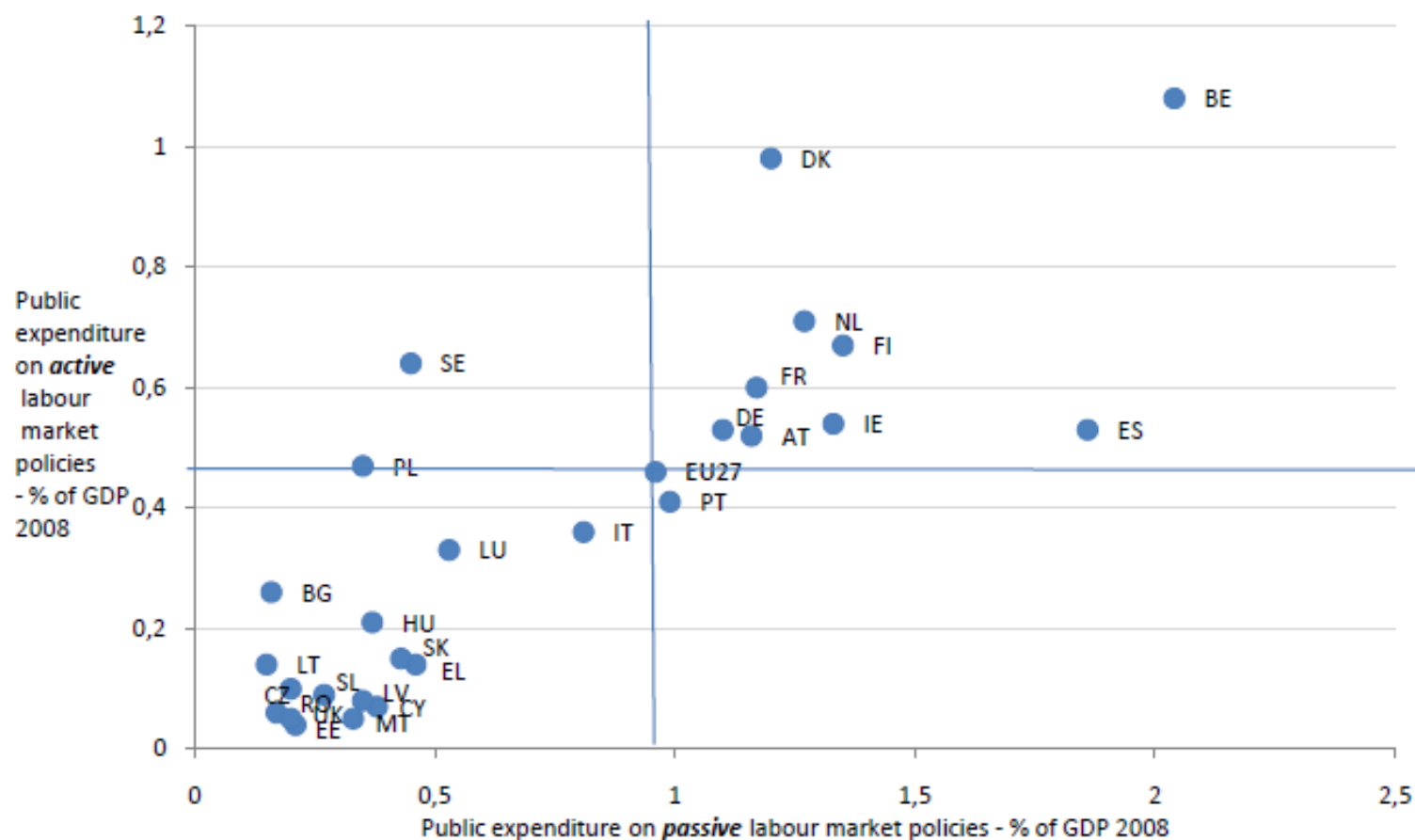
Trends and observations

- Effective active labour market policies and managing job transitions are crucial elements of the flexicurity concept:
 - A central assumption of the flexicurity concept has been that in today's labour markets there is a growing need for more effective job transitions
 - Support should be available to improve the employability of those already employed and to manage transitions – both within the current job and between jobs
 - Those who are not active in the labour market (or who are at the margins of undeclared work) need to be provided with support to enable them to gain access to employment
- Flexicurity implies a shift from job security to employment or change security Austria: 2007
- Situation in EU Member States being very diverse:
 - ranging from countries where active labour market policies and the shift from job security to employment/change security have already a long tradition
 - to countries where both is quite a new concept

Labour market policy expenditure

- ▶ An overall scattered picture of financial resources of both passive and active labour market policy in 2008

Expenditure on active and passive labour market policy measures (% of GDP, 2008)

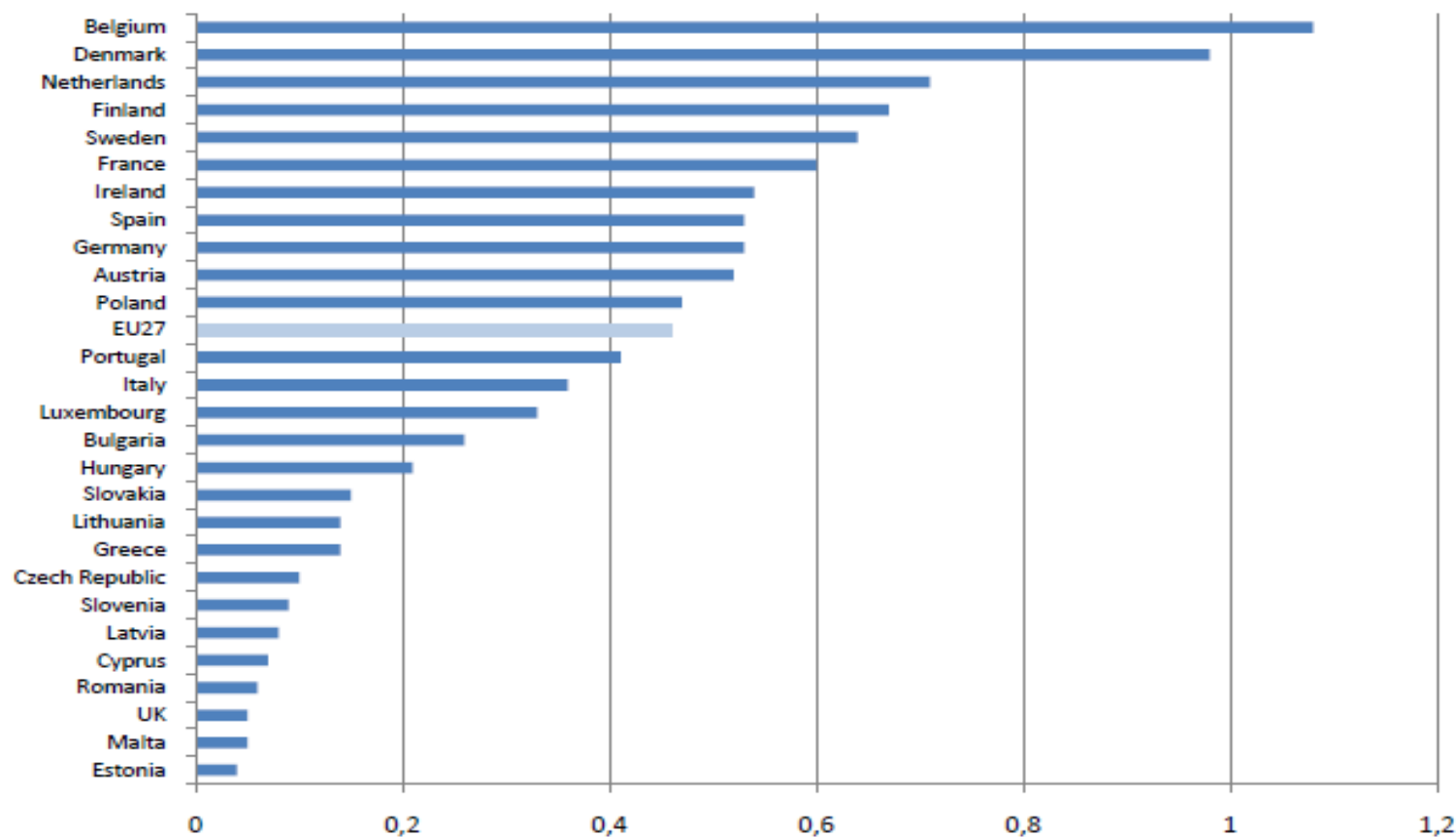


Source: Eurostat, own figure.

Active labour market policies

- ▶ Apart from PL, all CEEC and candidate countries as well as EL, CY and UK range well below the EU average
- ▶ In contrast, spending is very high in BE and DK and other Nordic and Continental countries

Public expenditure on active labour market policies (categories 2-7, - % of GDP, 2008)



Different trends

- there is not only a wide variety of situations and standards of ALMP but also on progress with regard to the efficiency and effectiveness of active labour market policy and job transitions policy:
 - in the Nordic countries, in AT, FR or IT as well as PT and ES, ALM policies were the issue of reforms that clearly aimed at increasing the potential of job transitions, increasing the employability of workers and improving the situation of those outside or at the margins of the labour market
 - another trend is “*Making Work Pay*”: Germany in the 1990s, SE or CZ – focus more on supply side measures
 - countries like Baltic States, CY, RO, TK as well as other CEEC, the focus is more on moving from purely passive measures towards more active instruments focussing on employability, job and/or professional transitions, often triggered by European funding and guidelines
- Other trends:
 - Targeting specific vulnerable groups: BE (temporary, fixed-term workers), Austria (self-employed), young people (NL)
 - Ethnic inclusiveness (HU, HR – Roma)
 - Integration of undeclared workers (MT)
 - Flexible work arrangements and job creation (CY)
 - Mobility (NL), transition (SE) and change security (FI)

Challenges

- Effective job transition policy, mobility and “making work pay” in times of jobless growth

“Within the last decade, Turkey has experienced jobless growth. “Better access to work opportunities” can only be a secondary challenge if there is “no job” in the economy.”

- Effectiveness and cost efficiency

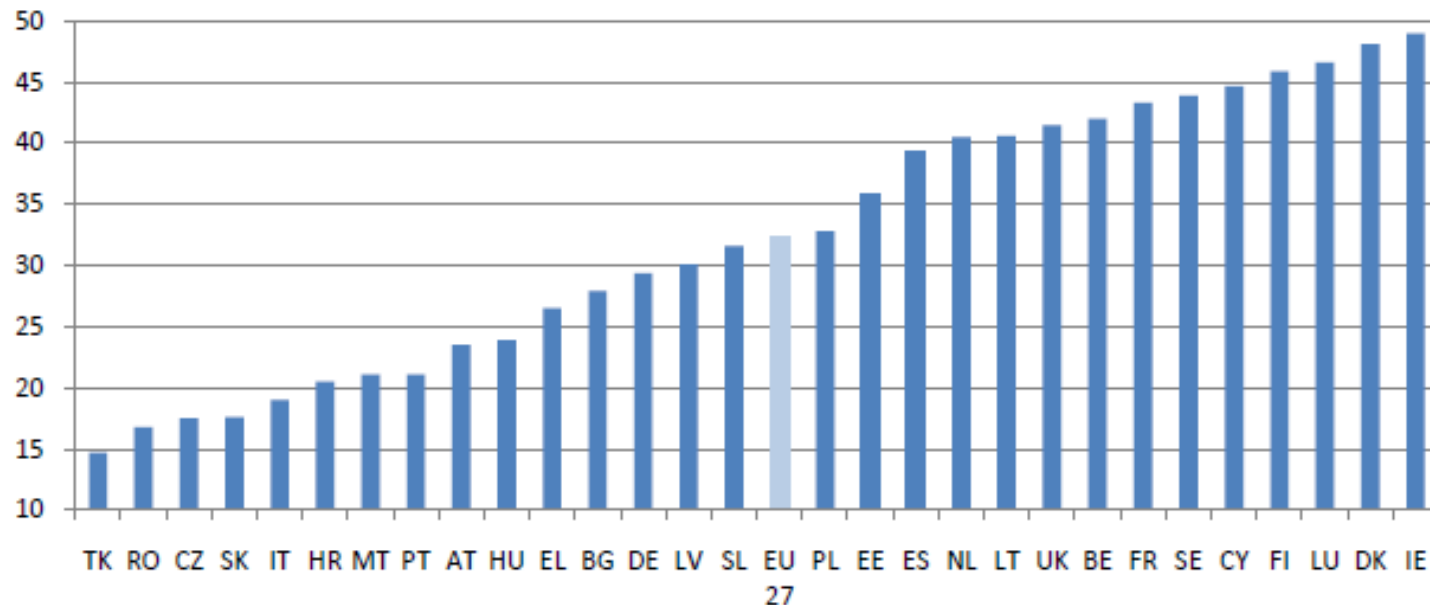
“Not the mere introduction of ever new (and for enterprises and contribution payers burdensome) ALMP is an element of a sound flexicurity concept, but to have a limited number of proven effective and cost-efficient ALMP.”

INCREASING ADAPTABILITY,
LIFELONG LEARNING AND MOBILITY

Issues and policies

- Lifelong learning and the continuous adjustment of competences and needs is an increasingly crucial factor both for the competitiveness of firms and the long-term employability of workers
- EU Commission has defined benchmarks in the field of lifelong learning as well as in educational attainment as important objectives in the context of the Europe 2020 strategy (40% of the population aged 30-34 having completed a university or similar education level)

Tertiary educational attainment, age 30-34, 2009

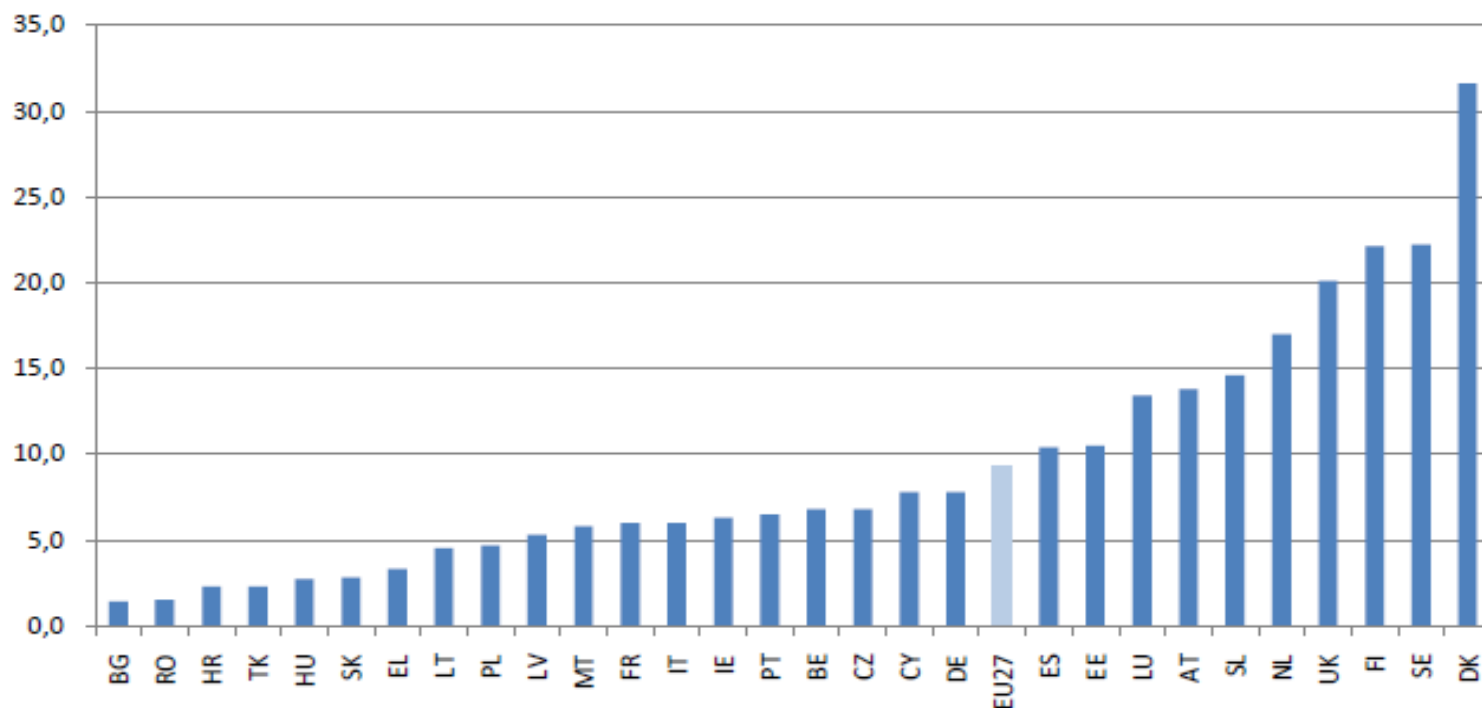


Source: Eurostat, own figure

Lifelong learning

- Gaps regarding LLL even larger
- only the Nordic countries Denmark, Sweden and Finland show rates of more than 20%
- Most European countries are below the EU average of only 9.3%, including 9 countries that only have participation rates of less than 5%.

Lifelong learning participation (percentage of the population aged 25-64 participating in education and training over the four weeks prior to the survey, 2009)

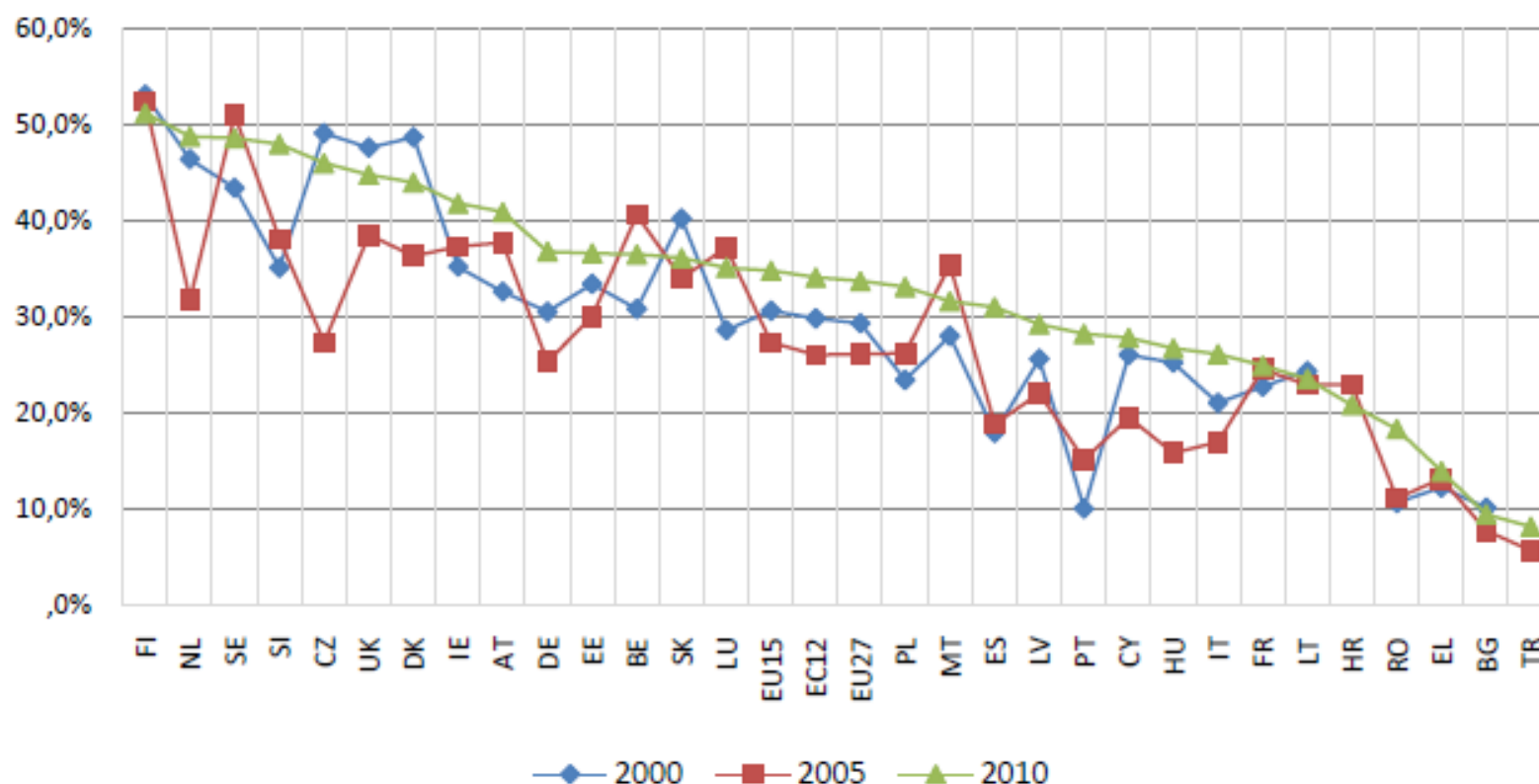


Source: Eurostat, own figure

Access to training

- Access to training according to EWCS 2010 increased in most countries since 2005
- Exceptions: Nordic countries, CZ, UK, BE, SK, LU, MT, HR
- Similar gaps as with regard to LLL

Access to training over the past 12 months



Source: Eurofound, EWCS, 2010

Trends and initiatives in LLL

- National reforms and initiatives addressing major and specific national challenges: nearly all countries, but in particular, in the CEEC and in some Southern European Member States
- Developing a national policy of lifelong learning and introduction of structure and practice as arising from European guidelines: LT, HU, HR, CY, BG, RO, TK
- Moving towards the Europe 2020 targets as a political orientation: SE, FI, DK, NL
- Focus on increasing the number of participants in tertiary education: SE, DK, DE, AT
- Implementing the individual right to training: e.g. LU, PT, BE, FR
- Increasing the participation in CVT and LLL by new initiatives: AT, FR, PL, FR, PL, UK, BE, IT
- Improving the system of vocational training: ES, FR, UK
- National skills strategies and comprehensive approaches of skills development: IE, AT, DK
- Individualised approaches of skills development (e.g. competence profiles, individual training plans, training vouchers): BE, FR, DE
- Lifelong learning strategies and better coverage of flexible workers: FR, AT, DK, IE, NL
- Ensuring professional experiences of jobseekers: BE, PL, MT
- Developing systems of recognition of informal and non-formal education: CZ

Challenges and the role of social partners

- Coverage of flexible and SME workers:
 - As reported by many social partners in the context of the four cluster seminars, too often LLL initiatives benefit highly skilled workers more than those with low skills workers, workers on temporary contracts, self-employed, and older workers
 - EWCS 2010: 39% of permanent employees accessed employer-paid training, compared with only 26% of other employees
 - LLL and skills development in SMEs is regarded as a major challenge in all European countries – at the same time, only few countries (e.g. Italy or Finland) have addressed these challenges by concrete policies or initiatives
- „*Good ideas not always function*“: example IT, NL or PL
- Role of social partners: often initiating reforms and innovative solutions:
 - Austria: *Chance Bildung* and *Arbeitsmarkt – Zukunft 2010*
 - Portugal: VET Reform Agreement 2007
 - France: Inter-professional agreement on VET 2009, including the establishment of the „Joint Fund for the Security of Professional Careers“
 - Denmark: Public sector agreement on competence development

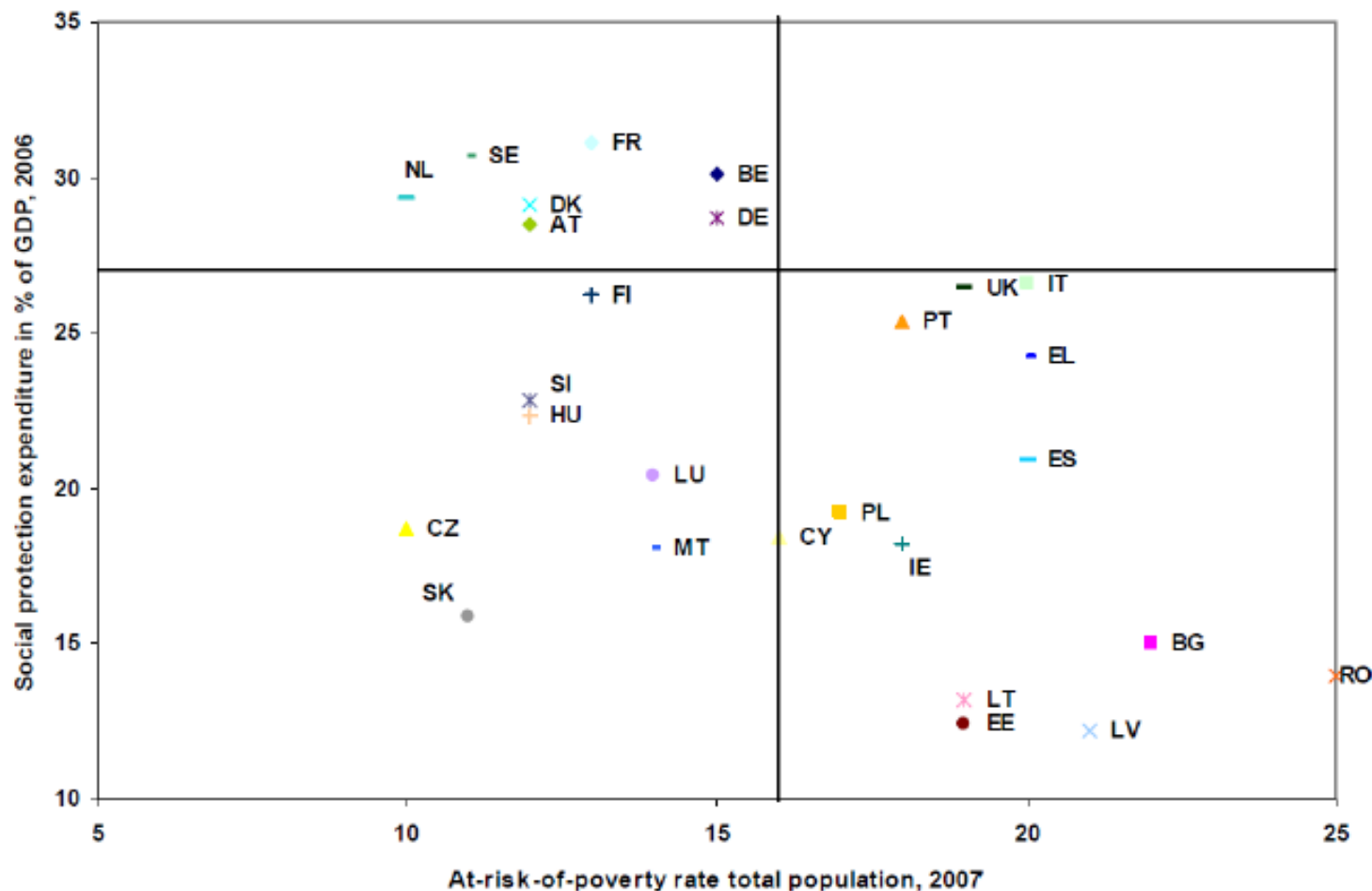
INCLUSIVE LABOUR MARKETS, SOCIAL COHESION AND GENDER EQUALITY

Common principles of flexicurity

- *Principle 1*, stresses the need to create more and better jobs, modernise labour markets, and promote good work through new forms of flexibility and security to increase adaptability, employment and *social cohesion*;
- *Principle 2*, explains the need to have “*modern, adequate and sustainable social protection systems*” in place;
- *Principle 4*, underlines the need to avoid segmentation of those in or out of work and the necessity to improve transitions and provide better opportunities and support for those not in stable and secure employment;
- *Principle 5*, defines as a guiding principle that “*social protection should provide incentives and support for job transitions and for access to new employment*”;
- and finally, *principle 6*, embraces the gender and equality dimension of flexicurity, i.e. “*supporting gender equality, by promoting equal access to quality employment for women and men and offering measures to reconcile work, family and private life*”;

Diversity of social security systems and risk of poverty

Social protection expenditure and at-risk-of-poverty rate of the total population in EU Member States



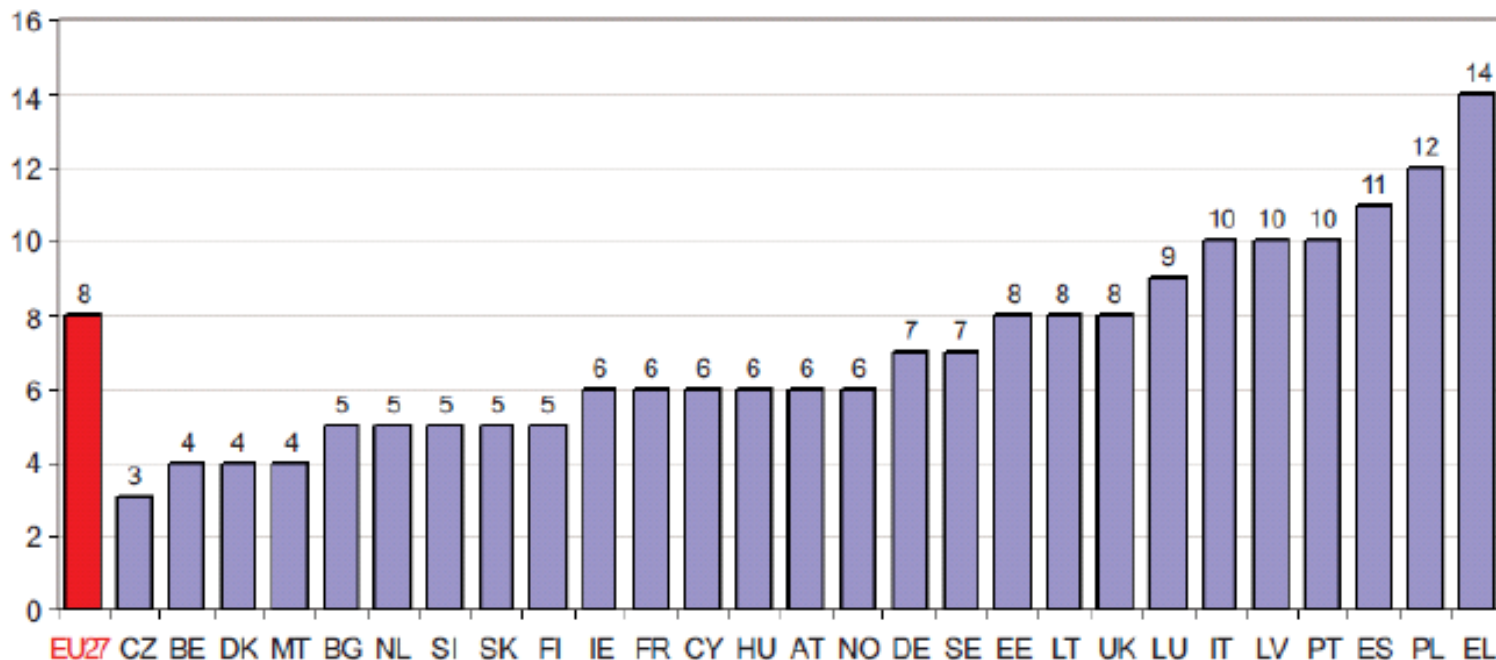
Source: EU Commission 2009: Growth, Jobs and social progress in the EU. A contribution to the evaluation of the social dimension of the Lisbon Strategy, DG EMPL/Social Protection Committee, September, p. 69. Data based on ESSPROS 2006, EU-SILC 2007

Note: The horizontal and perpendicular lines depict the EU averages of the variables

In work poverty

- In EU27, about 8% of persons in employment were considered as working poor, meaning working and nevertheless living under the poverty threshold.
- EL (14%), PL, ES as well as IT, LV, PT show the highest in-work poverty rates - low rates in CZ (3%), BE, DK, and MT
- Effects of flexible forms of work a major and controversial debate of SPs

In work and at risk of poverty



Source: Eurofound 2010: *Working Poor in Europe*, p. 3. Figures based on Eurostat, EU-SILC 2007

Challenges and the role of social partners

- Quite different views of social partners on major trends and challenges in regard to social security and inclusion :
 - From the point of view of employers organisations, the main focus in regard to reform and progress should be to ensure the financial sustainability of social security systems, gear financial systems and support measures more towards job creation. On the supply side, the priority is to ensure that workers' rights are more linked to obligations and the reduction of unconditional passive income support.
 - Trade unions are much more concerned about the social effects of recent reforms in the field of security related policies and tendencies of growing inequalities and insecurities in the labour market
 - Regardless the different geographical background, trade unions are concerned that the security pillar is the pillar of flexicurity that is most under threat and pressure in their countries
- Examples of joint initiatives of social partners /tripartite solutions:
 - Austria: Unemployment insurance for self-employed
 - Portugal: extending the number of beneficiaries of unemployment benefits
 - Netherlands: Stepping stones into permanent employment
 - Denmark: Supporting the transition from part-time to permanent jobs

THE ROLE OF SOCIAL PARTNERS AND SOCIAL DIALOGUE IN REGARD TO OTHER FLEXICURITY PRINCIPLES

KEY POINTS

Key points

- Flexicurity as a win-win concept for employers and workers
- Assessments of strengths and weaknesses in regard to 11 different fields
- Involvement and role of social partners and social dialogue in flexicurity-type reforms and policies varies and tends to mirror the well known different models of labour relations, traditions and frameworks of social dialogue
- Study illustrates a remarkable wealth of practice and experience of different joint initiatives, practice and agreements trying to implement single or combined principles of flexicurity, addressing shortcomings of respective labour market models and reacting to major challenges
- Social partners are taking the responsibility that has been ascribed to them in the seventh Common Principle of Flexicurity
- Different perceptions and views of trade unions and employers' organisations in regard to the main challenges that today's labour markets are facing:
 - trade unions have stressed that new social challenges are emerging as a result of restructuring and increasing flexibility in the labour market (in particular segregation, growing divide between insiders and outsiders, poor and precarious forms of work) with ensuring appropriate access to social security and other social rights regarded as the main challenge
 - Employers' organisations stress the role of flexicurity to respond to the challenges of globalisation, increasing competition, technological change and other challenges such as demographic change and growing scarcity of skilled labour. According to the employers there is still too little progress in structural reforms on the labour market as well as in the field of modern social security.

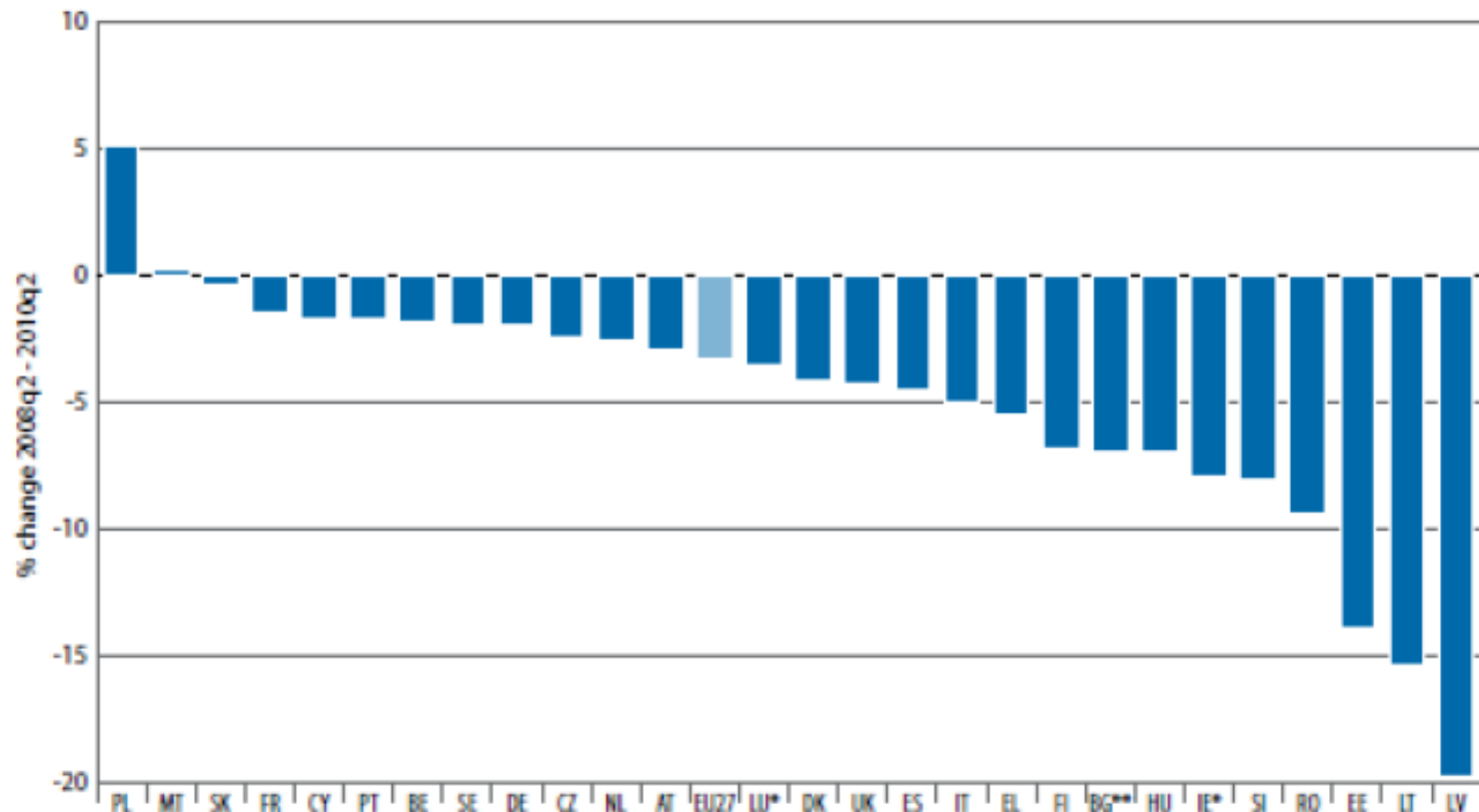
FLEXICURITY IN TIMES OF CRISIS AND RECOVERY

IMPACT OF THE CRISIS ON EUROPEAN LABOUR MARKETS

The impact of the 2008 crisis on European labour markets

- Large differences in economic impacts
- In many cases corresponding to employment effects
- But not in all cases ...

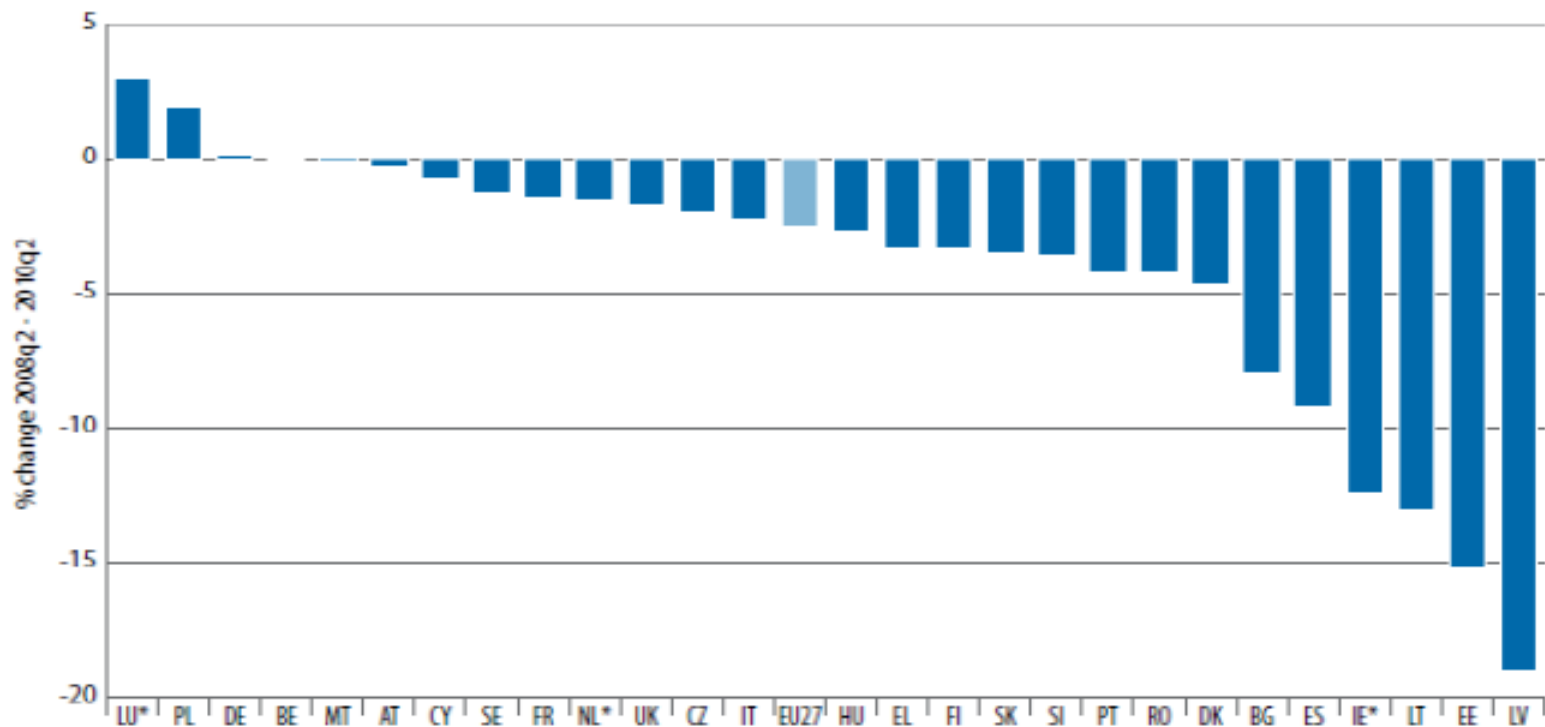
Change in GDP for EU Member States from 2008q2 to 2010q2



The impact of the 2008 crisis on European labour markets

- No or moderate negative effects on employment in LU, AT, DE; BE, FI, IT, SLO as compared to GDP decrease
- Even more negative effects: ES, PT, EE, IE

Change in employment in EU member states from 2008q2 to 2010q2



Anti-crisis measures at the labour markets

- Large variety and extent of anti-crisis measures taken in the field of labour market policies in EU and OECD countries:
 - expanding the capacity of public employment services, job search assistance and training programmes.
 - Around half of OECD countries increased the incomes of job losers by improving unemployment benefit or extending the covering to those previously excluded
 - A number of countries provided new or expanded support for job losers through social assistance, training allowances, housing support or health insurance
 - countries also increased resources for training existing workers or apprentices to improve their labour market prospects or provide income support for low income earners through the tax system
 - a large number of EU Member States introduced short-time working schemes and other forms of internal flexicurity and the take up of these had a substantial impact on mitigating job losses

FLEXICURITY IN TIMES OF BAD WEATHER

Flexicurity in times of bad weather

➤ EU Commission's Communication on Europe 2020:

"implementing flexicurity principles and enabling people to acquire new skills to adapt to new conditions and potential career shifts will be key' to a successful exit from the crisis."

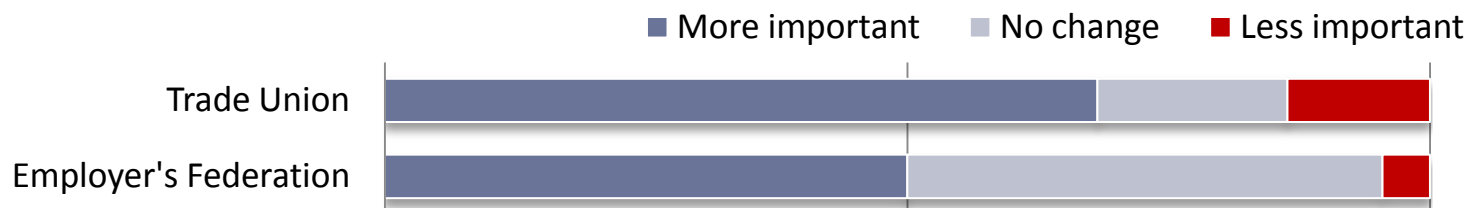
➤ In 2009, the European Council adopted a number of conclusions on the issue of flexicurity in times of crisis that contain a set of policy measures based on the flexicurity principles aimed at helping Member States to manage the impact of the crisis:

- Maintaining employment, helping companies operate alternatives, temporary adjustment of working time, and other forms of internal flexibility measures;
- such measures should be combined with actions supporting employability, directing people into new jobs
- protecting unsustainable jobs or sectors from structural change should be avoided
- Creation of a better entrepreneurial environment
- benefit systems which provide work incentives, appropriate levels of non-wage labour costs, especially for the low-skilled and other vulnerable groups
- the reduction of the administrative burden for businesses
- enhancing and improving activation measures and providing adequate income support and access to quality services to people who are hit by the impacts of the crisis
- etc.

Effects of the crisis on flexicurity policy fields and principles

- Both trade unions and employers regard three out of 11 policy/reform fields as having become more important in particular:

Lifelong Learning



Reliable and flexible contractual arrangements



Active labour market policies



Effects of the crisis on flexicurity policy fields and principles

- Policy fields where trade unions and employers' organisations have quite different opinions:

Supportive social security systems

■ More important ■ No change ■ Less important



Better access to work opportunities and improved management of job transitions



Greater internal flexicurity

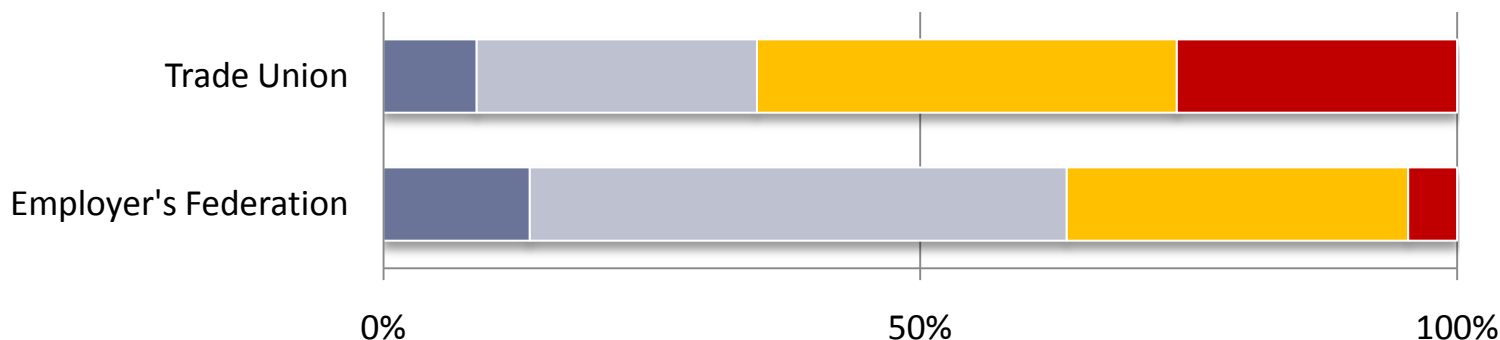


The role of social partners and social dialogue in the aftermath of the crisis

- Whilst a majority of employers' responses (64%) agree with the statement that the role of social partners and tripartite dialogue has increased in the aftermath of the crisis and only one third disagree or strongly disagree, the trade union view is the opposite
- Only a third of trade union responses report an increasing role of social partners and dialogue whilst two thirds report a decrease

The role of social partners and tripartite dialogue has increased in the aftermath of the 2008 global financial and economic crisis

■ Strongly agree ■ Agree ■ Disagree ■ Strongly disagree



Different type of social partners' experience

- *First* social partners in some new Member States (particularly in the CEEC) reported positive developments in tripartite or bilateral social dialogue in the aftermath of the crisis. Examples include LT, RO, PL where social partners reported that they were able to develop joint positions and statements felt they had gained stronger influence on public policy measures in some areas.
- *Second*, the opposite is reported from some of the countries that experienced the most serious labour market and economic setbacks during the crisis including IE, PT, ES, EL. Here, a polarization of views can be observed between unions and employers and also between different organisations within the employer and trade union groups. In Ireland and Spain where social dialogue and the involvement of social partners has developed in recent years, the crisis posed a significant challenge for the social dialogue process. It seems that governments felt the need to respond quickly and dramatically to unfolding events and chose to engage with social partners less than might otherwise have been the case.
- *Third*, there is a group of countries where only little change seems to have occurred and the specific nature of labour relations and social dialogue is prevailing, either characterised by strong influence of social dialogue and policy consultation as in AT for example, or in other forms that mirror the specific national tradition of industrial relations and social dialogue (e.g. FI, FR, DE, BE, IT).

CONCLUSIONS

“(...) the involvement of social partners in the design and implementation of flexicurity policies through social dialogue and collective bargaining is of crucial importance.”

Major conclusions

- Win-win situations are possible but under certain framework conditions
- Study confirms well-known clusters/groups of labour market and social policy systems
- Social partners have actively contributed to the development of concepts that move the flexicurity principles forward with regard to specific challenges and needs in labour markets and societies
- In particular there is a unique role of social dialogue and collective bargaining with view on internal and functional flexicurity
- Study shows that the common principle of flexicurity that stress the active involvement of social partners and social dialogue is not always respected
- Equal coverage of *all* workers and enterprises a major challenge
- *“It takes three to tango”*
- Different effects of the 2008 crisis on social partners involvement
- Our study is a strong case for the clear added-value of social dialogue and active involvement of social partners in reforms aiming at better balancing flexibility *and* security in contemporary labour markets
- Equal application of this principle across Europe is the most important challenge in the context of making flexicurity work in Europe.