



European Foundation for the Improvement of Living and Working Conditions

Social partners and flexicurity in contemporary labour  
markets

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# **Eurofound's activities in the field of flexicurity**

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## The concept of flexicurity and Eurofound's research...

- EF examines different aspects of the four components
  - ▶ Differences in contractual arrangements
  - ▶ Trends in workers training and lifelong learning
  - ▶ What works in Active Labour Market Policies?
  - ▶ Social infrastructure and support systems
- ...examines approaches in different countries
- ...examines impact on different groups
- ...examines company approaches
- ...examines workers' perception
- ...examines social partner views and action
- ...examines flexicurity in times of crises



- European Company Survey (ECS)
- European Working Conditions Survey (EWCS)
- Comparative information from NEO (Network of European Observatories) correspondents (examples)
  - ▶ Flexicurity and industrial relations
  - ▶ Flexible forms of work: ‘very atypical’ contractual arrangements
- Research projects (examples)
  - ▶ Extending flexicurity – The potential of short-time working schemes
  - ▶ Flexicurity in times of crises
  - ▶ 2nd phase of flexicurity

# Working time flexibility in Eurofound Surveys

What does the **ECS** tell us - on working time flexibility?

- Working time flexibility is the most common type of flexibility – most forms of working time flexibility, especially part-time work, have become more diversified

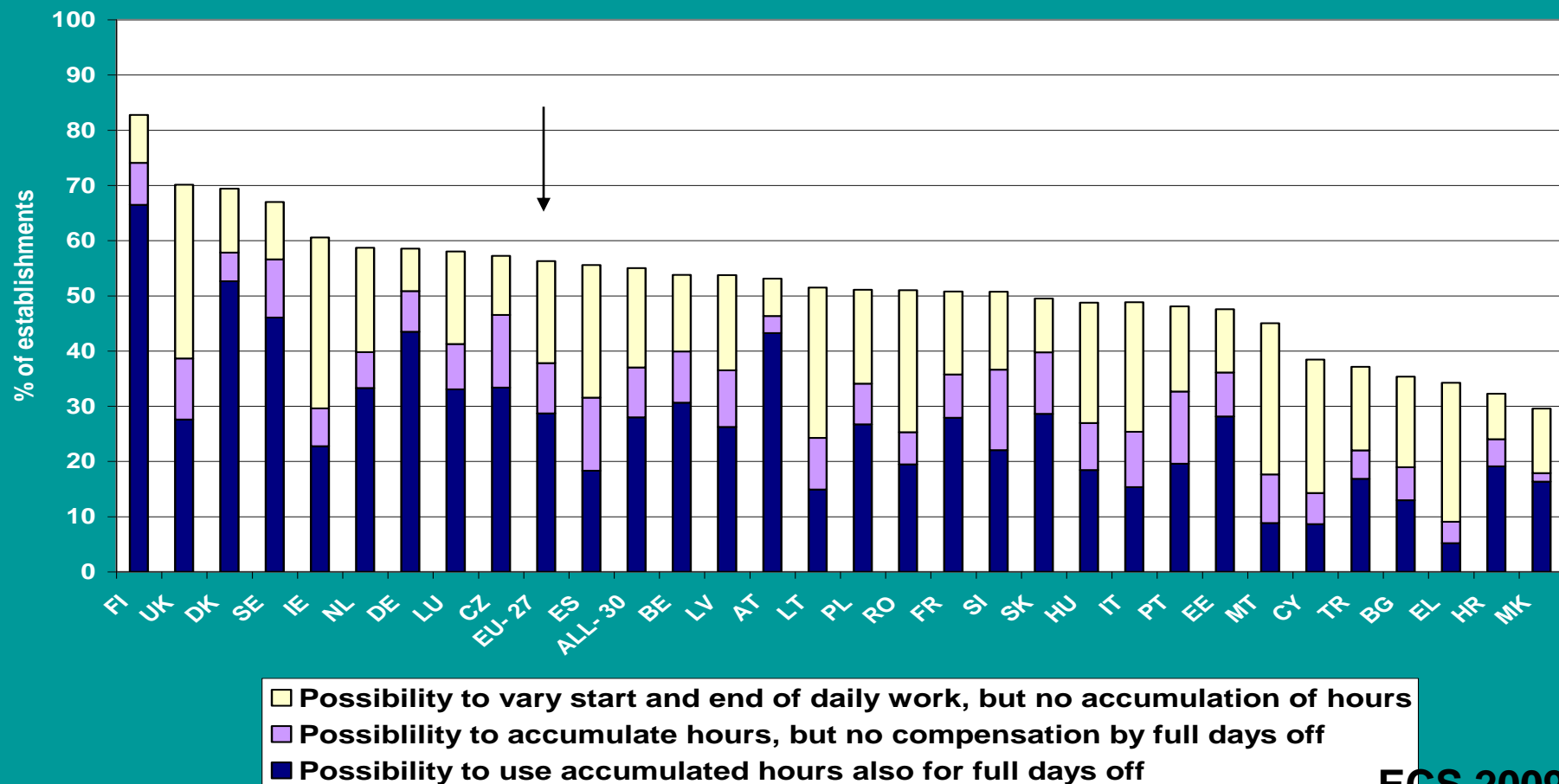
What does the **EWCS** tell us – on working time flexibility?

- Working time flexibility is diversifying (ECS results), but
  - ▶ Standard time remains the norm but a good proportion works different times
  - ▶ 18% of workers still find it hard to achieve work-life balance
  - ▶ Over 40% of workers would prefer to work either more or less hours as they currently do



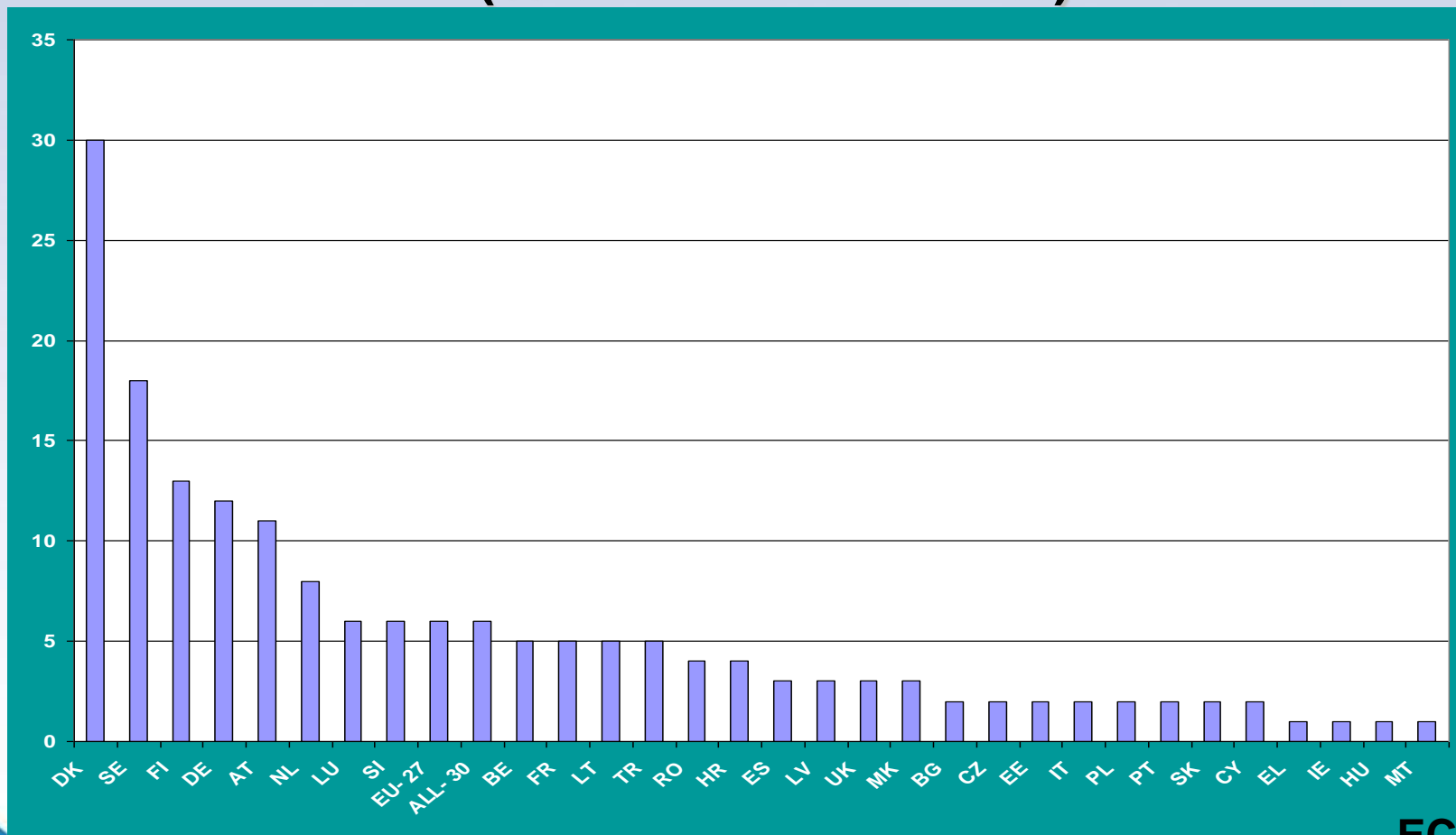
# Working time flexibility in ECS

## 56% of establishments of 10+ use flexi-time



# Working time flexibility in ECS

**Long term time-savings accounts remain an exception  
(% of establishments)**



**Standard working time remains the norm, but considerable group work outside standard time**

**A lot of regularity:**

- ▶ Majority of workers work same number of hours/week, hours/day, days/week
- ▶ 61% of workers start and finish at same time every day (in 2005: 62%)
- ▶ More the case for women than for men...
- ▶ Decreasing over Europe but only very gradually...

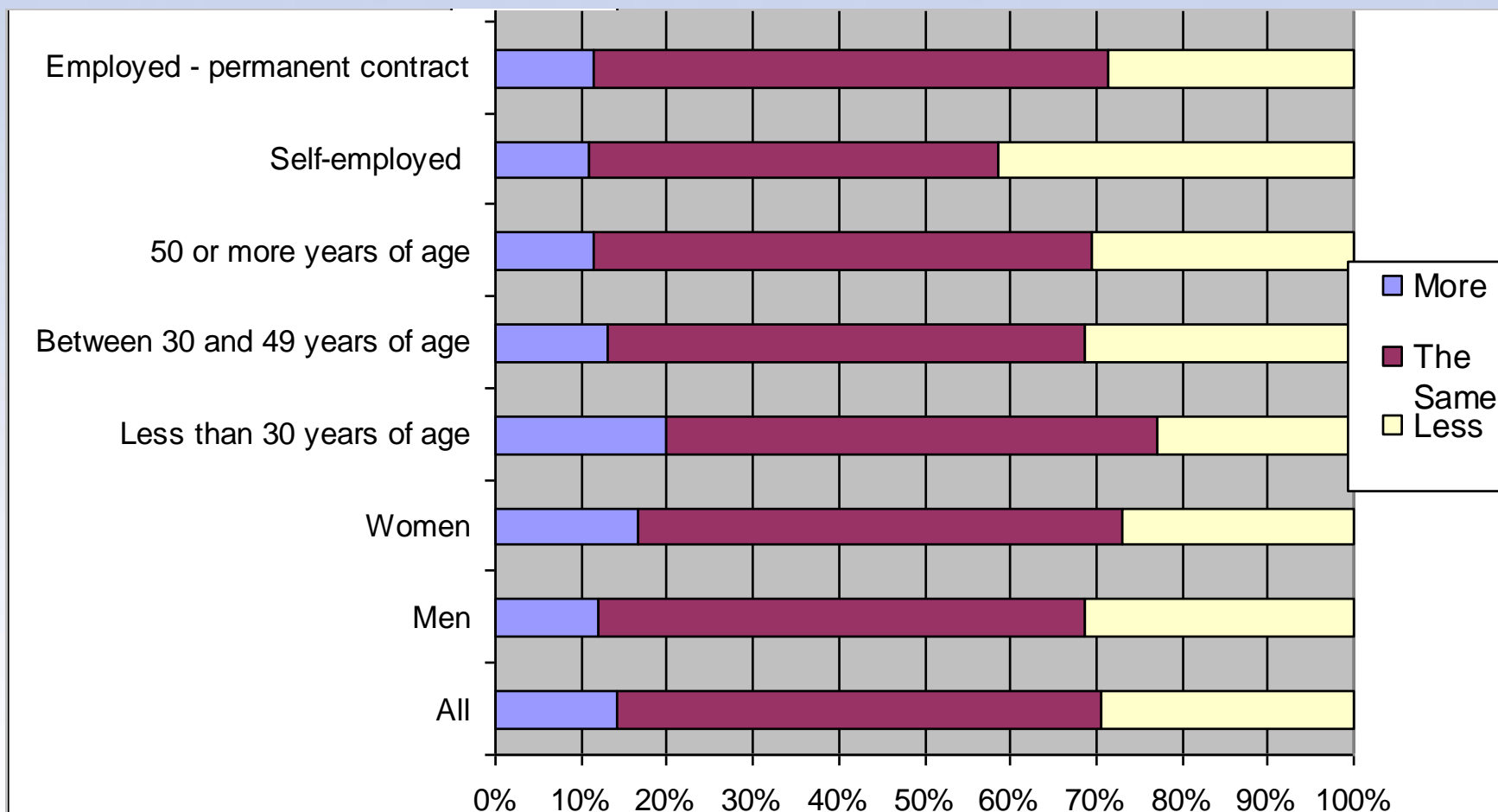
**But a good proportion of workers work at different times**

- ▶ 16% of workers work long days (>10 hours) at least 5 times a month
- ▶ 10% of workers do night work (more than 3 times a month)
- ▶ 17% of the workers do shift work
- ▶ 20% work on call
- ▶ 53% work at the weekend at least once a month (26% least one Sunday)



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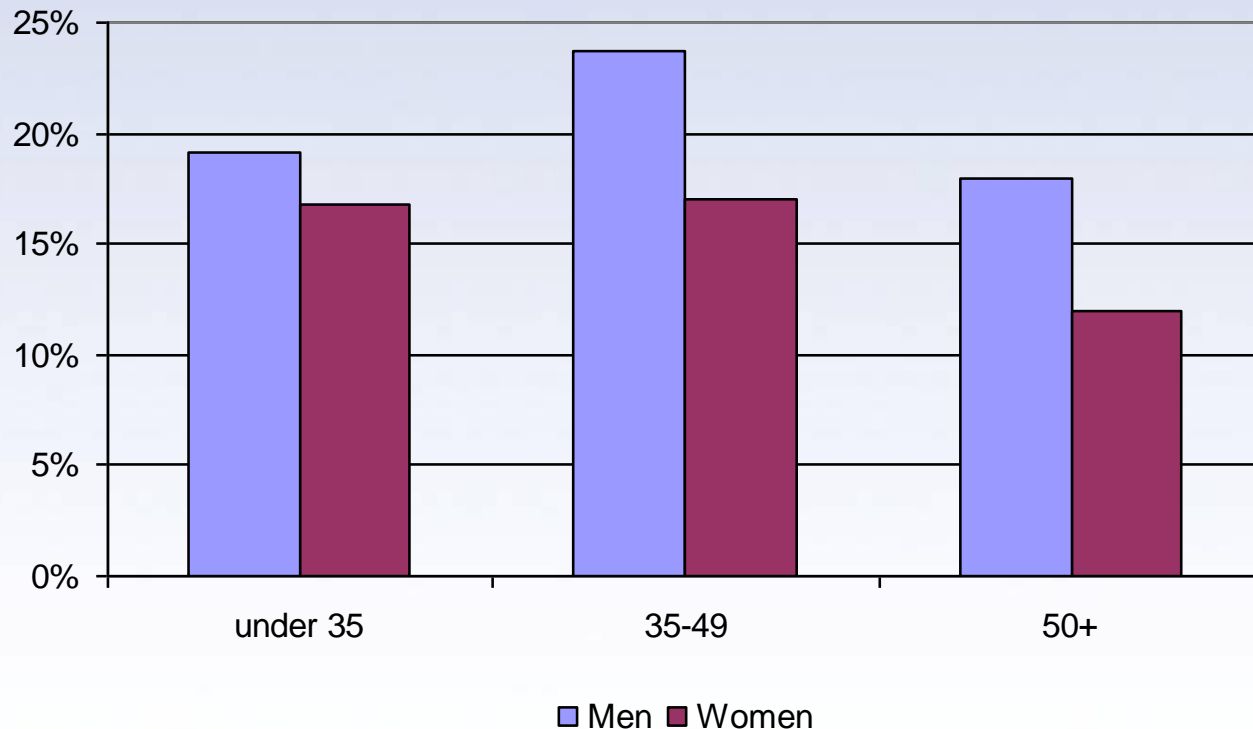
## EWCS: Working time preferences however...



EWCS 2010

## EWCS: 18% of workers still find it hard to achieve work-life balance

**Working hours fit family or social commitments outside work not very well or not at all well**



# Extending flexicurity – The potential of short-time working schemes

- Smooth job-to-job transitions as envisaged in the flexicurity concept difficult during the recession
- Questions arising:
  - ▶ Does flexicurity also work in bad weather?
  - ▶ Can flexicurity be a way out of the crisis?
- Examination of short-time working schemes as a way to maintain employment levels during an economic downturn
- Mapping of social partner positions on the issue

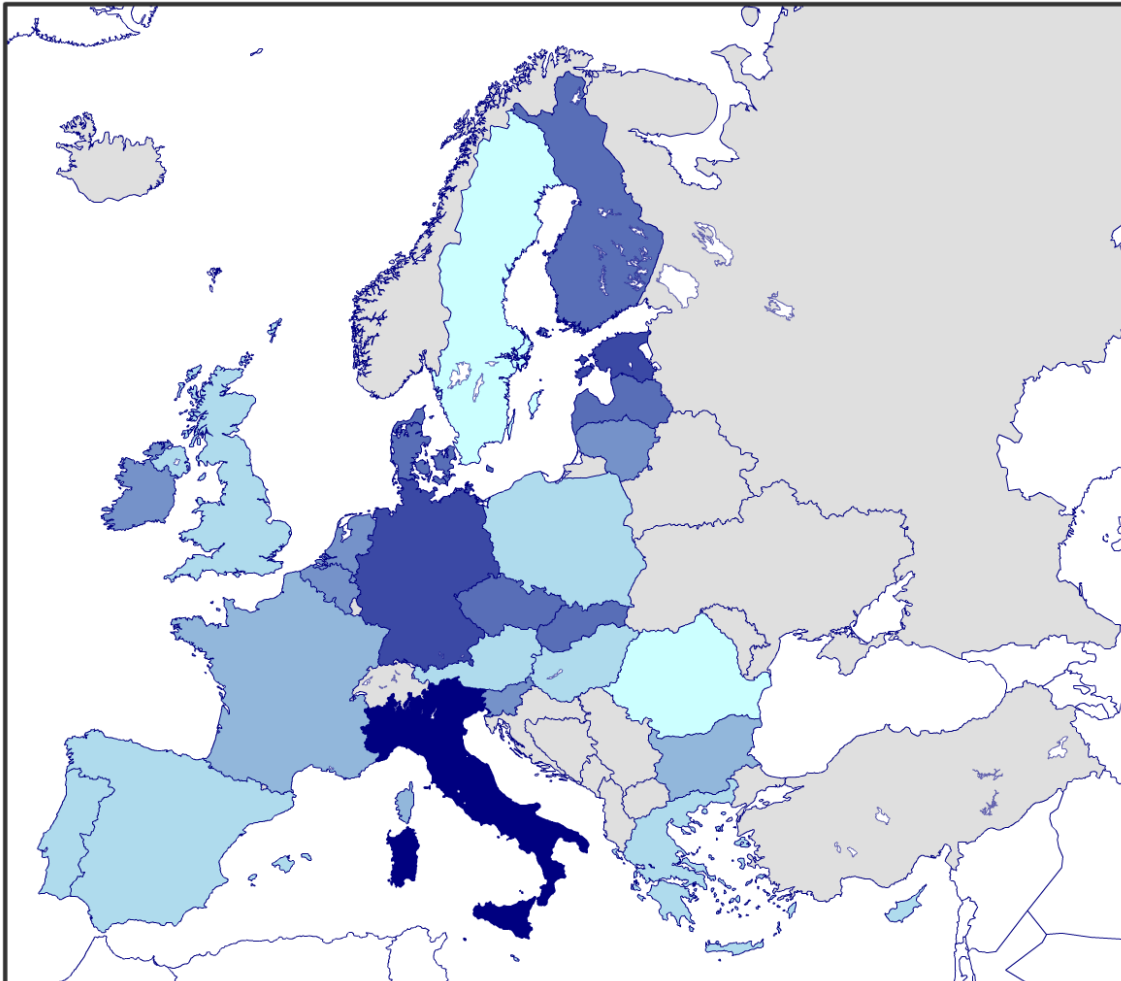


## Extending flexicurity – The potential of short-time working schemes

- Short-time working schemes do provide numerical flexibility for the employer together with job and income security for the employee
- Lack of **training** measures hinders these schemes in addressing the challenges of modern labour markets
- If training cannot be provided, some other meaningful use of hours not worked should be encouraged
- Compensation of **social security rights** to be considered
- A **tri-partite approach** facilitates policy implementation
- The **consensual nature** of these schemes provides a promising basis for further tripartite cooperation



## Proportion of 'Economic short time workers' in labour force



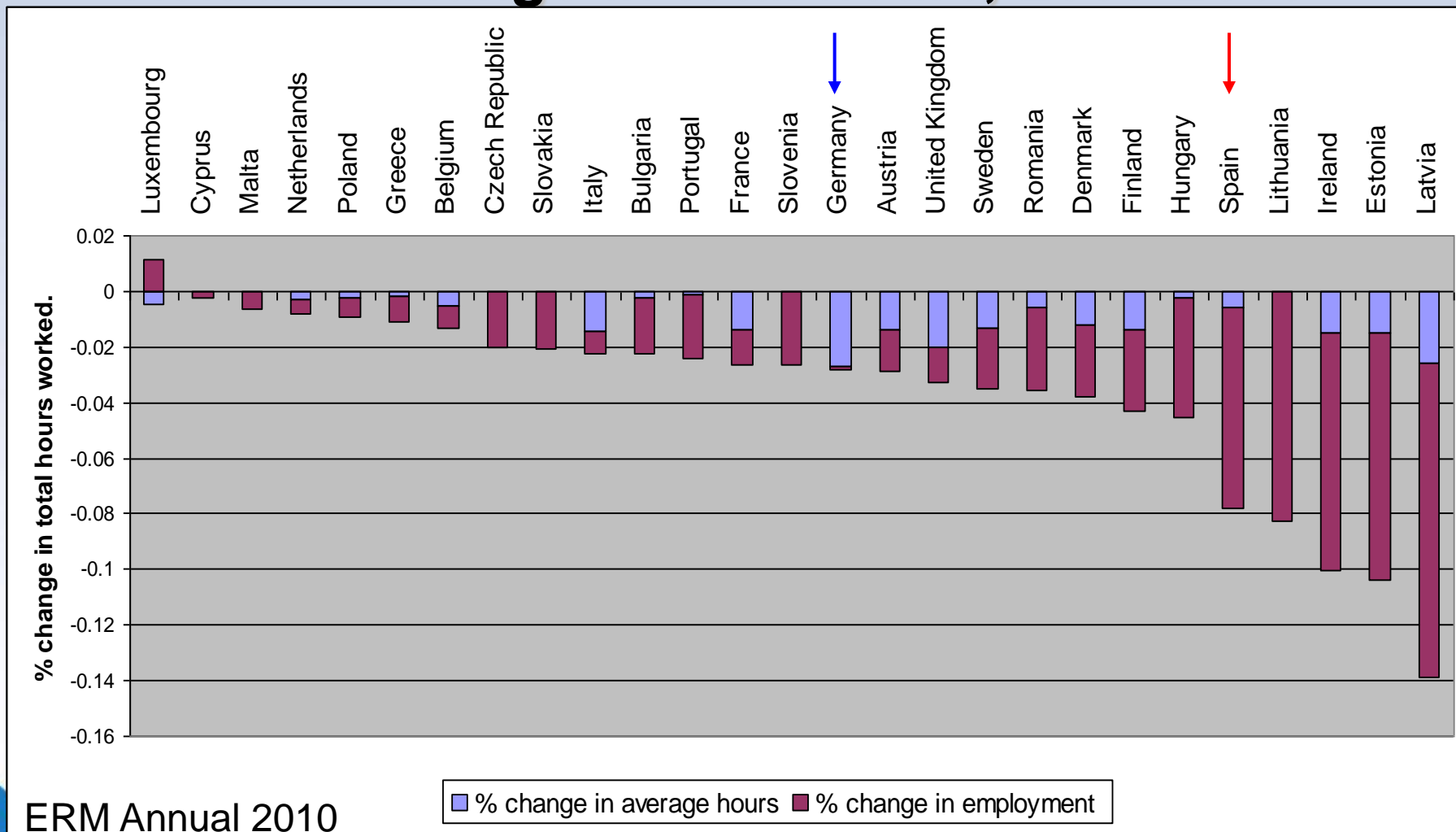
- Tripled to 2 million workers between 2008- 2009
- 60% in Germany and Italy
- Italy 2.7%
- Mainly middle aged men in manufacturing
- But NL, Denmark and Sweden more young



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# Working time during the crisis

## Relative change in total hours, 2007-2009



ERM Annual 2010

Source: KLEMs dataset (Eurofound's calculations)

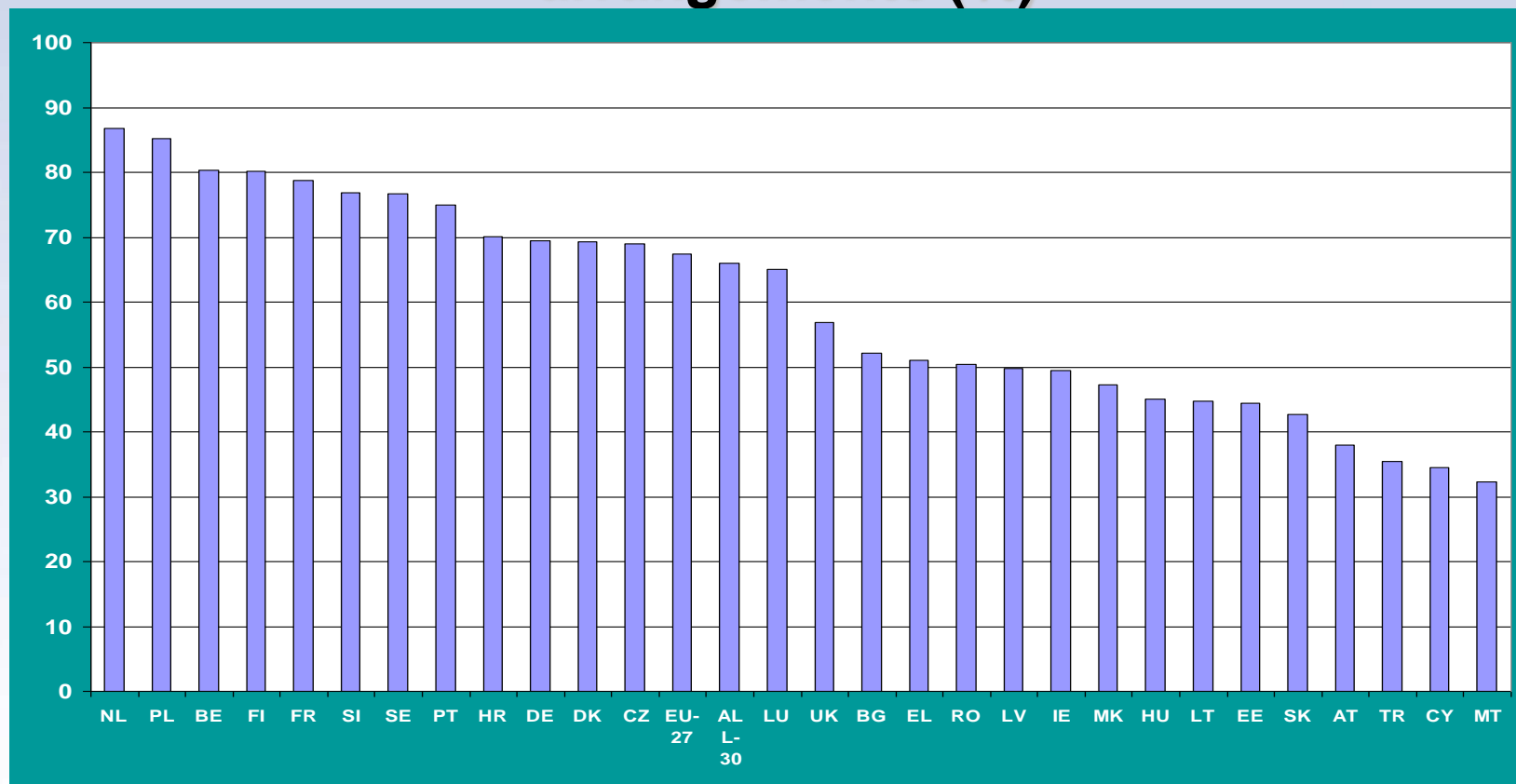
# The company level European Company Survey

What does the **ECS** tell us - on **contractual flexibility**?

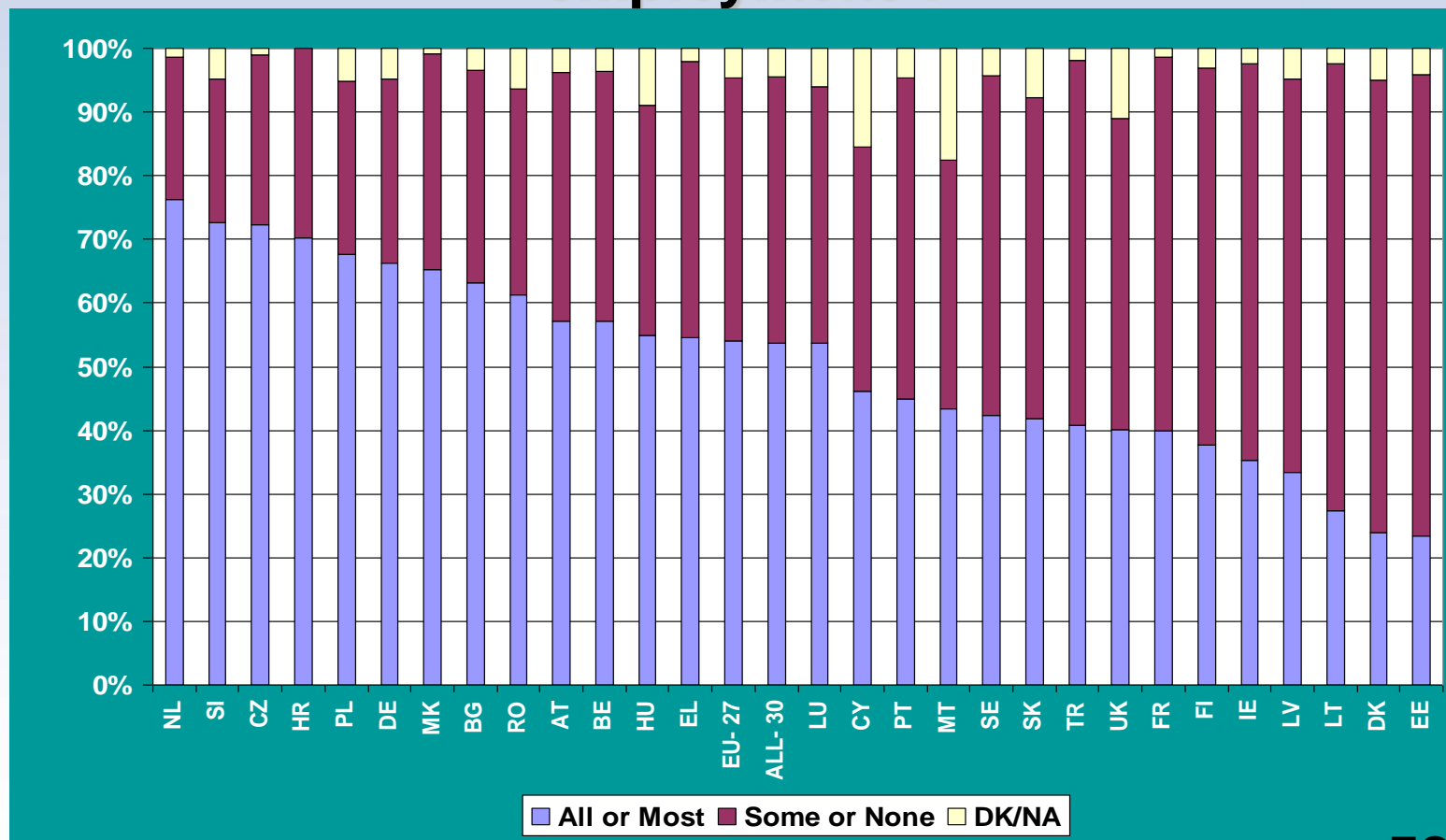
- **Contractual flexibility** through the use of fixed-term contracts, temporary agency work and freelancers is widespread, with **2/3 of establishments** using some form
- Whether fixed term contracts generally lead to permanent contracts differs greatly between Member States



## Establishments with some form of temporary work arrangements (%)



## Transition from fixed term contracts into permanent employment ?



What does the **ECS** tell us - on **functional flexibility**?

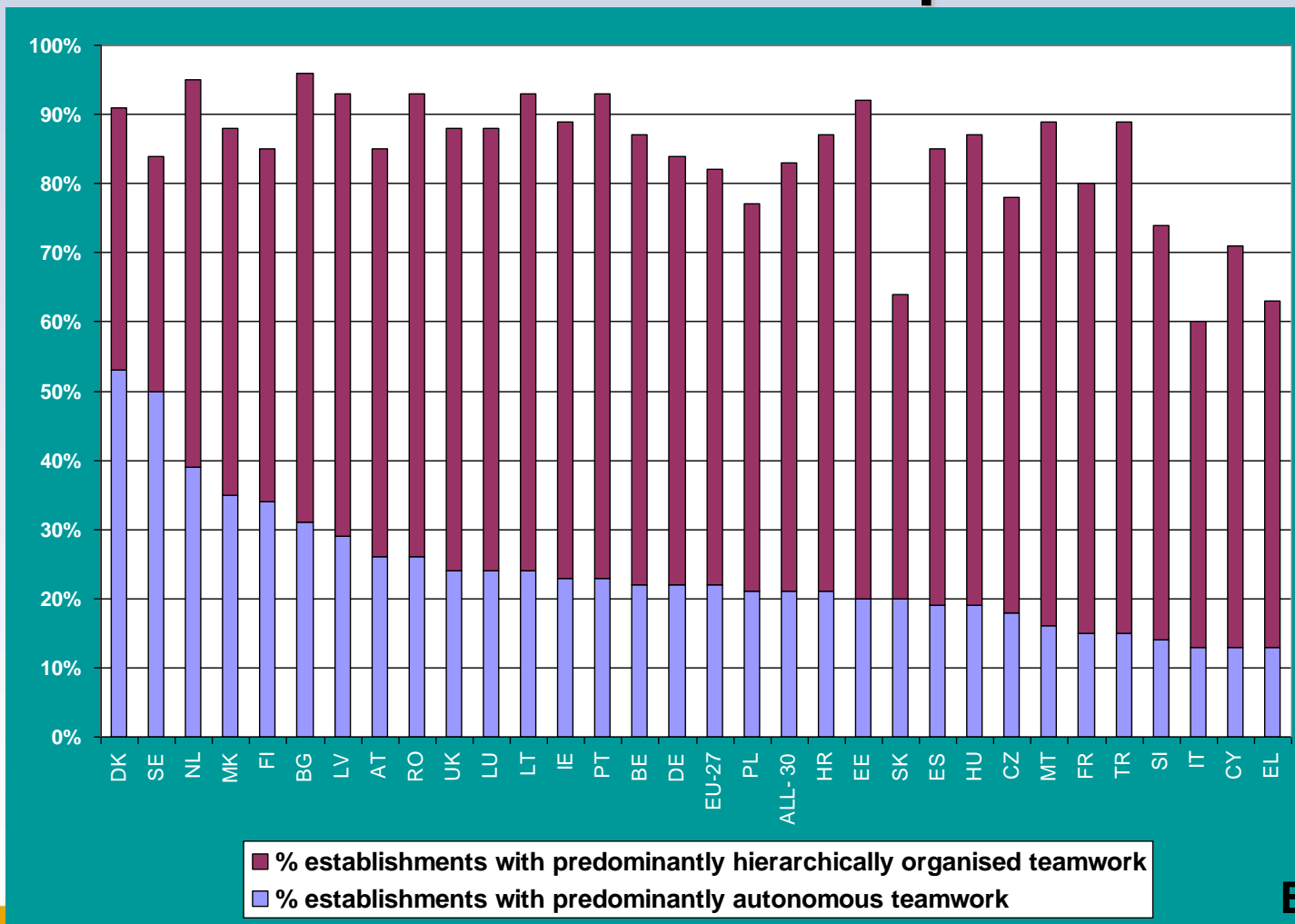
- Functional flexibility is enhanced through **training and autonomous teamwork**. Company practices vary widely between Member States.



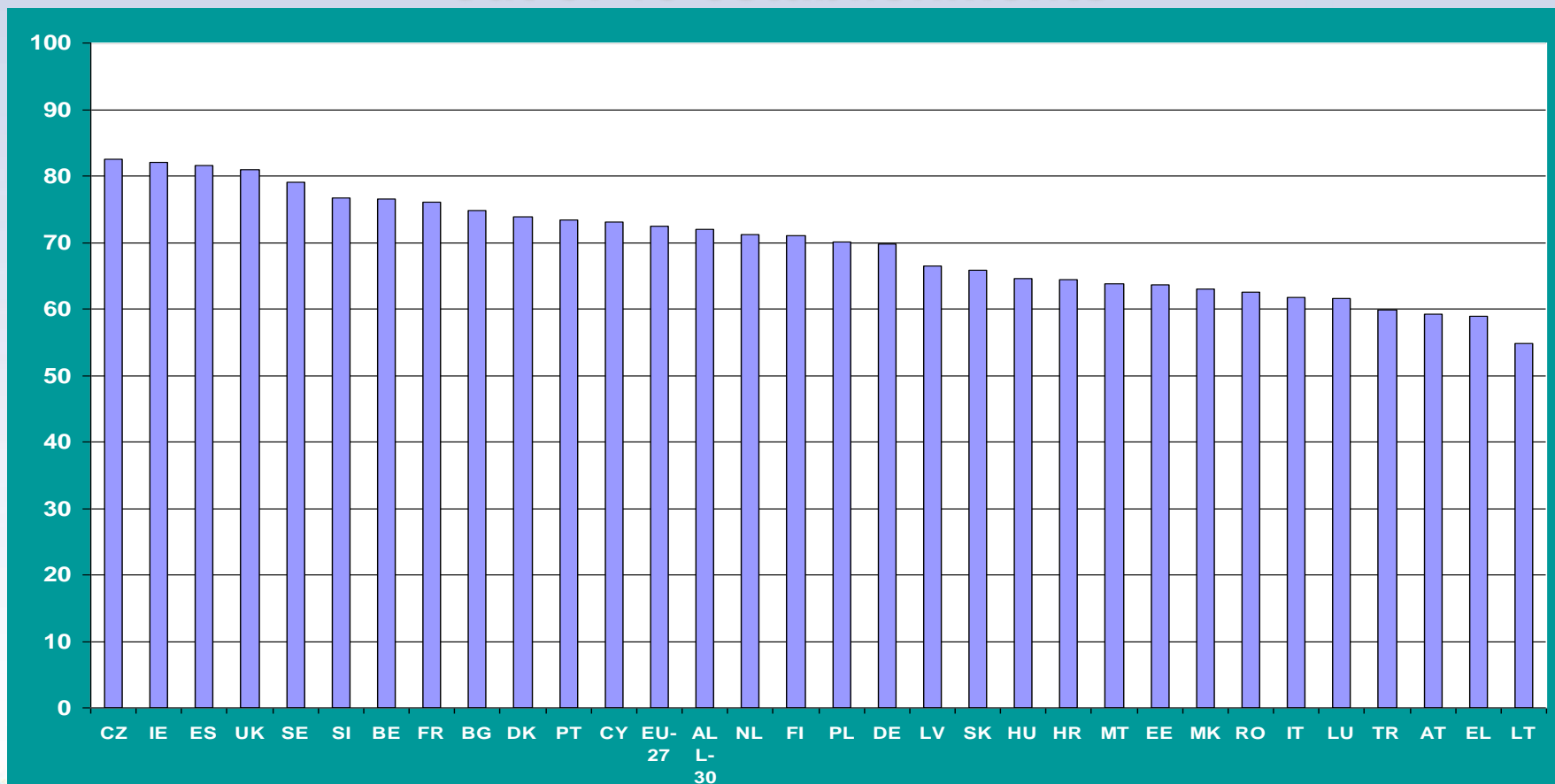


# European Company Survey

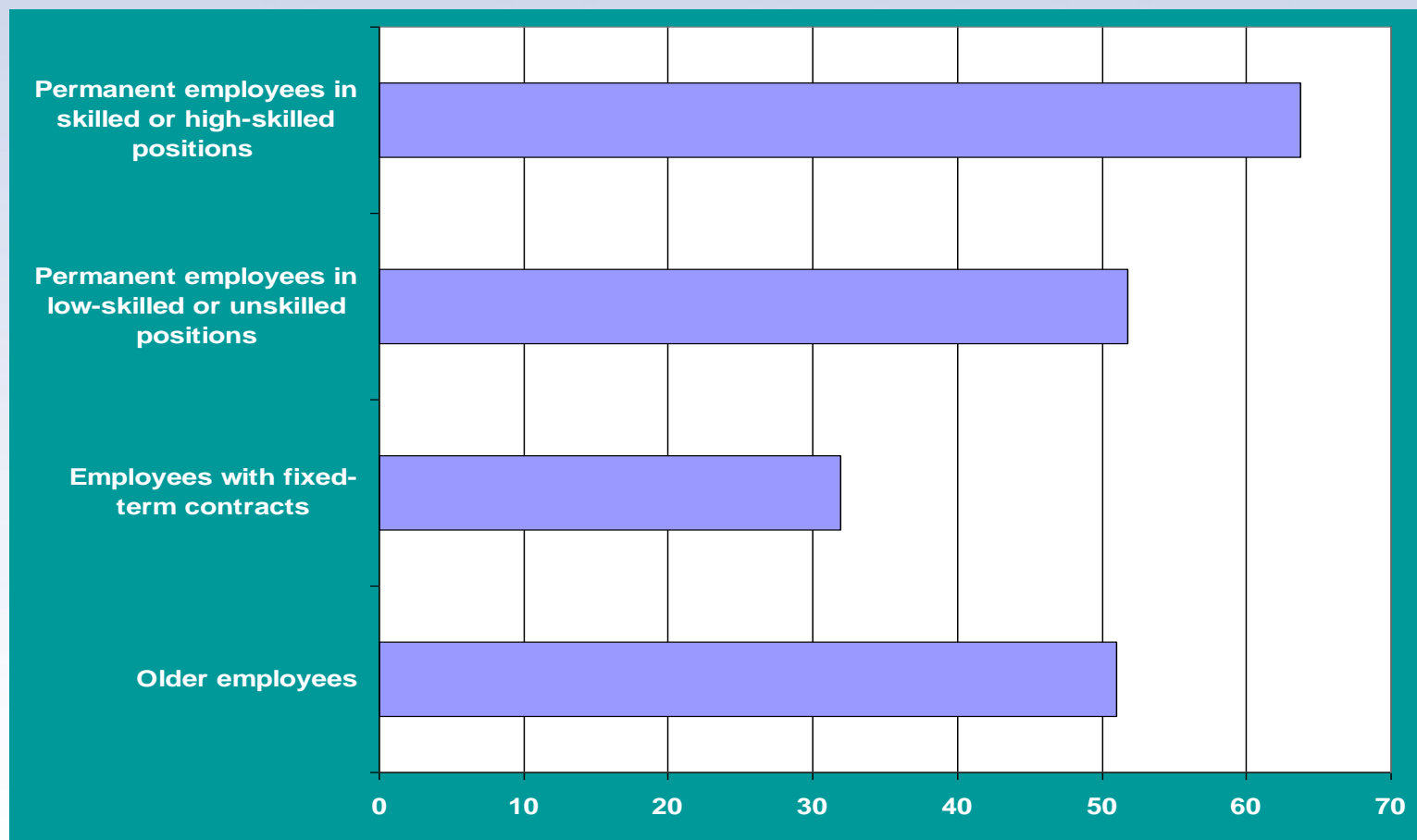
## Team work in Europe



## Training needs are periodically checked in more than 7 out of 10 establishments



## Training needs checked – but not equally for all workers

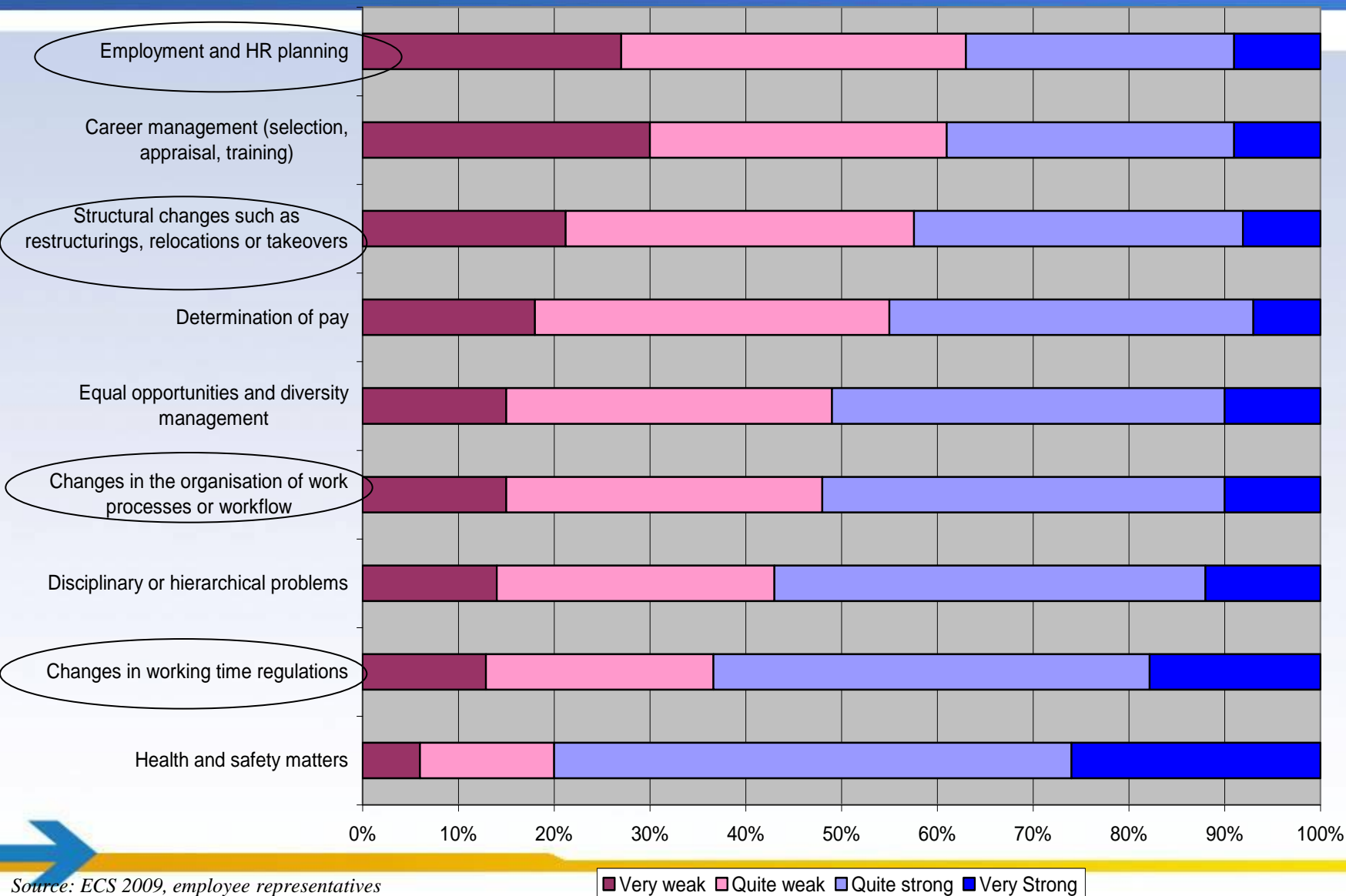


What does the **ECS** tell us - on the **influence of employee representation on flexibility measures**?

- Strategic influence of the employee representation is quite limited in decisions on employment, HR planning or structural changes
- but higher for flexible working time arrangements or changes in work organization.



# Influence of employee representation in organisational areas



## Involvement of employee representation in flexible work practices

	% involvement	% blocked the use
Setting of working time length	63	--
Rules and procedures on doing overtime	64	1
Part-time work	50	1
Working time accounts or other flexible working time regimes	60	2
Shift system	64	1
Night work	65	2
Weekend work	61	2
Deployment of temporary agency workers	44	6
Use of fixed-term contracts	48	1

## The individual perspective European Working Conditions Survey

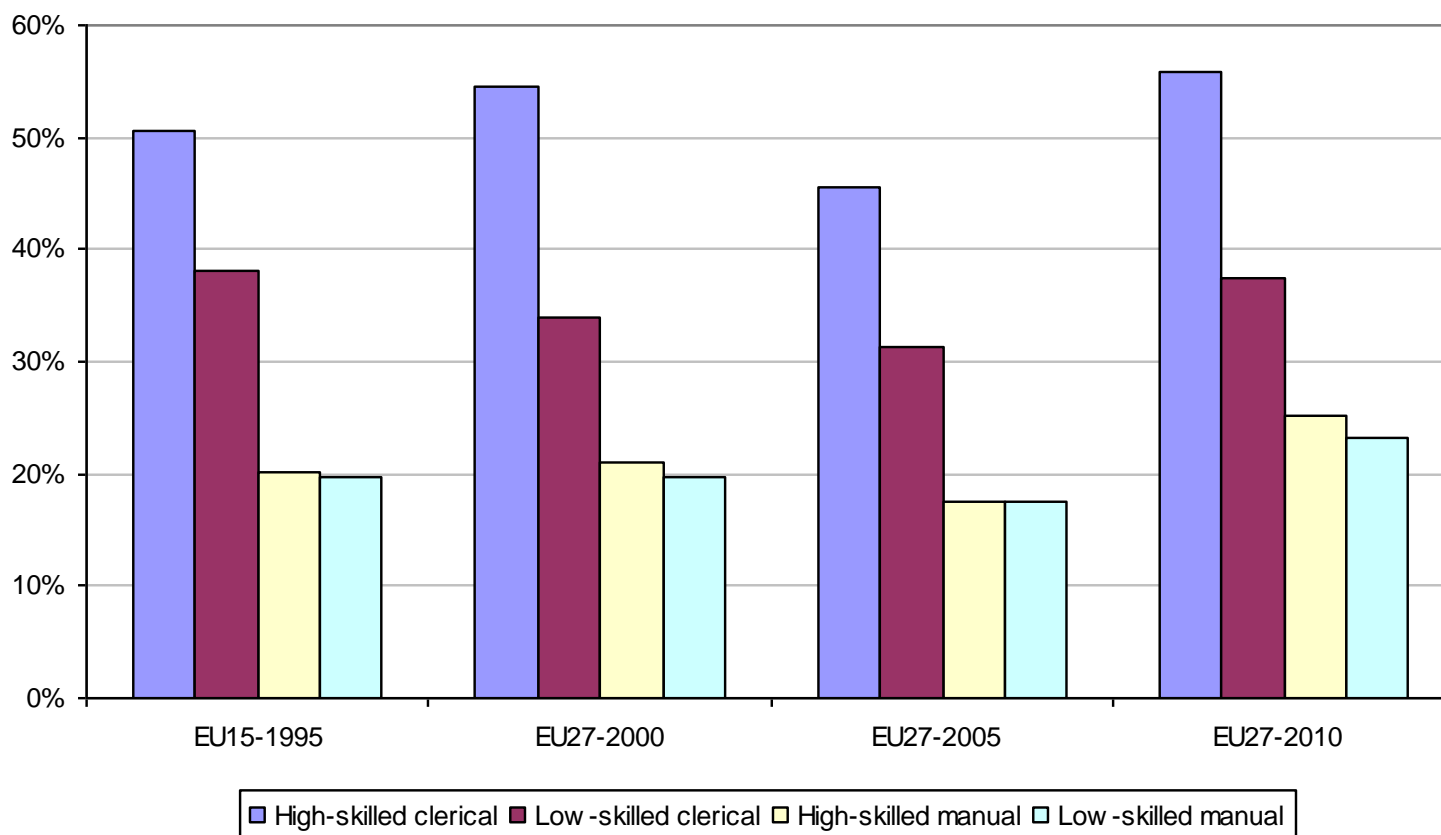
What does the **EWCS** tell us – on **access to training**?

- Access to paid training has increased over time
- but differs significantly between different groups of workers
- Especially relevant for the flexicurity debate: workers on fixed-term contracts and those on part-time receive less training.

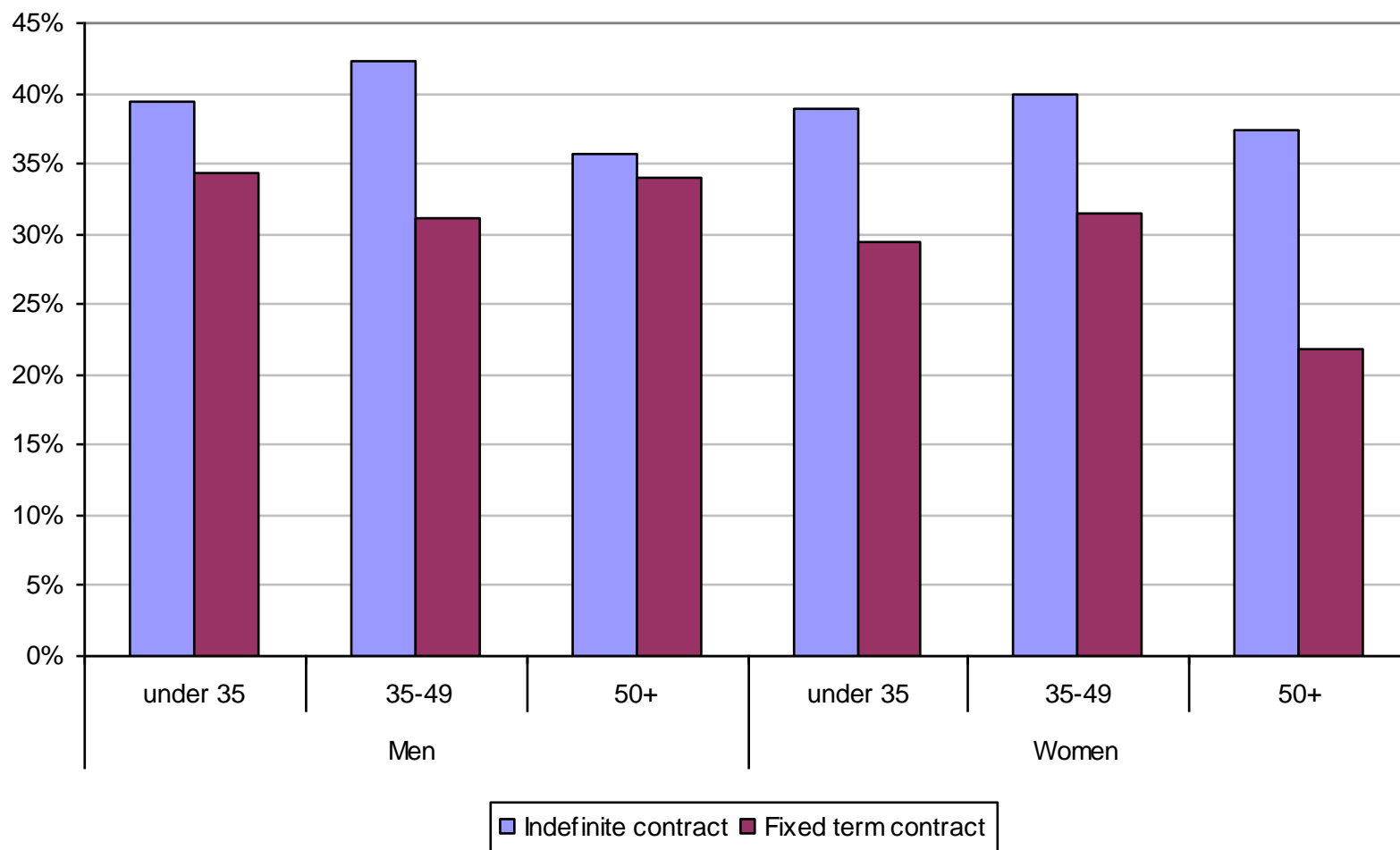




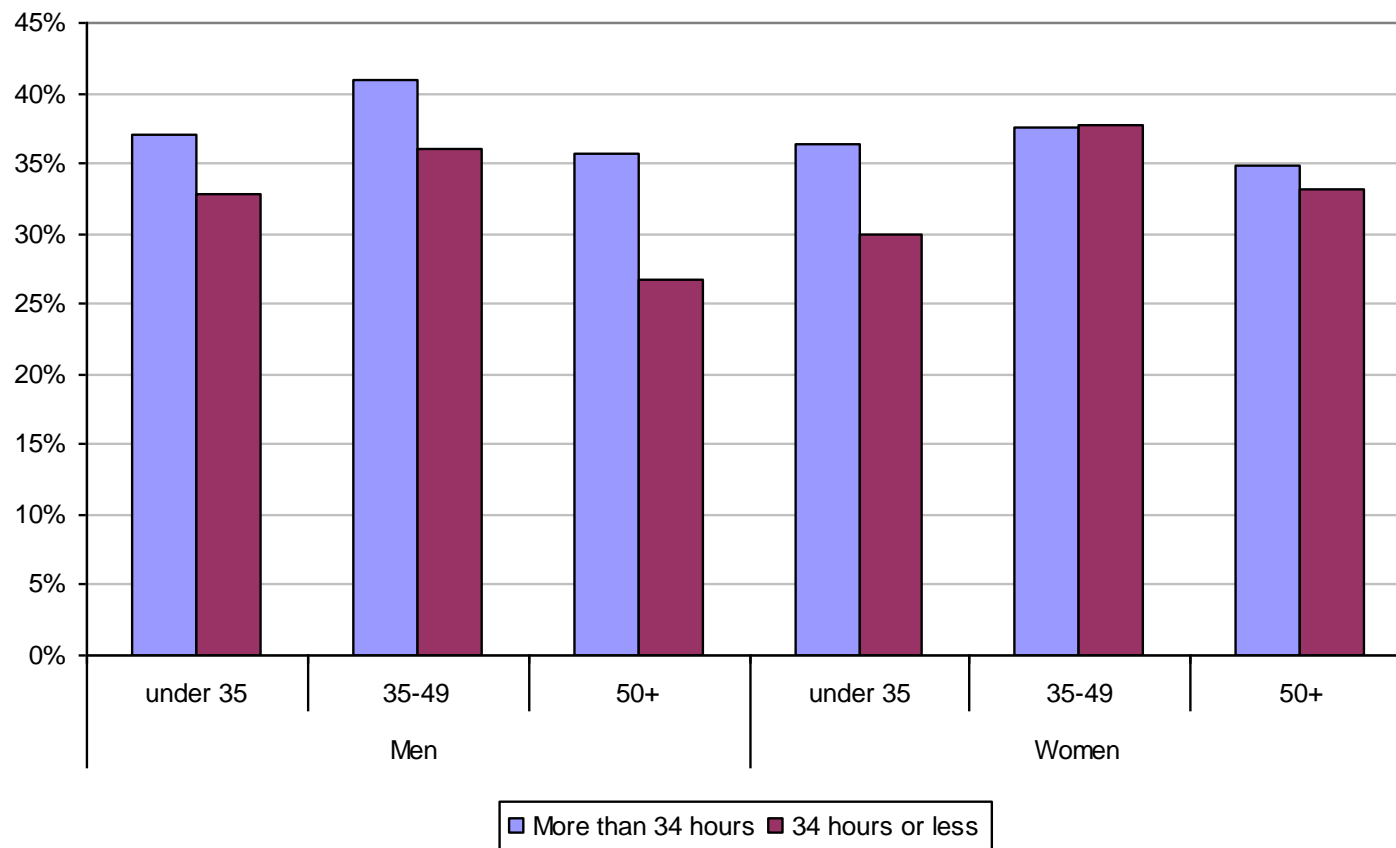
## Training: inequalities between groups persist



## Training: differences by type of contract



## Participation in employer paid training by full-time and part-time work

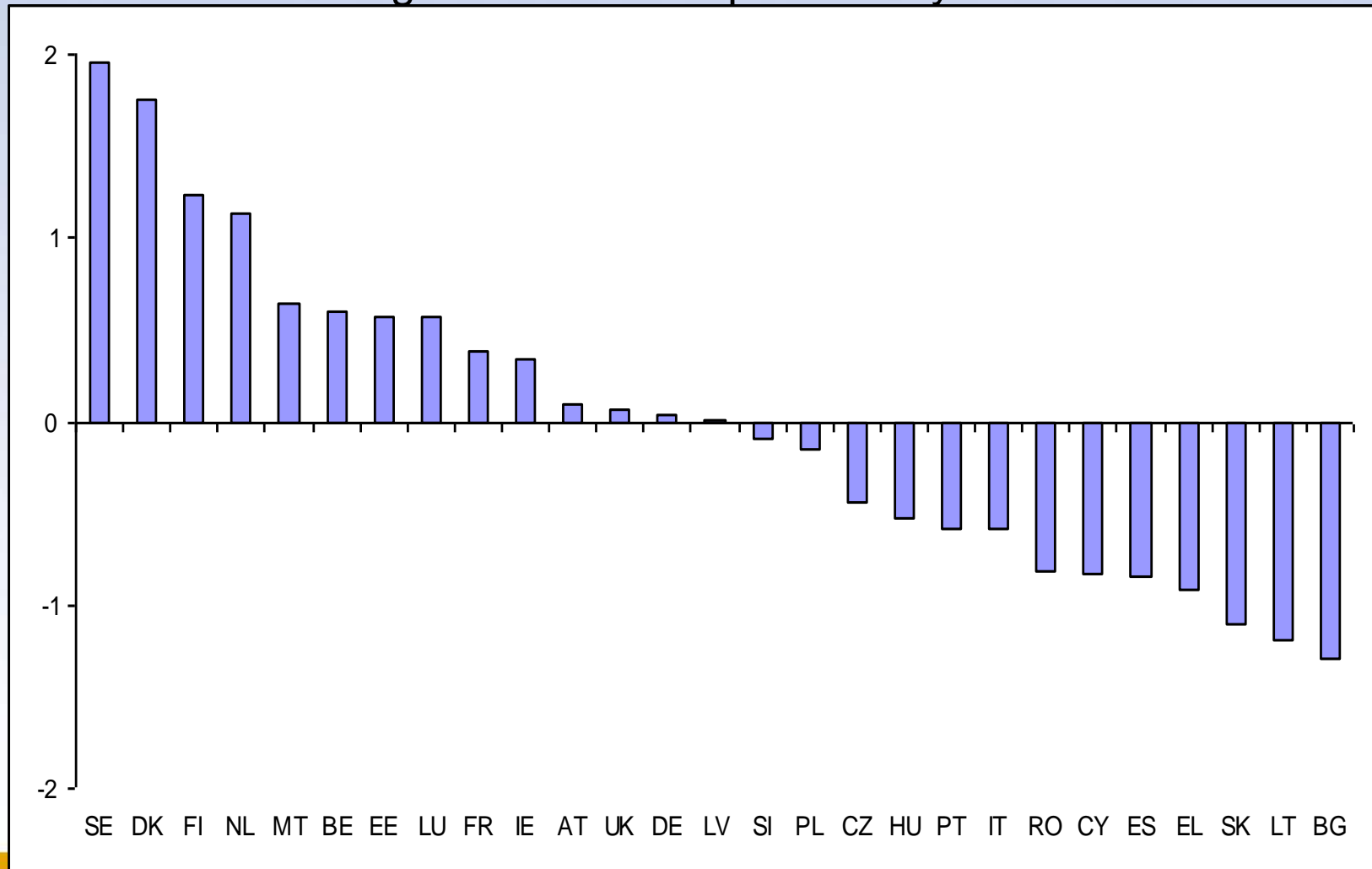


What does the **EWCS** tell us – on functional flexibility?

- **Job content:** Most workers report at least 4 out of 6 cognitive demands (meeting precise quality standards, assessing quality of own work, solving unforeseen problems, complex tasks, learning new things, applying own ideas)
- **Work organisation:** Autonomous team work, task rotation, learning possibilities within the job enhance functional flexibility but innovative forms of work organisation are much more prevalent in some Member States than in others



## Innovative work organisation index per country



## What does the EWCS tell us – on **job and employment security**?

- Subjective job and employment security differs between the high-skilled and the low-skilled
- Subjective job insecurity is linked to the level of unemployment benefits
- Employability is linked to lifelong learning

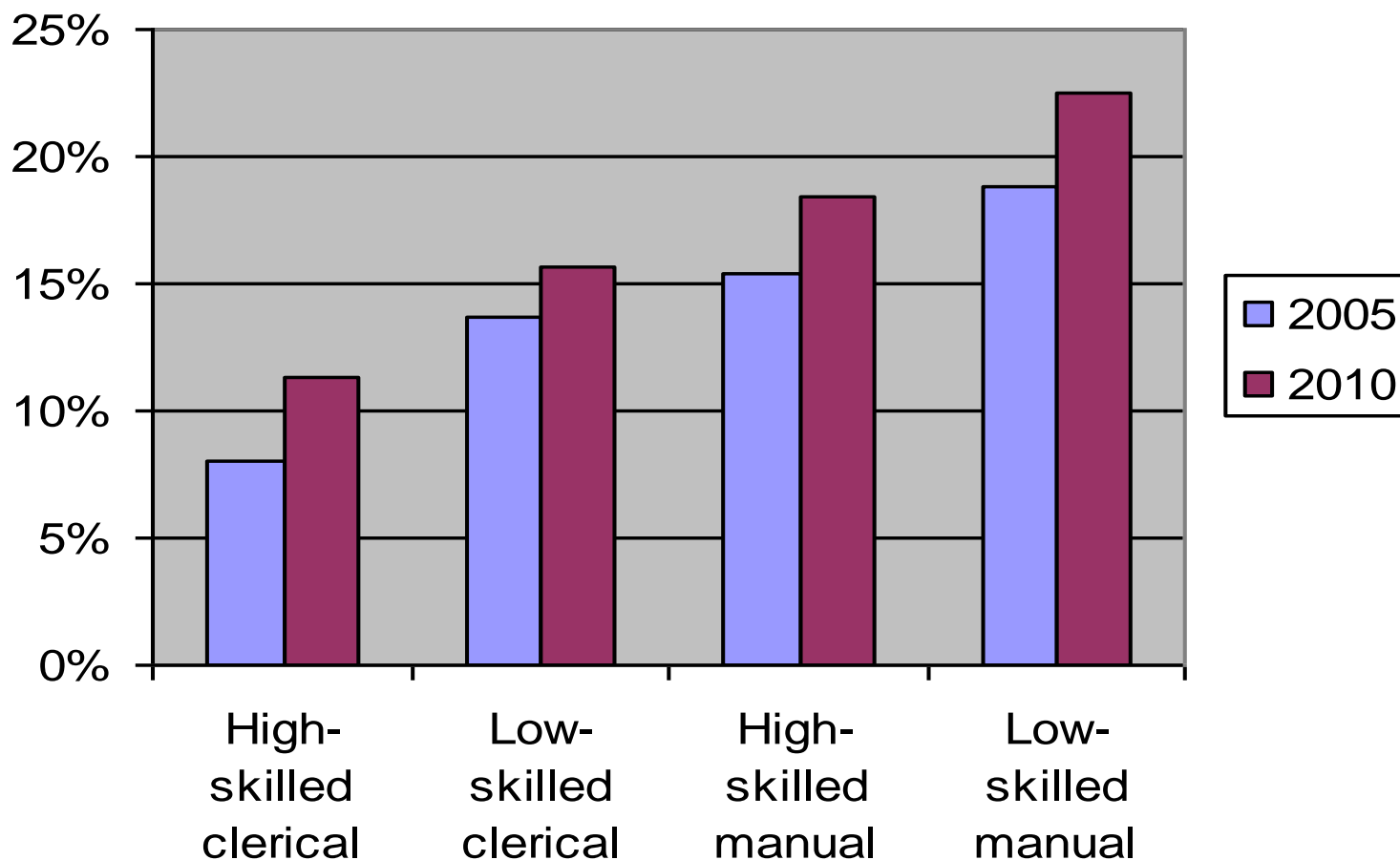




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# European Working Conditions Survey

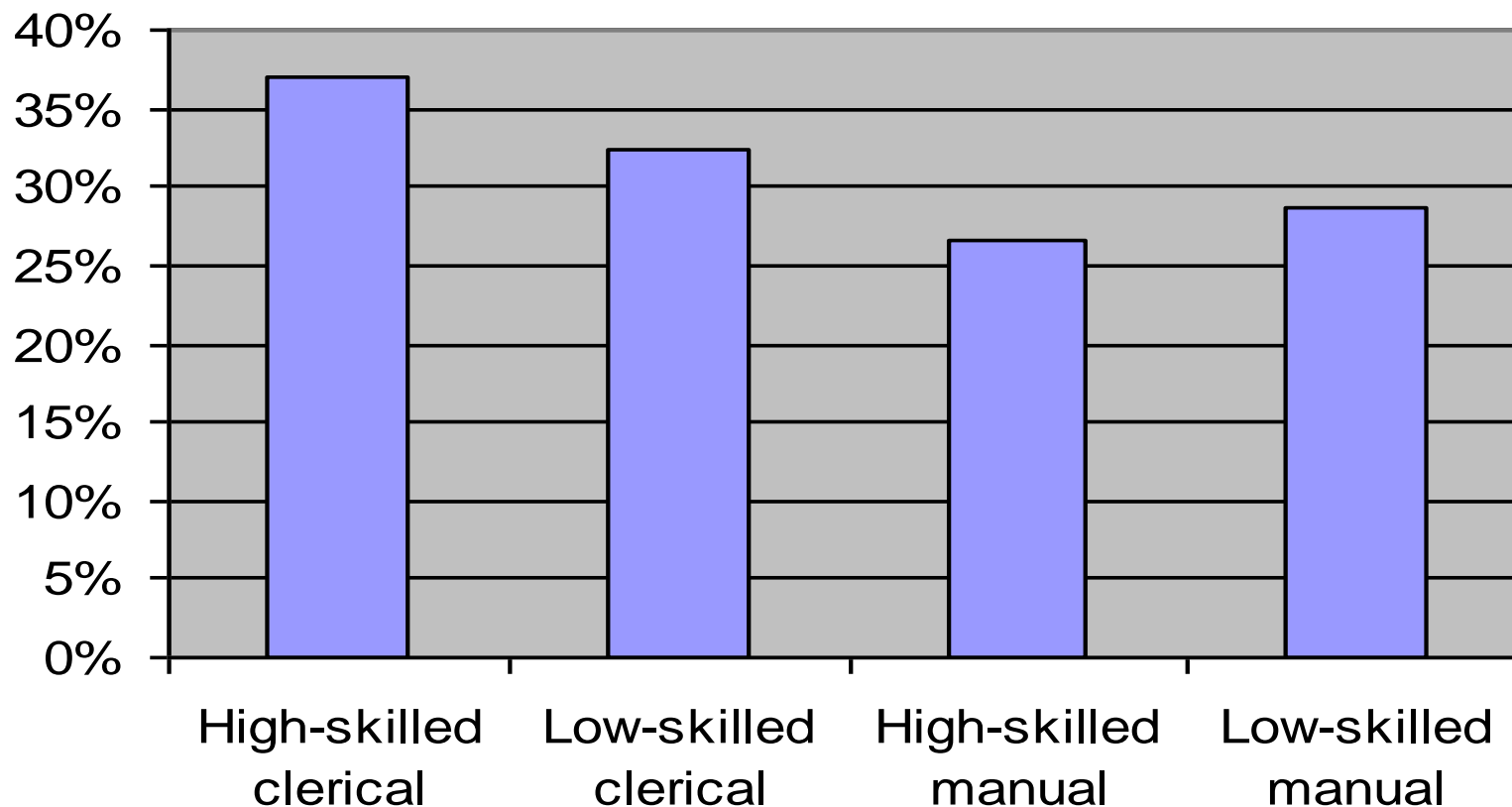
**I might lose my job over the next six months**



# European Working Conditions Survey

**If I were to lose my job, I would easily find another job...**

(strongly) agree



- **Comparative analytical reports:**
  - ▶ Flexicurity and industrial relations
  - ▶ Flexible forms of work: ‘very atypical’ contractual arrangements



# Flexicurity and industrial relations

- Position of social partners and contribution of social dialogue and collective bargaining to flexicurity at national level (EU-27 + Nor)
- Flexicurity concept **not a shared reference** for the social partners in social dialogue and industrial relations
- **Broad definition**
  - ▶ offers little guidance: almost any topic fits the flexicurity framework.
  - ▶ requires significant mutual trust to be effective
- Social partners **welcome the flexicurity concept** generally, but **reproduce traditional positions** when assessing specific measures (employers pro flexibility, unions pro security)
- Many trade unions claim debate on flexicurity is biased towards **flexibility**

## Flexicurity and industrial relations

- **Important role of social partners** in the definition and management of flexicurity policies: more direct in “flexible and reliable contractual arrangements” and in “lifelong learning”, but as well in “ALMP” and “social security systems”
- In almost 75% of the countries, social partners play an active part in the **political debate** on flexicurity
- In half of the countries, social partners play a significant role in the “**regulatory dimension**” (contribution through joint regulation and collective bargaining, especially at workplace level)
- In **only 25% of the countries do social partners provide specific services** to their members that add to flexicurity (i.e. job placement, training and supplementary social security schemes).



## Flexible forms of work: ‘very atypical’ contractual arrangements

- Focus on “**very atypical**” forms of work and actions to improve both flexibility and security (EU27 + Norway)
- Atypical and especially “very atypical” forms: low levels of security and high levels of flexibility
- **Two models** addressing the challenge:
  - ▶ Denmark: flexible standard forms of work (low employment protection legislation) in exchange for high unemployment benefits and broad ALMP to secure transitions (employment and income security).
  - ▶ The Netherlands: Security and Flexibility Act (1999) aims to increase the ‘securisation’ of flexible non-standard work arrangements instead.



## Flexible forms of work: ‘very atypical’ contractual arrangements

- **EU legislation** providing a range of rights to those working part-time and with fixed-term contracts (1998 and 1999) has been transposed in all Member States in the last decade
- Collective agreements and/or legislation aim to bring the regulation of **non-standard forms of work closer to that of standard forms, to avoid segmentation**
- ‘Flexibilisation’ of contractual arrangements is often followed by strengthening of employees’ rights and protection
- The literature is **inconclusive as to whether non-standard work is a route into more standard** forms of employment or a way into inactivity, and this point is confirmed by the report



# Next work

## Flexicurity in times of crisis

- Objective: identify flexicurity policies at the company level targeting ‘vulnerable workers’ : older workers, young workers and women.
- **18 company cases** from six EU Member States: six from Germany and Slovenia (older workers), six from France and the UK (young workers) and six from Italy and Czech Republic (women).
- Mapping of **national debate** on flexicurity. Have flexicurity policies developed at the company level been facilitated by the national policy framework?
- The Netherlands, Denmark and Sweden will be used as benchmark countries (for older workers, young workers and women, respectively); including comparison of their national flexicurity framework and policies towards vulnerable groups with those of the six countries analysed.
- Results to be published by early 2012.
- And more: Second Phase of Flexicurity





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**Thank you**



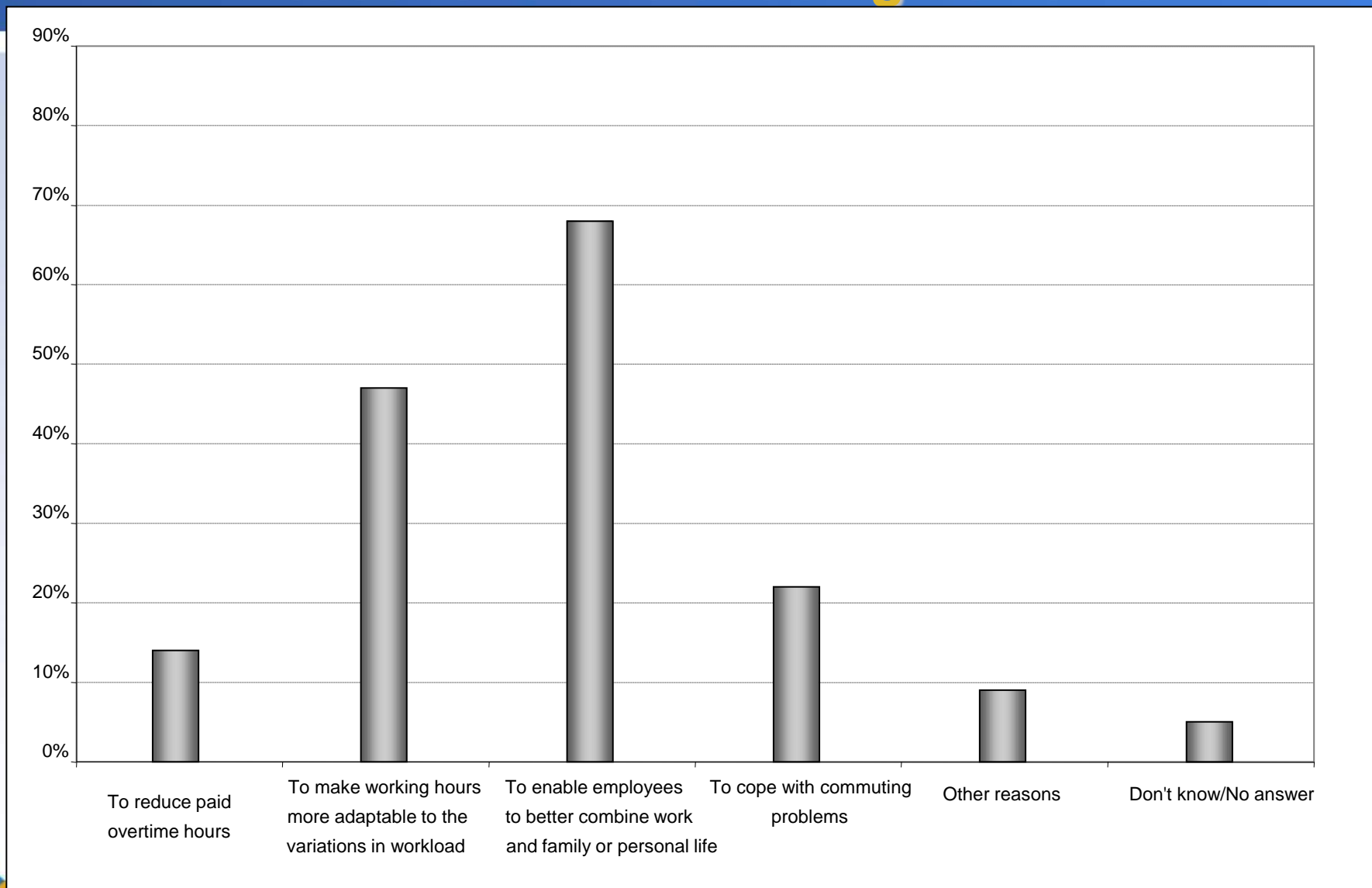
What does the **ECS** tell us – on workplace practices and performance?  
(secondary analysis scheduled to be published in June 2011)

- Positive link between **training** practices and
  - ▶ lower absenteeism
  - ▶ problems with motivation
- Possibility for **flexible working** linked to
  - ▶ lower absenteeism
  - ▶ reduced problems with motivation
- Training linked to positive organisational outcomes, including productivity
- **Teamworking** and autonomous teamworking also linked to positive organisational outcomes



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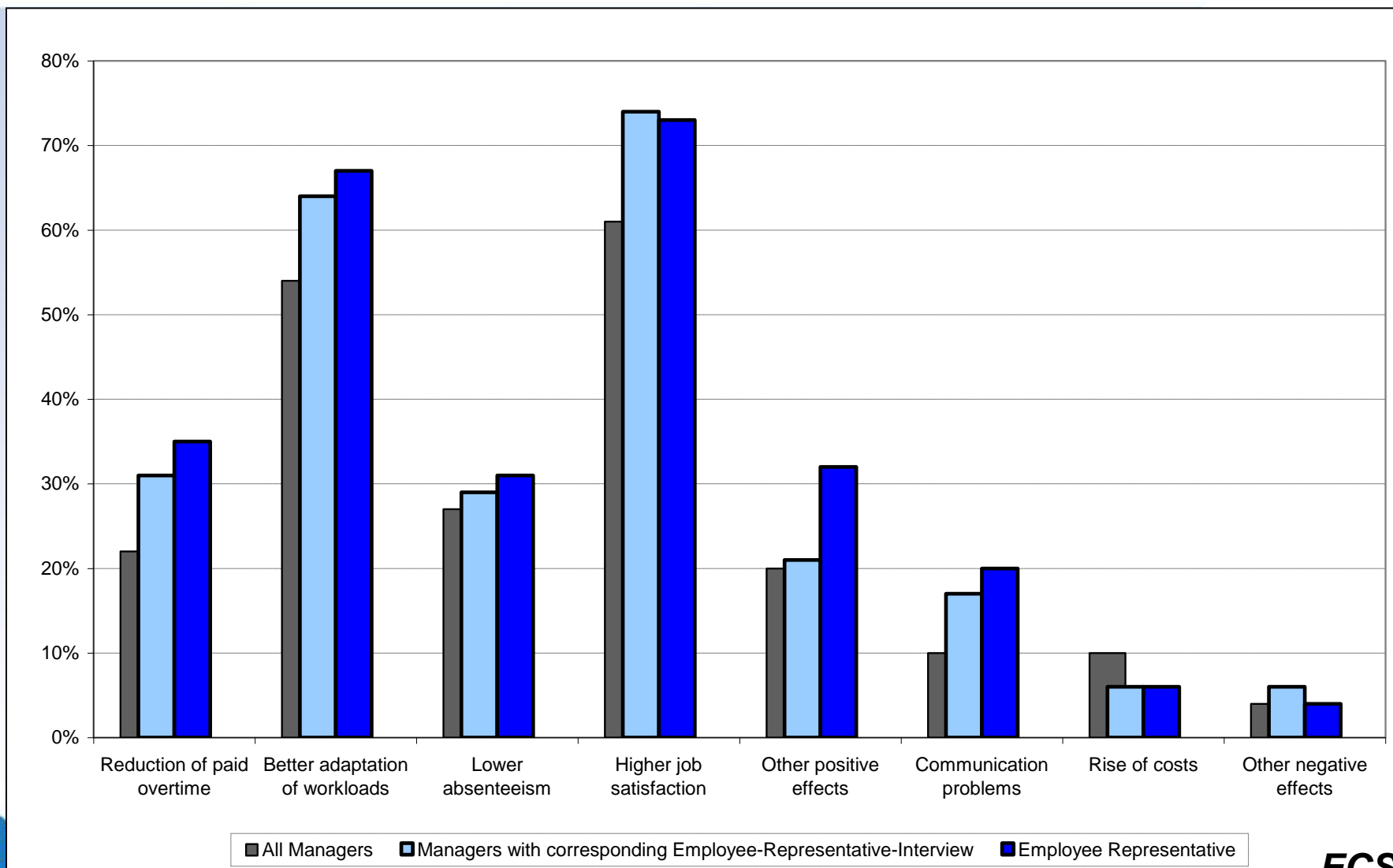
# Reasons for introducing flexitime





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## Impact of flexitime (opinion of managers and employee reps)

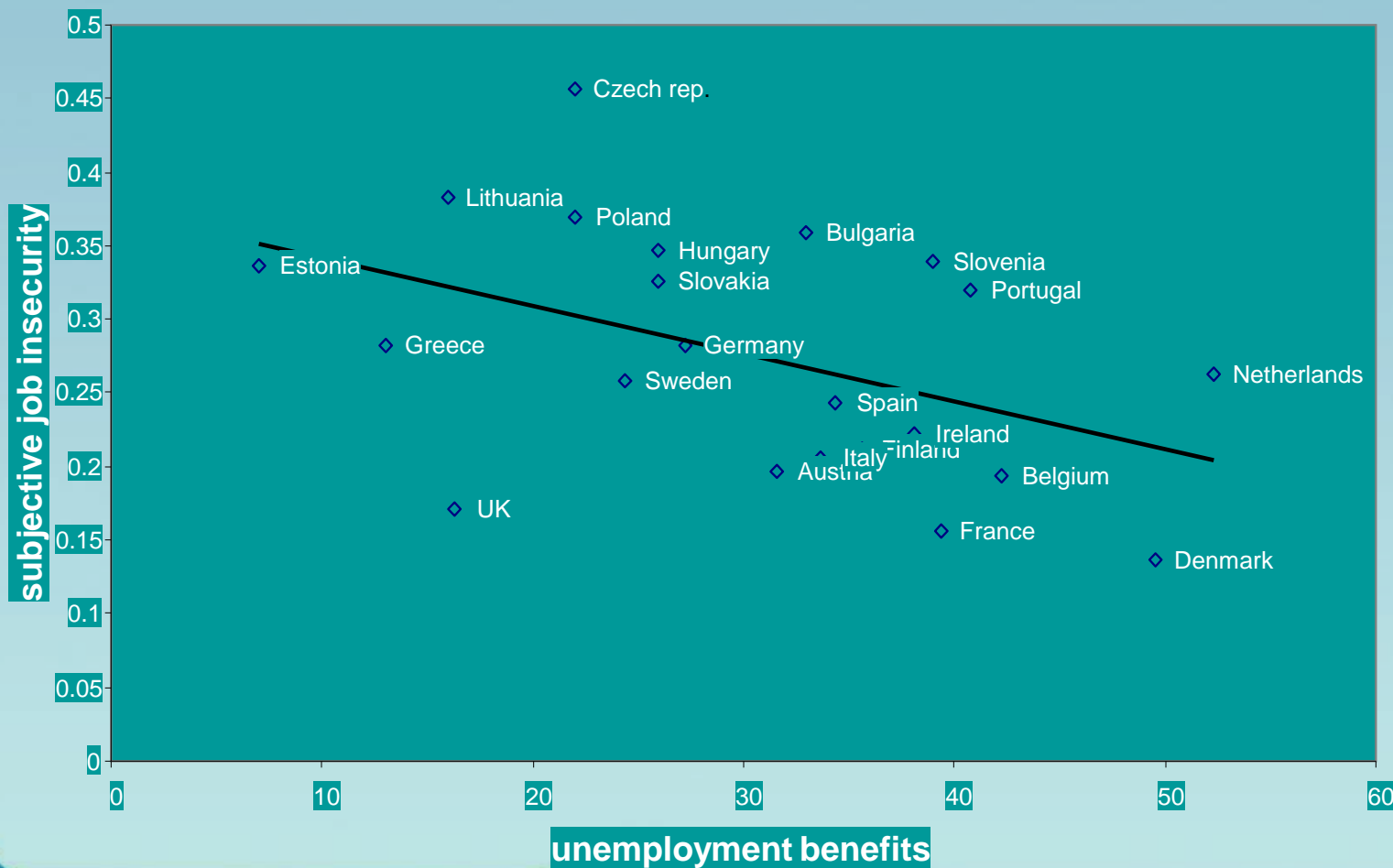


## **‘Innovative work organisation’ - index**

- percentage of employees learning new things on the job
- percentage of employees involved in problem solving on the job
- a composite measure of autonomy, based on the average percentage of employees exercising control over their methods of work, work pace or order of tasks
- the number of employees working in autonomous team organization as a percentage of the number of employees working in all teams

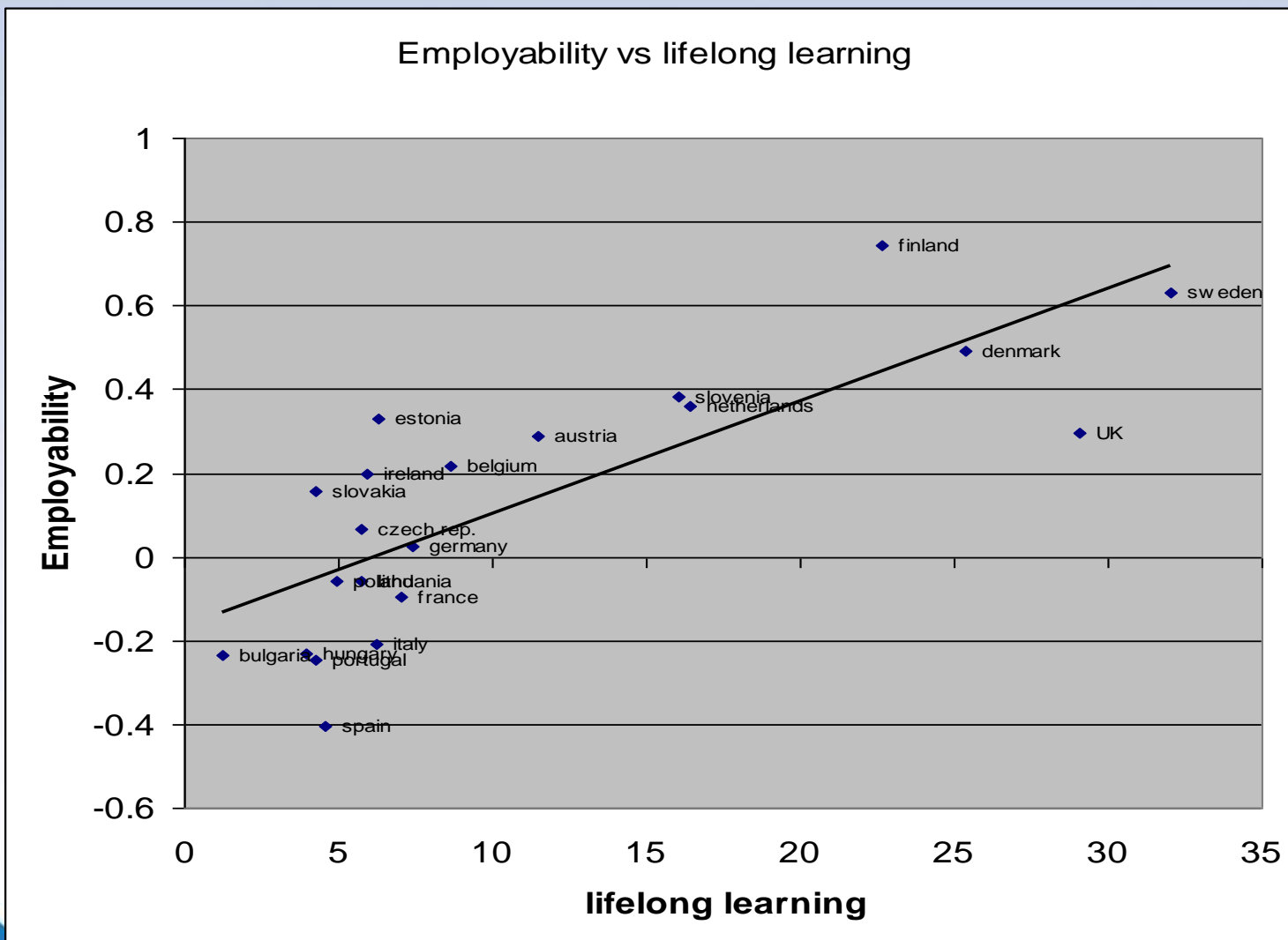


## Subjective insecurity v/s Unemployment Benefit





# European Working Conditions Survey



# Flexicurity and industrial relations

		Regulatory dimension			
		<i>High</i>		<i>Low</i>	
		Unilateral dimension		Unilateral dimension	
		<i>High</i>	<i>Low</i>	<i>High</i>	<i>Low</i>
<b>Political dimension</b>	<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 Flexicurity and IR, Eurofound 2008

## Extending flexicurity – The potential of short-time working schemes

- ETUC emphasises the challenge of poorer countries to subsidise flexicurity and the need to avoid deadweight loss in public instruments
- BusinessEurope emphasises short-time working as a win-win instrument for workers and employers
- UEAPME – Time to rethink flexicurity – emphasises specific needs of SMEs and the need to avoid situations where groups of workers just benefit from flexibility or security, but not both

