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EUROPEAN SOCIAL DIALOGUE 2009 - 2011:

Social Partners and Flexicurity in Contemporary Labour Markets

SYNTHESIS REPORT

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PREFACE: ON THE JOINT PROJECT

With this synthesis report, major results of the European Social Partners' joint study on "*The implementation of flexicurity and the role of the social partners*" undertaken in the context of their joint work programme 2009-2011. The main purpose of the project was to "*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 to draw joint lessons.*" A further aim was to promote greater trust and mutual understanding among social partners in order to facilitate the implementation of the flexicurity principles at national level. Due to the timing of the study, it was also able to take into account the challenges of the prevailing difficult economic context throughout Europe. The effects of the 2008 crisis on the flexicurity concept were specifically researched in the project.

In order to implement this task in a manner that involved national member organisations actively in the gathering of data and information on the implementation of the principles of flexicurity, the European Social Partners agreed on a research and work method that comprised a variety of processes that were undertaken with the help of a team of experts supporting the project.¹

First, following open discussions with the European Social Partners, the team of experts selected a *set of key statistical indicators* in the fields of employment, economic and social development which are regarded as relevant in assessing the state of flexibility, security and social development in labour markets in the EU Member States and the candidate countries of Croatia and Turkey.

Second, the national social partner organisations were asked to complete a *questionnaire-based survey* focussing on the relevance of the flexicurity concept within national labour market frameworks; the role of the social partners in policy implementation; and their understanding and assessment of the flexicurity concept. In undertaking the research, the expert team visited a sample of countries chosen by the European Social Partners' organisations in order to conduct interviews with social partners' organisations with the objective of providing more in-depth information on important issues.²

Third, combining desk research with the data identified from the questionnaires and interviews, the expert team elaborated 29 national profile reports or "*country fiches*" on the implementation of the flexicurity principles and the role of the social partners in each of the 29 countries that were covered by the research.

Fourth, a further methodological instrument used in the project was the organisation of four "*cluster seminars*" which took place between November 2010 and February 2011 involving national member organisations from seven or eight countries that discussed the preliminary

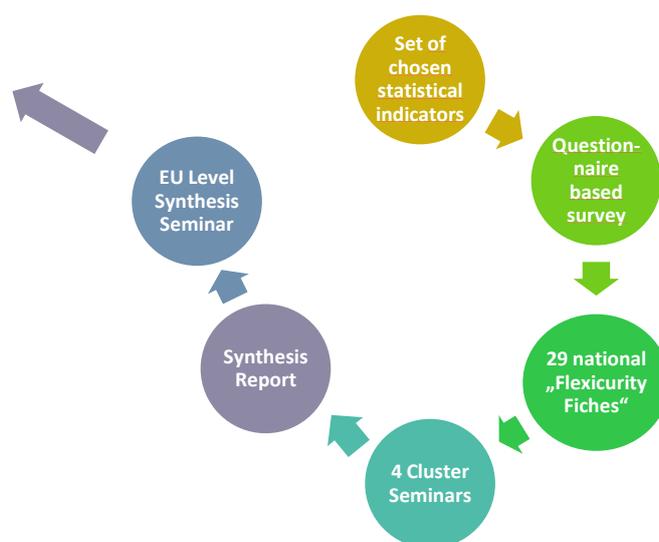
¹ Eckhard Voss (co-ordinator), Alan Wild, Anna Kwiatkiewicz and Antonio Dornelas.

² The following countries were visited by the experts between May and July 2010: Denmark, France, Ireland, Italy, Czech Republic, Poland, Germany, Portugal and the Netherlands.

findings of the project and provided further quantitative and qualitative input to the national fiches and to this report.³

This synthesis report summarises major results and conclusions of the project. A draft version of this report was presented and discussed at a *conference of the European Social Partners* on 31st March and 1st April 2011 in Brussels that was attended by more than 100 national social partners.

Figure 1: Design of the project



ON THIS REPORT

This synthesis report should be regarded as a summary document presenting the results from a breadth of sources gathered over a relatively short period of time. Apart from the 29 country reports, the projects' output included more than 50 completed questionnaires, many of them enriched with substantial qualitative information including more than 60 cases of good practice provided by national social partner organisations; and the results and discussions of four seminars with national social partner organisations, attended by around 150 representatives of national social partner organisations in 29 European countries.⁴

This document reflects the points of views of its authors. It lays not the claim to reflect the individual or collective opinions of the European Social Partners at whose request it has been drawn up or the EU Commission, which has given this project its financial backing.

³ Cluster 1 Seminar (covering Finland, Belgium, Italy, Greece, Malta, Estonia, Czech Republic and Poland) took place on 22 & 23 November 2010 in Warsaw; cluster 2 seminar (Sweden, Germany, Portugal, Cyprus, Romania, Lithuania and Turkey) was organised in Lisbon on 9 & 10 December 2010; cluster 3 seminar (Denmark, France, Ireland, Hungary, Latvia, Croatia and Austria) was held in Paris on 31 January - 1 February 2011 and cluster 4 seminar (Netherlands, Slovenia, Luxembourg, Spain, United Kingdom, Bulgaria and Slovakia) took place in The Hague on 8 February 2011.

⁴ All the documents mentioned above as well as the documentation of the final conference, meeting notes and presentations are available on the European Social Partners Resource Centre. See either <http://resourcecentre.etuc.org> or <http://www.erc-online.eu>.

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INTRODUCTION AND OVERVIEW

1.1 FLEXICURITY

“Flexicurity” has been a key issue in European employment and social policy discussion and action for around two decades. The notion of combining flexibility and security was introduced at the EU policy level already in the 1993 White Paper on “*Growth, Competitiveness and Employment*” of the Delors Commission. In 1996, the EU Commission’s Green Paper on “*Partnership for a new organisation of work*” made an explicit reference to flexicurity when describing the aim “*to strike the right balance between flexibility and security*” in the field of modernising work organisation.”⁵

In 2006, the Commission specifically addressed issues related to different types of contractual arrangements and the flexicurity challenge in the Green Paper on “*Modernising Labour Law*” and in 2007 issued the Communication “*Towards Common Principles of Flexicurity*”⁶ that was endorsed by the European Council in December 2007.⁷

The EU Council established a number of “*common principles*” (see textbox below) that should “*help Member States in the establishment and implementation of flexicurity strategies which fully take into account their own respective specific challenges, opportunities and circumstances.*” (p.9)

After having been endorsed by the EU Council and accepted by the EU Employment and Social Affairs Council in 2007, a public initiative “*Mission for Flexicurity*” was launched by the EU Commission in 2008, which promotes flexicurity as the official European labour market policy.⁸

⁵ European Commission (1997) *Partnership for a new organisation of Work*. Green Paper. http://europa.eu/documents/comm/green_papers/pdf/com97_128_en.pdf.

⁶ European Commission (2007) *Towards common principles of flexicurity: more and better jobs through flexibility and security*. COM (2007) 359 final, Brussels. <http://ec.europa.eu/social/BlobServlet?docId=2756&langId=en>. In the same year, the EU Commissions’ “*Employment in Europe Report 2006*” dedicated a large chapter on the issue of flexicurity.

⁷ Council of the European Union (2007): *Towards Common Principles of Flexicurity - Council Conclusions*, Brussels, 6 December 2007. SOC 523.

⁸ European Commission (2008) *Mission for flexicurity*. <http://ec.europa.eu/social/main.jsp?catId=118&langId=en>.

THE COMMON PRINCIPLES OF FLEXICURITY⁹

1. Flexicurity is a means to reinforce the implementation of the Lisbon Strategy, 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.
2. Flexicurity involves the deliberate combination of flexible and reliable contractual arrangements, comprehensive lifelong learning strategies, effective active labour market policies, and modern, adequate and sustainable social protection systems.
3. Flexicurity approaches are not about one single labour market or working life model, nor about a single policy strategy: they should be tailored to the specific circumstances of each Member State. Flexicurity implies a balance between rights and responsibilities of all concerned. Based on the common principles, each Member State should develop its own flexicurity arrangements. Progress should be effectively monitored.
4. Flexicurity should promote more open, responsive and inclusive labour markets overcoming segmentation. It concerns both those in work and those out of work. The inactive, the unemployed, those in undeclared work, in unstable employment, or at the margins of the labour market need to be provided with better opportunities, economic incentives and supportive measures for easier access to work or stepping-stones to assist progress into stable and legally secure employment. Support should be available to all those in employment to remain employable, progress and manage transitions both in work and between jobs.
5. Internal (within the enterprise) as well as external flexicurity are equally important and should be promoted. Sufficient contractual flexibility must be accompanied by secure transitions from job to job. Upward mobility needs to be facilitated, as well as between unemployment or inactivity and work. High quality and productive workplaces, good organisation of work, and continuous upgrading of skills are also essential. Social protection should provide incentives and support for job transitions and for access to new employment.
6. Flexicurity should support gender equality, by promoting equal access to quality employment for women and men and offering measures to reconcile work, family and private life.
7. Flexicurity requires a climate of trust and broadly-based dialogue among all stakeholders, where all are prepared to take the responsibility for change with a view to socially balanced policies. While public authorities retain an overall responsibility, the involvement of social partners in the design and implementation of flexicurity policies through social dialogue and collective bargaining is of crucial importance.
8. Flexicurity requires a cost effective allocation of resources and should remain fully compatible with sound and financially sustainable public budgets. It should also aim at a fair distribution of costs and benefits, especially between businesses, public authorities and individuals, with particular attention to the specific situation of SMEs.

The Commission regarded flexicurity as a key instrument for the Lisbon goal to create “more and better jobs” and in its communication indicated a number of guiding aspects and joint principles in order to combine flexibility and security. Most importantly it suggested, that based on a consensus with the EU member states, flexicurity policies should be designed and implemented across four policy components:

- *Flexible and reliable contractual arrangements* through modern labour laws, collective agreements and work organisation;
- *Comprehensive lifelong learning (LLL) strategies* to ensure the continual adaptability and employability of workers, particularly the most vulnerable;
- *Effective active labour market policies (ALMP)* that help people cope with rapid change, reduce unemployment spells and ease transitions to new jobs;
- *Modern social security systems* that provide adequate income support, encourage employment and facilitate labour market mobility.

⁹ Council of the European Union (2007): *Towards Common Principles of Flexicurity - Council Conclusions*, Brussels, 6 December 2007. SOC 523.

The EU Commission is convinced that these four components can be “*mutually supportive, and improve employment (total as well as for women, youth and older workers), at-risk-of-poverty rates, and human capital*” (ibid. p 5).

While the EU encouraged the Member States to integrate the concept of flexicurity in the context of the Lisbon reform programmes, the 2008 global and financial crisis rapidly changed the agenda of European policy making in the field of employment and labour market policy.

Nonetheless, in the conclusions of the meeting of the Employment, Social policy, Health and Consumer Affairs Council of the European Council at Luxembourg in June 2009, the role of flexicurity in times of crisis was stressed when the Council stated in its conclusions that “*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.*”¹⁰

In the context of the Europe 2020 strategy and the Agenda “New skills for New Jobs,” the EU Commission identifies the issue of flexicurity as a central concept. This was stressed both in the 2009 Communication on “*A shared commitment to employment*”¹¹ as well as in other official statements.

1.2 THE ROLE OF SOCIAL PARTNERS IN IMPLEMENTING FLEXICURITY

According to the EU Commission, a partnership approach is best suited to the development of flexicurity policy at various levels. The European institutions thus consider the role of the 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.

Social partners are best placed to address the needs of employers and workers and detect synergies between them, for example in work organisation or in the design and implementation of lifelong learning strategies. Social partners' support for the core objectives of the Lisbon Strategy is an important asset; translating this support into concrete policy initiatives is a responsibility of governments and social partners alike.” (EU Commission 2007: Common principles of flexicurity, p. 8)

¹⁰ Council of the European Union (2009) Council conclusions on flexicurity in times of crisis Luxembourg, 8 June 2009. http://www.consilium.europa.eu/uedocs/cms/_Data/docs/pressdata/en/lsa/108369.pdf, p.2.

¹¹ European Commission (2009) A shared commitment for employment. Brussels. 3.6.2009 COM(2009) 257 final of 3 June 2009. <http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=514>. See also for an overview of recent press statements and reports <http://ec.europa.eu/social/main>.

Consequently, the EU Commission has encouraged Member States to work with the social partners *“with a view of including their approaches to flexicurity in the National Reform Programmes.”*

Against this background, the European social partners have addressed flexicurity in a variety of joint activities. A major landmark was the joint analysis *“Key Challenges facing European Labour Markets”* published in 2007, where they recognised that

“In today’s labour market it is necessary to improve policy measures which address both the flexibility and security dimensions for workers and employers alike. Applied in the right way, the flexicurity approach can create a win-win situation and be equally beneficial for employers and employees.”¹²

Addressing the EU Member States, the European Social Partners recommended

“[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 European Social Partners also called upon national governments to review, and if necessary adjust the design of labour law, job protection systems and, together with social partners, collective bargaining practice with a 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;
- develop complementary employment security measures promoting transitions into productive and rewarding jobs;
- enhance legal certainty and transparency for both employers and workers with regard to the scope, coverage and the enforcement of labour law;
- 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.

The Member States were also called to *“involve social partners in the design of policy measures and develop their capacity where needed.”*

¹² ETUC, BUSINESSEUROPE, UEAPME, CEEP (2007) Key Challenges Facing European Labour Markets: A joint analysis of European Social Partners, Brussels, 18 October, p. 62.

While the European Commission and the Council were encouraged to involve social partners in the ongoing debate on defining flexicurity principles at European level, the social partners also called upon their national members to “actively contribute to the design and implementation of policy measures addressing the flexibility and security dimensions.”

In their joint statement on the Europe 2020 Strategy, the European Social Partners addressed the challenge of balancing flexibility and security in modern labour markets. They called upon the Member States to implement the right mix of policy measures for workers and employers addressing flexibility and security dimensions in particular in labour law, contractual arrangements, effective and high-quality active labour market policies, lifelong-learning policies, efficient and sustainable social protection systems and social dialogue.¹³

1.3 THE CHARACTER AND STRUCTURE OF THIS REPORT

As explained in the preface, this report should be considered as a synthesis document that summarises key results from a variety of sources including the EU29 “country fiches”; the results of the questionnaire-based survey; interviews carried out in nine EU Member States¹⁴ and the outcomes of the four “cluster seminars”. This report should be read in conjunction with the other documents produced.

It should be noted that the specific purpose of the joint European Social Partners’ project was to produce a report on “the social partners and flexicurity”. The report therefore concentrates on the role of social partners and social dialogue in contemporary labour markets and the implementation of flexibility and security in labour market and social reform processes across Europe. Readers seeking a broad overview of flexicurity and flexicurity-like policies and reform processes in Europe may refer to the large volume of available inventories and overviews, many of which are referenced in this document and the national fiches.

The report focuses on the practical experience of social partners in today’s labour markets and in the field of social affairs. It takes stock of the role social partners and social dialogue play in implementing the common principles of flexicurity. In this context, the report asks a variety of questions: Do social partners actively encourage flexicurity as an instrument to modernise labour markets and employment/social policies? What role do social partners and social dialogue play in the design and implementation of initiatives and policy measures in the different areas regarded as key issues in the common flexicurity principles? Can cases and examples of good practice be identified in this context? And what lessons should be drawn from this?

The structure of the report mirrors this purpose of the analysis:

¹³ ETUC, BUSINESSEUROPE, UEAPME, CEEP (2010): *Joint Statement on the Europe 2020 Strategy*, Brussels, 4 June, p.3.

¹⁴ Those who are seeking specific information on one or more countries or a more comprehensive picture of all results achieved in the project should visit the European Social Partners Resource Centre at <http://resourcecentre.etuc.org> or <http://www.erc-online.eu>.

Chapter 2, Flexibility and security in contemporary labour markets, presents a brief overview of flexicurity as complex political concept and strategy in Europe and summarises the most significant results reported in the existing large number of studies, reports and surveys.

Chapter 3 of the report, the role of social partners and social dialogue in implementing the common principles of flexicurity, focuses on major trends and comparative results of the analysis of labour market and social policy issues that are regarded as important in the context of developing and implementing flexicurity style initiatives and practice. This chapter is structured in line with the eight common principles of flexicurity. The chapter presents trends and comparative data, practical experiences, assessments and positions of social partners and examples of good practice. The chapter is necessarily selective as it is not possible in such a summary report to present the full wealth of information gathered and provided by the national social partners. This includes reference to the many cases of good practice that were reported by the national social partners¹⁵ and it is recommended that the interested reader also should refer to the many other documents prepared in the context of the project.

Chapter four, Flexicurity in times of crisis and recovery, discusses the application of flexicurity principles in current times and presents the key results of the survey on this issue. Again, the purpose of this chapter is not to present a comprehensive overview and analysis of all measures and reform processes but to focus on the perspective of social partners and the outcomes of social dialogue as they have emerged from this project.

Chapter five draws conclusions and describes the positions and opinions of national social partners in regard to the strengths, weaknesses and major challenges of flexicurity from their point of view.

Chapter six attempts to summarise the major results of the project and to draw conclusions relating to the main purpose of the project: to better understand and assess the role of social partners and social dialogue in the design and implementation of flexicurity in contemporary labour markets.

¹⁵ An overview of cases of good practice described by national social partners in their replies to the questionnaire survey is attached in the annex of this report.

2 FLEXIBILITY AND SECURITY IN CONTEMPORARY LABOUR MARKETS

2.1 FLEXICURITY: HISTORY, NOTIONS AND DEFINITIONS

The concept “flexicurity” combines the notions of ‘flexibility’ and ‘security’ and has, over time been defined in a number of different ways. Whilst the work of the proponents of the flexicurity concept emphasise the complementary of its component parts, others tends to see them as competing alternatives. This theme will recur throughout the report.

The historic roots of the notion of flexicurity date back to developments and debates in two countries in particular - the Netherlands and Denmark:

In the Netherlands, the term is ascribed to the challenge of balancing the concepts of flexibility and security in the context of a growing number of “flexible” jobs emerging as a result of business needs and worker preference in the mid-1990s.¹⁶ This debate and the concept of “flexicurity” resulted in the “*Flexibility and Security Act*” of 1999, and the legal regulation of “flexwork” in the Netherlands. A key element of the Dutch flexicurity approach was the notion of equal/equivalent rights of the different groups in the labour market.

Other sources (such as Eurofound) stress that the term flexicurity was first coined by Poul Nyrup Rasmussen, Social Democratic Prime Minister of Denmark, who was Prime Minister between 1992 and 2001. In Denmark, the notion of flexicurity is based on a specific labour market model that combines high levels of external flexibility (in terms of hiring and firing) with high standards of social security. In Denmark, the relatively flexible regulation of dismissals and employment protection (in a European context) combine effectively with relatively long periods of advanced notification and active labour market policies, including the right and duty to training and high social benefits. The Danish “golden triangle” of flexicurity (consisting of a flexible labour market, a generous social security system and active labour market policy) can only be understood if the collective bargaining system, the strong role of social partners and social dialogue and also other factors (e.g. the comparatively low social and income inequalities, high membership rates, high geographical mobility) are taken into account as an essential part of the Danish labour market system. Efforts to combine flexibility and security in integrated concepts that both are of benefit to enterprises and employees can be traced back to the beginning of the Danish collective bargaining system and the first historic collective agreement in 1899.

¹⁶ See Wilthagen, T. and F. Tros 2004: The concept of “flexicurity”: a new approach to regulating employment and labour markets. *Transfer*, 10 (2), 166–186.

Though flexicurity is often linked to these two examples, social partners also from other countries have stressed that the need to balance and/or combine flexibility and security in the labour market has been a key factor and driving force for reform and change also in other countries though without direct reference to the term 'flexicurity'.

2.2 MAPPING AND MEASURING FLEXICURITY

In December 2007, the EPSCO Council stressed the importance of European level mutual learning and progress monitoring in the field of flexicurity, for which a set of robust indicators, covering equality and adequately the different components of flexicurity, as of utmost importance.¹⁷

There were a number of analytical attempts to measure and map flexicurity¹⁸ in Europe and EMCO has worked on defining indicators for measuring and monitoring flexicurity in the EU Member States for a number of years.¹⁹ Based on the four components of flexicurity, EMCO sets out a set of indicators for measuring and assessing the situation in EU Member States with views on input, progress and output. The following table summarises these indicators.

Table 1: 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

¹⁷ See "Presidency Conclusions", EPSCO Council 5/6 December 2007.

¹⁸ In particular: Employment in Europe Report 2006, Auer (2005) *Protected mobility for employment and decent work: labour market security in a globalized world*. Geneva: ILO Employment Strategy Paper 1/2005 or Tangian A. (2007) *European flexicurity: concepts, methodology and policies*. Transfer, 13(4), 551-573.

¹⁹ Employment Committee (EMCO) (2009) *Monitoring and analysis of Flexicurity policies*. Report endorsed by EMCO on 24 June 2009, Brussels.

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
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Source: EMCO 2009

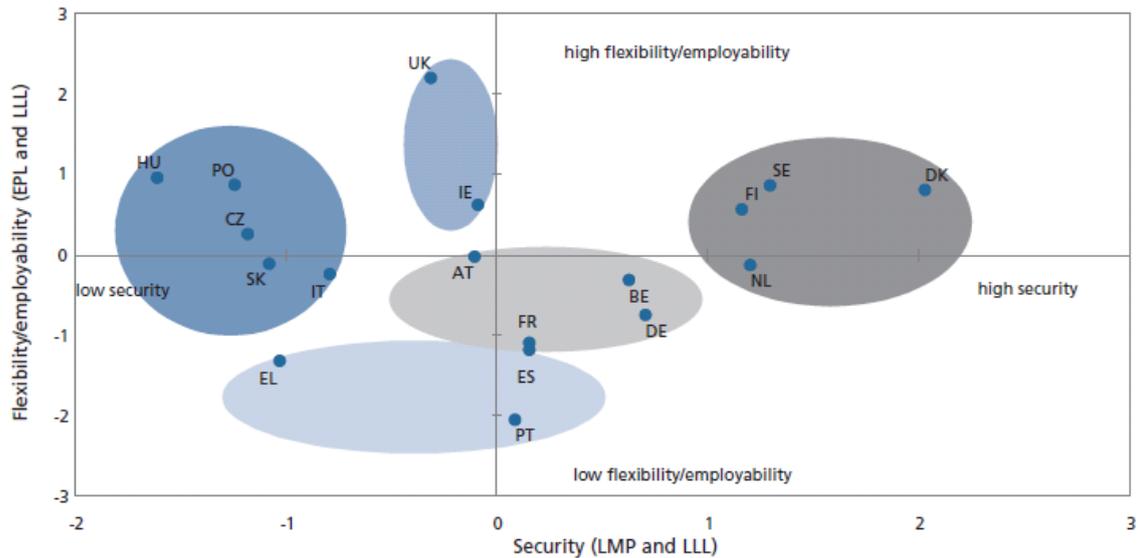
An attempt to map the state of flexicurity in 18 Member States was made in the “*Employment in Europe Report 2006*” which sets out a more limited number of indicators.²⁰ The authors identified five different groups or clusters of flexicurity:

- An *Anglo-Saxon system*, comprising of the UK and Ireland, characterised by a *high degree of flexibility* (i.e. looser employment protection legislation) and relatively *low security* (i.e. intermediate-to-low spending on Labour Market Policies) as well as *low taxation*.
- The *Continental system*, including Germany, Belgium, Austria and France, characterised by *intermediate-to-low flexibility*, *intermediate-to-high security* and *intermediate-to-high taxation*.
- The *Mediterranean system*, including Spain, Portugal and Greece with *low flexibility*, *relatively low security*, and no clear pattern on *taxation*.
- The *Eastern European (plus Italy) system*, including Italy, Poland, Hungary, the Czech Republic and Slovakia that is characterised by *insecurity*, *intermediate to-high flexibility*, and *intermediate-to-high taxation*.
- And finally the *Nordic system*, including Denmark, the Netherlands, Sweden and Finland, characterised by *high security*, *intermediate-to-high flexibility*, and *intermediate-to-high taxation*.

²⁰ Labour market/flexicurity systems are measured using four variables: The strictness of employment protection (EPL) as a proxy for numerical/external flexibility; expenditure on labour market policies as a percentage of GDP (i.e. the sum of passive/unemployment benefits and ALMPs), percentage of participants in lifelong learning programmes and the average tax-wedge as a proxy for the distortions created by the tax system. See *Employment in Europe Report 2006*, p. 102/103.

The following diagram is a graphical illustration of the clustering results and the different “flexicurity” systems in the EU:

Figure 2: Mapping flexicurity along security and flexibility/employability in the EU



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

2.3 KEY POINTS

‘Flexicurity’ has been a major reference point and guiding principle of European level debates and strategy development in quite a large number of issues in employment, economic and social policy. At the same time, there is no clear definition – flexicurity sometimes is used to describe a political or even normative concept that is based on certain assumptions on the functioning of modern societies and/or sometimes is used as an analytical approach to measuring flexibility and security in today’s labour markets and societies.

Several attempts have been undertaken to improve this “*lack of conceptual rigour*” and make ‘flexicurity’ more applicable for assessing the progress of EU Member States of mapping the European Union in regard to flexicurity-related aspects. However, until today no common understanding exists about factual indicators on what defines the best possible state of ‘flexicurity’.

3 THE ROLE OF SOCIAL PARTNERS AND SOCIAL DIALOGUE IN IMPLEMENTING THE COMMON PRINCIPLES OF FLEXICURITY: FRAMEWORKS, POLICIES AND GOOD PRACTICE

3.1 INTRODUCTION

This chapter presents the main findings of the research carried out in the joint European Social Partners' project. It is based on several sources of information: The first section summarises major results of the questionnaire survey carried out in the context of the project, concentrating on the assessment and perception of flexicurity by national social partners. The following sections present and analyse comparative data on labour market and social indicators and the results of the national analyses carried out by the project team (as reported in the 29 country fiches). This information is complemented by the results of interviews with social partners as carried out when preparing the country fiches and discussion and debate in the four cluster seminars held between November 2010 and February 2011 and involving national social partner organisations.

The purpose of this chapter is not to present a comprehensive overview of labour market reforms and initiatives at the Member State level that may be linked to flexicurity principles (here, the national fiches definitely provide more in-depth information). Its purpose is to present a synthesis of results and outcomes of the research project in regard to the role of social partners and social dialogue play in the implementation of the common principles of flexicurity. The subchapters focus on eleven elements; contractual arrangements, external flexibility, internal flexibility, active labour market policy and job transitions, adaptability, lifelong learning and mobility, inclusive labour markets, social inclusion and gender equality, creating better jobs, cost efficiency and financial sustainability.

This part of the report aims to present a picture of the colourful reality and views of the national social partners and therefore relies, as much as possible, on a selection of quotations and practical cases²¹ reported by national social partners, in particular from the replies to the questionnaire survey.

²¹ An overview of all cases of good practice reported by national social partners can be found in the annex of this report.

3.2 MAJOR RESULTS FROM THE SURVEY AMONGST NATIONAL SOCIAL PARTNERS

3.2.1 Survey methodology and replies

A major element of the research undertaken in the project was the questionnaire-based survey addressed to the national member organisations of ETUC, BUSINESSEUROPE, UEAPME and CEEP between the spring and summer of 2010.

The main purpose of the survey was to compile the views of the national social partners on the relevance of the flexicurity concept to the respective national labour market frameworks and to seek their opinion on the role of the social partners in initiating, influencing and implementing policies and practices that might be considered under the broad umbrella of 'flexicurity'. The questionnaire took, as a starting point, the eight principles of flexicurity adopted by the Council.

A total of 52 completed responses were received from 23 countries. The only countries which no questionnaire replies at all received were from Croatia, Lithuania, Luxembourg, Malta, Romania and Slovakia. As indicated in the table below, the division of trade union and employers organisation replies was balanced with 25 questionnaires received from trade unions and 27 from employers' organisations.

The overview of responses also shows that:

- Trade union replies came from 19 countries and 17 countries are covered by employers' replies;
- For 13 countries replies of at least one trade union and one employer organisation were received while for six countries only replies from trade union organisations were received;
- For four countries only replies from employers' organisations were received;
- There are seven countries where just one questionnaire was received (either from trade unions or employers' organisations).

When the response rates were reviewed geographically, the table on the following page illustrates that the questionnaire reply sample is split quite equally between the five groups of Central and Eastern Europe, Southern Europe, Northern Europe, the Anglo-Saxon countries and Continental Europe, but with the largest number of questionnaires being returned by Southern European countries.

A review of trade union and employers' responses from the country groupings shows that,

- the shares are quite equal in the CEEC group although there were a relatively high number of non responders (four out of the total of six);
- replies from Southern Europe are characterised by a strong trade union response rate;
- the Northern and Continental Europe groups²² generated more replies from employers' organisations than from the trade union organisations.

²² This in particular would become even more pronounced if France would be placed in the "Continental" group.

Table 2: Replies by country group and social partner

	Total	CEEC Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Poland, Slovenia	Southern Cyprus, France, Greece, Italy, Portugal, Spain, Turkey	Northern Denmark, Finland, Sweden	Continental Austria, Belgium, Germany, Netherlands	Anglo-Saxon United Kingdom, Ireland
Total number of questionnaires	52	10	16	11	12	3
Trade unions	25	6	12	3	3	1
Employers	27	4	5	7	9	2
Countries with no reply	6	4	1	---	1	---

Two sections of the questionnaire contained a number of open questions where respondents were able to express their opinion regarding recent labour market reforms in their country. Most of the social partner organisations made use of the opportunity and contributed to these questions (46 out of 52) and also a clear majority of respondents (42) indicated experience of good practice in the field of ‘flexicurity’.²³

It should also be noted that some social partner organisations preferred not to complete the questionnaire but nonetheless, contributed to the survey by providing statements and more general written opinions and/or policy documents on flexicurity related issues. This comment applies to at least one social partner organisation in Belgium, Germany and Sweden.

3.2.2 General assessment of flexicurity

An important result of the survey was that substantial majorities of both employers’ representatives and trade unions agree on the potential of the common principles of flexicurity as a framework for industrial relations at national level *if implemented under certain conditions*.

A statement that allows for some conclusions regarding the general assessment of flexicurity was:

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

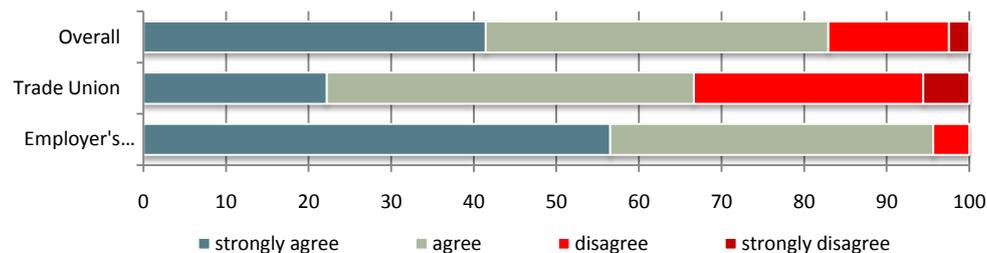
The majority of those responding see a win-win potential in the issue of flexicurity, although the employers are considerably more positive than the trade unions (see below). While more than 95% of the replies of employers’ organisations either “strongly agree” or “agree” with the statement quoted above, the trade union’s view is less pronounced with around 65% of the respondents either “strongly agree” or “agree” with the statement. Around one

²³ “Good practice could be a tripartite or collective agreement, a company case, a sectoral initiative or initiatives/campaigns at the local/regional/national level.”

third of trade union respondents either “disagree” or “strongly disagree” with this statement.

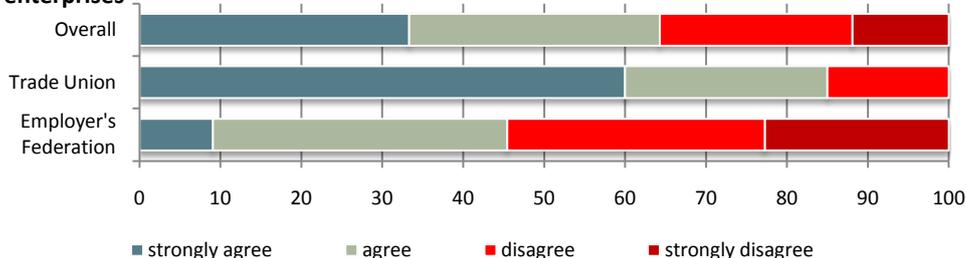
Figure 3: Overall opinion on flexicurity

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



Whilst both sides of the social partnership are positive about the “potential” for the flexicurity concept if it is implemented in a ‘balanced and holistic way”, two thirds consider that the possibility of the flexicurity approaches be able to provide a win-win situation is “not yet proven”. When asked, to agree or disagree with the statement that “Flexicurity has not yet proven itself to offer a balanced approach for workers and enterprises”, trade union organisations are substantially more sceptical (85%) with a strong minority of employers’ organisations (45%) seeing the potential of flexicurity as not yet fulfilled.

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



It is interesting to review the overall opinions on flexicurity from a national angle.

The following observations were made:

- In most countries, trade unions and employers' organisations have the common view that if implemented in a balanced and holistic way, the common principles of flexicurity can provide benefits both for workers and enterprises;
- There are five out of seventeen countries where flexicurity is perceived by at least one trade union respondent not to be a suitable concept to provide a win-win situation for workers and enterprises (Germany, France, Greece, Portugal and Turkey);
- In contrast to this, the positive perception from the employers’ side is quite overwhelming with just one negative response.

The generally more sceptical view of the trade unions and a more optimistic view of employers’ with regard to flexicurity is reinforced in the responses to the question, whether or not flexicurity has to-date proven to offer a balanced approach for workers and enterprises:

- In 11 out of 15 countries trade unions believe that flexicurity has not yet proven itself;
- Although less sceptical, in only 6 out of 13 countries do employers regard flexicurity as a proven concept and in two other countries the employers have a mixed view;

It is very difficult to identify any country or country group related patterns in the overall assessment of flexicurity:

In general terms, trade unions in Southern European countries are the most critical of flexicurity in offering a potential win-win formula. In contrast to this, the positive perception from the employers' side is quite overwhelming with just one negative response to the potential win-win notion.

In terms of the demonstrated delivery of flexicurity today, the picture is even more diverse. Interestingly, trade unions in a number of Central and Eastern European countries view flexicurity as an already proven concept while in most Continental, Southern and also Northern countries, trade unions are much less positive. Similarly, the employers' organisations are split on the demonstrated delivery of flexicurity: While respondents in seven countries (reflecting a broad variety of geographical backgrounds) do not agree that flexicurity has already proven itself to offer a balanced approach to employers and employees, respondents in eight countries (from all EU regions apart from the CEEC) feel that flexicurity already has demonstrated this objective.

3.2.3 Areas of strengths and weaknesses from the social partners' point of view

Observing the responses to the survey across countries, the following observations were made: In general, trade unions were significantly more critical in all 11 policy areas linked to the flexicurity concept than employers. Despite major differences in "the extent" to which issues were considered strengths or weaknesses, the rank order was similar for both groups.

Figure 4: Overall results: Areas of strength and weakness in the implementation of flexicurity



The strength/weakness ranking differed significantly between employers and trade unions in two areas: Contract flexibility and in quality and productivity. Employers saw these issues as important strengths:

Figure 5: Providing reliable and flexible contract arrangements

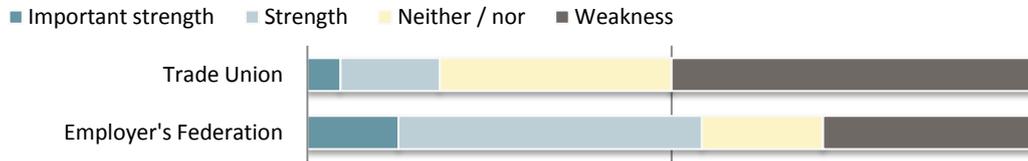
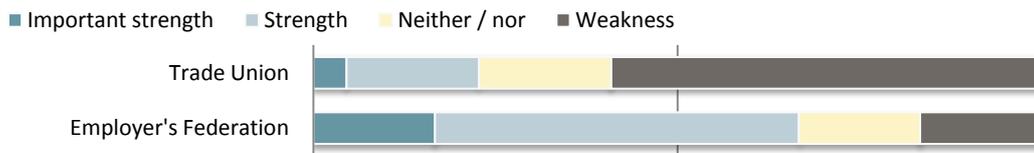
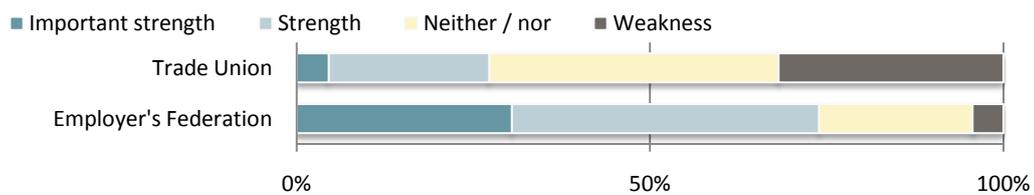


Figure 6: Promoting high quality and productive workplaces



Also in the field of lifelong learning, trade unions and employers assessed strengths and weaknesses in quite a different way:

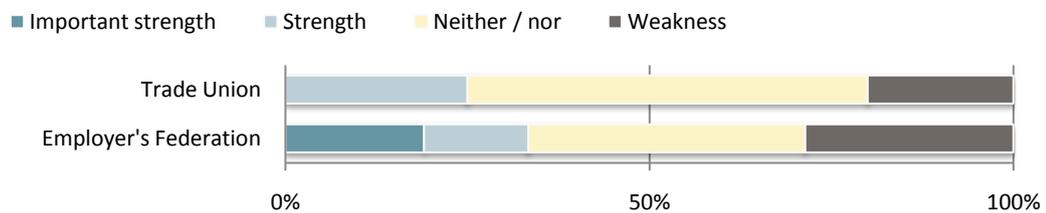
Figure 7: Lifelong learning



The employers' scores differentiated significantly between what they saw as areas of strength and weakness whereas the trade unions differentiated within a much narrower band and were equally discontented about the national approach taken on most of the eleven policy fields.

Neither side of the social partners were confident about the future financial sustainability of initiatives in the context of the prevailing economic context.

Figure 8: Assuring the financial sustainability of the implemented initiatives



3.3 FLEXIBLE CONTRACTUAL ARRANGEMENTS AND EXTERNAL FLEXICURITY

Flexible contractual arrangements and also external flexicurity are key aspects of the flexicurity concept, mentioned not only in one but three out of the eight *Common Principles of Flexicurity*, highlighting in particular the importance of a “*deliberate combination of flexible and reliable contractual arrangements*” for contemporary labour markets and for the overall implementation of European strategic economic and employment objectives.

The following quote from the reply of a German employer representative to the questionnaire survey underlines this potential:

Flexible contractual arrangements and employment creation

Flexible contractual arrangements can give fresh impetus for employment creation. It is important to improve mobility within the framework of an employment contract, for instance through working time corridors or short time working time accounts. They allow flexible organisation of the volume of working time to reflect actual requirements. These elements are both important for flexible as well as for reliable contractual arrangements.

Source: Reply to the questionnaire survey

At the same time, the Common Principles stress important aspects to be considered in this context: Firstly, the need to *avoid labour market segmentation*²⁴ and secondly, the needs to accompany contractual flexibility by “*secure transitions from job to job*” (Principle 4).

And here, trade union replies to the questionnaire survey have raised concerns about negative effects of flexible contractual arrangements if not implemented in a context of security and stability of labour relations as the following quote from a Swedish trade union’s reply to the survey illustrates (see also section 3.7 on “*Inclusive labour markets, social cohesion and gender equality*”)

Sweden: Incentives of fixed-term employment

Reforms have hollowed out employment security. The possibilities of fixed term employment have increased, possibly being in violation with the EU Directive. As a consequence of sick leave reforms the contracts of employees who are on sick leave can be terminated more easily.

Source: Reply to the questionnaire survey

The replies to the survey on flexicurity as well as the contributions made by national social partners in the context of the cluster seminars and interviews illustrate particularly the following:

There is significant variety in regarding the understanding of flexible contractual arrangements – while many national social partners focus on different types of employment contracts others have also referred to working time arrangements, short-time work and practices that could also be mentioned in other policy fields, e.g. measure to support job

²⁴ In the 4th Principles, it is stated that “*Flexicurity should promote more open, responsive and inclusive labour markets overcoming segmentation (...) The inactive, the unemployed, those in undeclared work, in unstable employment, or at the margins of the labour market need to be provided with better opportunities, economic incentives and supportive measures for easier access to work or stepping-stones to assist progress into stable and legally secure employment.*”

transitions and employment creation, other active labour market policy instruments, training measures, etc.

The responses also illustrate a significant variety of reform processes and development trends: While in some countries, there are already a large variety of contractual arrangements in place, other responses stress that the “standard” contractual form still is the prevailing form of job relationship in the respective country. Closely related to this, the objectives of reform processes and the main issues addressed are quite different: In countries with already significant contractual flexibility, recent reforms were concentrated more on internal flexicurity, improving job creation or the equal treatment of flexible workers; reforms reported from other countries focuses more on the legal frameworks of contractual arrangements.

Different reform contexts of contractual arrangements

Portugal

With the [...] revision of the Portuguese Labour Code in 2009, new contractual arrangements were introduced: i) employment contract of very short duration, for agricultural seasonal activities or tourism events that don't last longer than a week; and ii) intermittent employment contract for discontinuity activities or with variable intensity in which the parties may agree that the provision of work is interrupted with one or more periods of inactivity.

Denmark

Denmark has flexible contractual arrangements and there has been no great change in this field. This is due to the fact that in Denmark, we have an employment system where the contractual rights are not linked to the workplace but to the individual him or herself. On that basis, we have during the recent collective bargains (over the past ten years) tried to enhance the individual flexibility – both at the advantage of the employee and the employer.

Source: Replies to the questionnaire survey

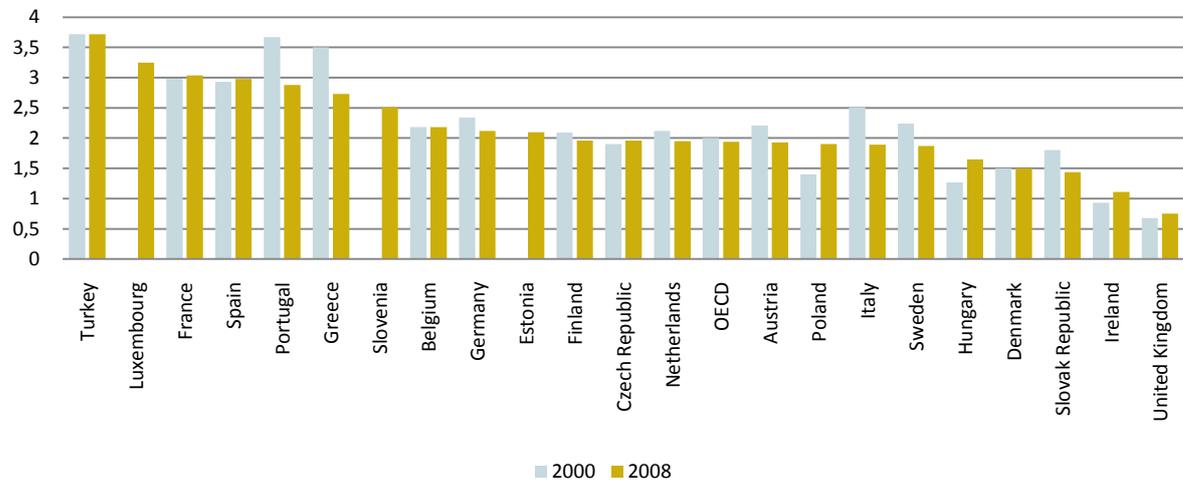
Regarding the involvement of social partners in the development of more flexible and reliable contractual arrangements, the responses gathered in the project are quite remarkable: Since this concerns a core field of social dialogue and also collective bargaining, social partners are playing a relevant role in shaping solutions and reform processes.

The results and the diversity of the national patterns of response obtained by the survey in the field of flexible contractual arrangements and external flexibility seem compatible with data gathered from other sources.

OECD data on employment protection legislation (EPL) show that the strictness of this indicator during the previous decade varies according to the countries considered. The following figure shows the relative protection of regular and temporary contract workers.

As a matter of fact, while France, Spain, Czech Republic, Poland, Hungary, Ireland and the United Kingdom have now stricter rules on the liberty that employers may use in hiring and firing, Portugal, Greece, Germany, Finland, the Netherlands, Austria, Italy and Sweden have adopted changes in the opposite direction.

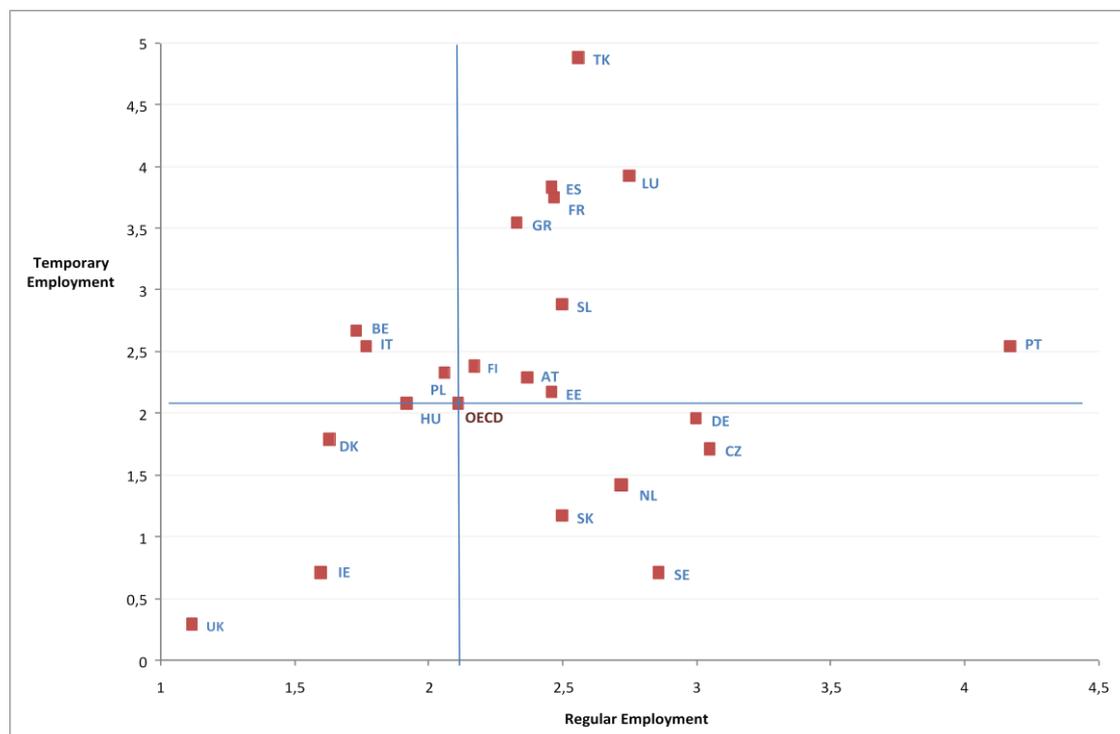
Figure 9: Strictness of employment protection (OECD, overall indicator)



Source: OECD-Stat, 2010. Data for France and Portugal refer to 2009.

Turkey, Belgium and Denmark have not put in force changes affecting the OECD EPL indicator. Even if the analysis would be restricted to the period of 2007 and 2008 (i.e. after the adoption of the Common Principles on Flexicurity), OECD data show that three countries (Finland, The Netherlands and Portugal) have decreased their EPL overall index, while Italy and the Slovak Republic have increased theirs.

Figure 10: Strictness of employment protection on regular and temporary work, OECD 2008



Source: OECD-Stat, 2010.

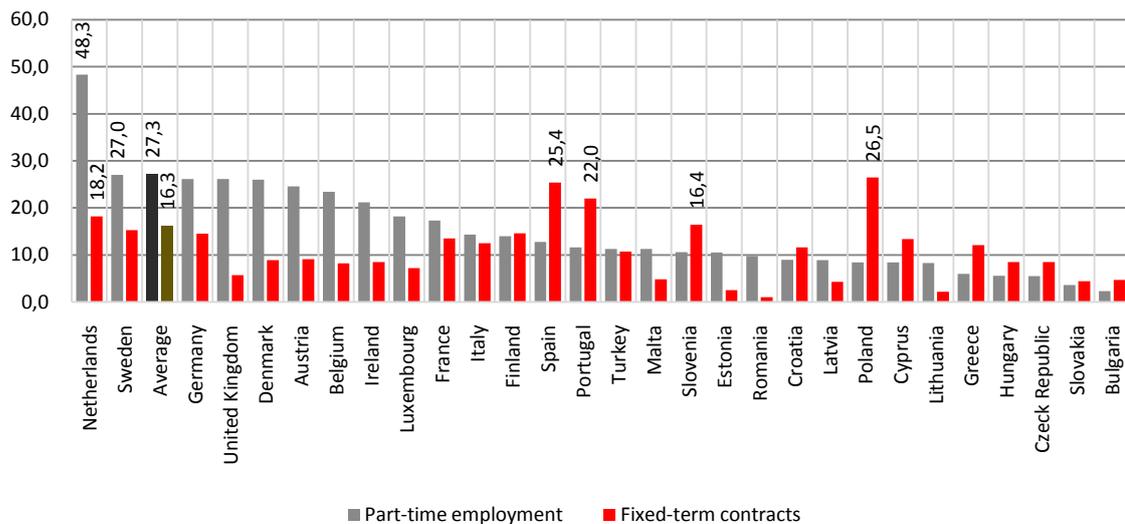
The figure above plots the strictness of legal regulations on regular employment against the temporary employment one, according to the specific OECD indicators for each type of

employment. The diversity amongst the EU Member States is, once more, relevant. First, some countries (Portugal, Turkey and United Kingdom) appear as out layers. Second, the figure shows that it is possible to identify four groups of countries according to their position vis-à-vis the average position:

- in Belgium, Italy and Poland EPL is stricter than average for temporary employment but more flexible than average for regular employment;
- in Turkey, Spain, Luxembourg, France, Greece, Slovenia, Finland, Austria, Estonia and Portugal EPL is stricter than average for both types of employment;
- in Germany, Czech Republic, the Netherlands, Slovakia and Sweden EPL is stricter than average for regular employment but less strict than average for temporary employment;
- in Hungary, Denmark, Ireland and the United Kingdom EPL is less strict than average for both types of employment.

The proportion of fixed-term and of part-time employment on total employment is plotted below.

Figure 11: Non-standard forms of employment (% of total employment, 2009)



Source: *Employment in Europe, 2010*.

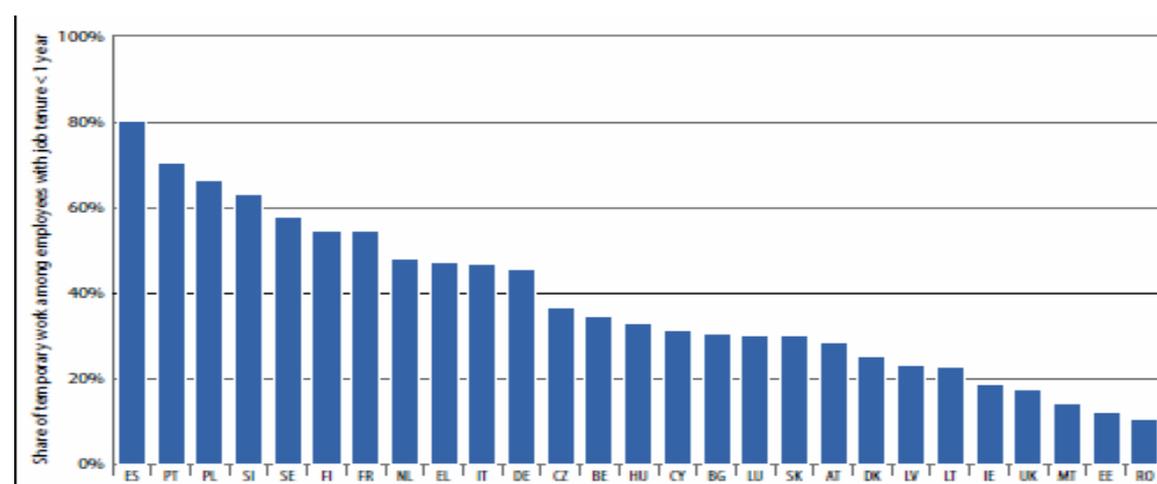
As expected, the analysis shows that the proportion of fixed-term contracts is higher than average in Spain, Portugal, Netherlands and Slovenia (i.e. countries which EPL for regular employment is stricter than average) but also in Poland, where this is not the case. However, it must be noted that the average job tenure is lower in countries with more flexible EPL. As for the presence of part-timers on total employment, the share is above average in the Netherlands, Sweden, Germany, United Kingdom, Denmark, Austria, Belgium, Ireland and Luxembourg.

It is also impossible to find out a common pattern on the evolution of labour law amongst all European countries.²⁵ On the contrary, the information collected by the survey shows that countries with more flexible EPL (Hungary, Denmark, Ireland and the United Kingdom) have experienced fewer changes in labour law than EU Member States with stricter than average EPL (Spain, Luxembourg, France, Greece, Slovenia, Finland, Austria, Estonia and Portugal).

However, the evolution of change in some countries runs in different directions. For example, a limitation in the duration of fixed-term contracts that took place in Portugal with the 2009 revision of the Labour Code contrasts with the approach taken in *the Act of the Simplified Employment* (“*egyszerűsített foglalkoztatás*”) established in Hungary in 2010, which changes the structure of temporary employment, the rules for establishing temporary employment relationship, and several other characteristics of temporary employment.

Nevertheless, as the chart below illustrates, during the current decade the incidence of temporary contracts in hiring tends to be higher in countries where EPL is stricter than average.

Figure 12: Incidence of temporary work in hiring (average 2000-2009)



Source: EC, *Employment in Europe, 2010*: 126.

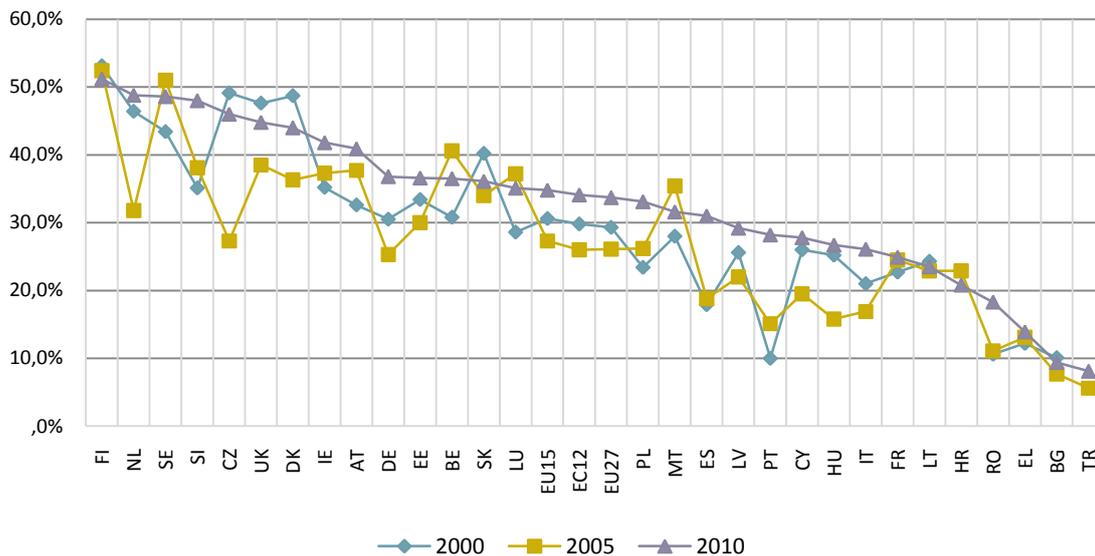
Two instruments of flexicurity promotion are training opportunities and the protection of revenues in case of involuntary unemployment.

As for training opportunities, the chart below based on results of the European Working Conditions Survey 2010 shows an increase in almost all countries from 2005 to 2010.²⁶

²⁵ The EU social partners' *Joint Labour Market Analysis* published in 2007 shows that prior to 2000; employment protection for temporary workers was weakened across the whole of Europe. See ETUC, BUSINESSEUROPE, UEAPME, CEEP (2007): *Key Challenges Facing European Labour Markets: A joint analysis of European Social Partners*, Brussels, 18th October.

²⁶ Though it should be mentioned here that the year 2009 was characterised by the effects of the global crisis and the practice in many countries to put workers on short time work that often included training.

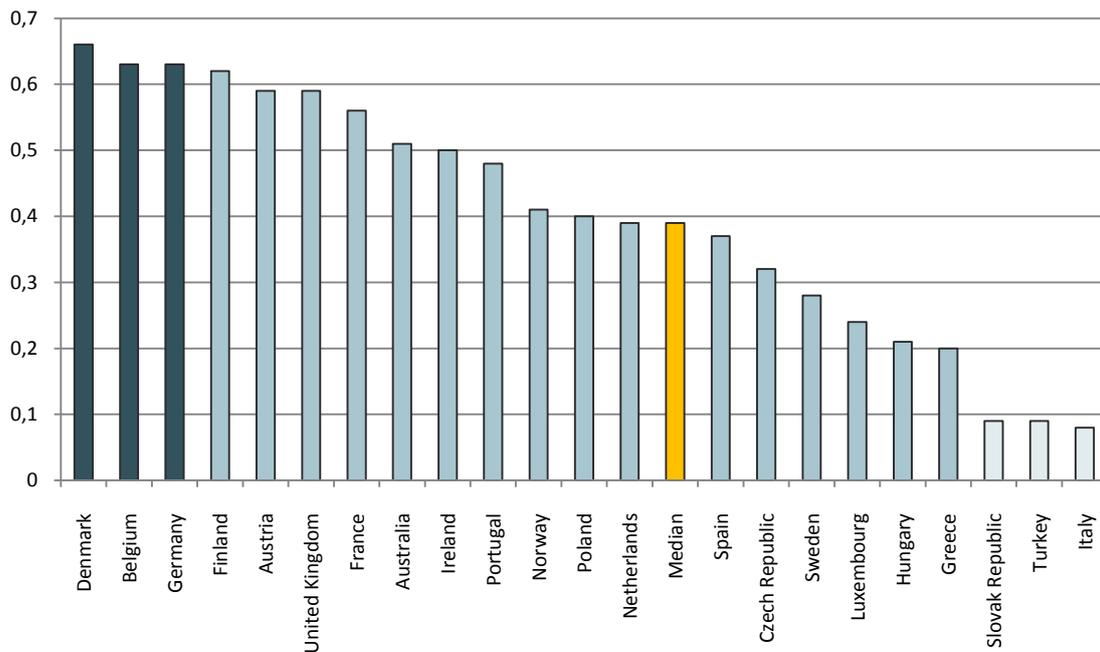
Figure 13: Access to training over the past 12 months



Source: Eurofound, EWCS, 2010.

The protection of revenues of those searching actively for a job is another critical topic of the current flexicurity debate, as the replacement rates vary from country to country even more than access to training, as shown by the next graph.

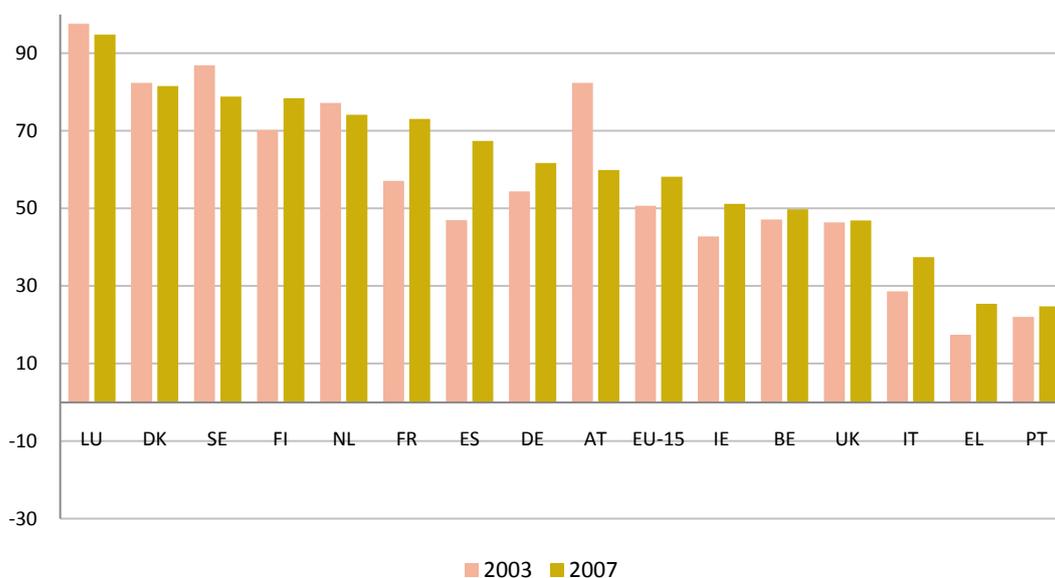
Figure 14: Net replacement rates at different points during the unemployment spell (5-year average, 2007)



Source: OECD, DELSA/ELSA/WP5(2009)1: 61.

The following figure illustrates the development of the coverage of flexible workers by unemployment benefits. The data are taken from a recent survey on the coverage of persons in flexible employment.²⁷

Figure 15: Coverage of flexible workers by unemployment benefits (% of total)



Source: Alphametrix 2009.

The figure suggests that on the EU15 the coverage of flexible workers (part-timers, temporary and self-employed) by unemployment benefits was reduced from 2003 to 2007 in Luxembourg, Sweden, the Netherlands and Austria²⁸, remained almost stable in the United Kingdom and Denmark and has increased in the nine remaining Member States (Finland, Netherlands, France, Spain, Germany, Ireland, Belgium, Italy, Greece and Portugal). Once more, the differences between countries are very relevant and suggest that the degree of segmentation in the different national labour markets cannot be ignored.

It should be noted here that in particular the trade unions reported in the cluster seminars that labour market segmentation and a growing gap between insiders and outsiders is regarded as one of the most important challenges with regard to labour market trends. The point of view of trade unions is that, by reducing the protection on fixed term and other typical contracts, employers are given increased possibilities to avoid engaging workers in open ended contracts. These concerns have for example been addressed by replies from representatives of the Estonian trade unions:

²⁷ Alphametrix 2009: Flexicurity. Indicators on the coverage of certain social protection benefits for persons in flexible employment in the European Union. Final Report, p. 26.

²⁸ The comparative large difference between 2003 and 2007 for Austria is explained by the authors of the study mainly by the fact that in 2007 „qualitative information indicate that self-employed workers tend to receive lower rates of benefits than regular workers“. In 2003 this group of employed persons had not been covered by unemployment benefits and therefore the 2003 figure did not include this aspect.

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

The most extreme and illegal form of labour market flexibility is informal employment which has been addressed by social partners in different countries as being a major challenge of employment and labour market regulation. The following quote from the reply of the Turkish trade unions to the survey reflects this concern that has also been expressed by social partners in the cluster seminars from Romania, Bulgaria or Croatia:

Turkey: Informal employment as the major challenge

The major problem in the labour market of Turkey is related to the fact that 42% of total employment is “informal” and out of any system of social protection. This unregistered work has become the major form of flexibility in Turkey. Flexibility shows itself mostly in the informal forms of employment. Thus, the balance between flexibility and security cannot be possible in the informal sector.”

Source: Reply to the questionnaire survey

However, in contrast to the trade union point of view, the employers’ expressed in the discussions in the project meetings and the contributions to the questionnaire survey that too strict EPL may also result in labour market segmentation by encouraging employers to resort to temporary contracts with lower protection levels. (See figure 12 “*Incidence of temporary work in hiring*”)

In the context of the project, a number of good practice examples were reported and stressed by national social partners that illustrate common practice and joint action of national social partners in order to ensure a better balance of flexibility and security for all employment relationships.

The new right to unemployment benefit of the autonomous but economically dependent workers, in force in Spain since 2009, is an example of this kind of recent changes designed to tackle the problems posed by the less traditional forms of flexible employment. Another example is Italy, where several national agreements between the social partners aiming at more security for non-standard forms of employment.

Italy: Regulation of non-standard forms of employment by collective agreements

Several national agreements have ruled the reformed contract of the *temporary agency work*, but limitedly to the fixed-term typology only. All fix the maximum percentage of the overall open-ended workers in the user-firm, which can be hired with this kind of contracts. The provisions are much differentiated: 2% in the transport sector, 5% banks, 8% textile, 13% textile leather and clothing, 15% trade and retail and wood; 18% in the chemical sector. Some of these agreements allow derogating in worst for companies with plants in the Southern regions of the country (30% in the chemical sector). Most of the agreements adopt a closed list of restrictions about the motives which can justify the use of such a kind of contracts (constructions, wood). A very meaningful national collective agreement seems to us the last one subscribed in July 2008 and covering the temporary agency workers. We do consider it one of the most innovative cases where flexicurity approach was object of a collective agreement.

Source: Reply to the questionnaire survey

Also the French national inter-professional agreement on labour market modernisation and the introduction of the principle of “*professional transition security*” and aspects such as the transferability/portability of social and material rights for temporary workers should be mentioned in this context.

3.4 INTERNAL AND FUNCTIONAL FLEXICURITY

The debate on the dimensions of flexicurity remains vivid at several levels, from the academic to political and social fora. What are at stake are the different possibilities to combine flexibility with security and the internal dimensions with the external ones. Nevertheless, working time adaptability and internal functional adaptability are generally considered to be the main forms of the internal sphere of flexicurity.

It should be noted here that a major result of the questionnaire survey was that social partners and both unions and employers perceive internal flexibility rather a strength than a weakness of labour market policy in their respective countries. As the overall survey results show (see figure 4 on p. 18) the social partners show quite a strong support for the opinion that internal flexibility should be regarded as strength for policy in the respective country. Compared to the other ten policy areas, only gender equality and active labour market policy ranks higher.

Also the more qualitative results and replies to the flexicurity survey amongst social partners illustrates that the field of internal and functional is characterised by a lot of initiatives and activities where social partners play an important role. This is not surprising: While external flexibility in most cases is regulated by national legal regulations, internal flexicurity is regulated in the genuine playing ground of collective bargaining and social dialogue between social partners at various levels. Working-time flexibilisation is the most important area of internal flexibility and here, the national, sectoral and company level of bargaining are the most important instruments of implementing changes and new measures – often in combination with security measures in order to compensate higher flexibility. The example from Austria below illustrates this.

Austria: Improvement of working time flexibility

Several measures based on social partner suggestions have been implemented. Four examples: Flexibilisation of working time arrangements has been improved in 2007 (Working Hours Act), by extending the duration within the flexible daily or weekly working scales has to be balanced out. On the security area a subsidy was granted for part time workers doing extra work over the contractual level. Reform of the short time working arrangements, aiming at (i) to adapt the short-time working regulation to the new challenges of the crisis in order to maintain employment and (ii) more flexibility above all in the scale of work time reduction and by prolongation of the arrangements’ duration and above all by the possibility to combine this instrument with qualification measures. Reform of the part-time scheme for older workers to widen the access and duration of this instrument but also to provide it with more flexibility concerning the scale of work-time reduction was the decisive aim of this reform. Easier access to further training allowance: additionally to an important reform of this instrument in 2007 aiming at an easier access and a higher allowance a further step was set up in order to make this instrument more flexible.

Source: Reply to the questionnaire survey

Also the information provided by an Italian social partner organisation illustrates the important role of collective bargaining and initiatives carried out jointly by social partners in the field of internal flexibility in different sectors.

Italy: Collective bargaining and working time flexibilisation

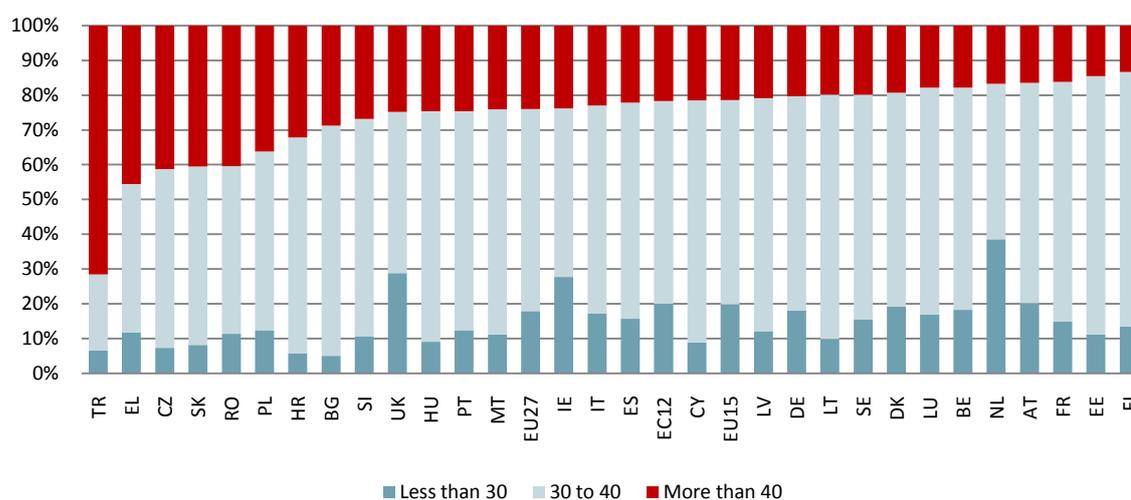
All the collective agreements include a certain number of hours of flexibility, which may be used for production reasons or to adjust to demand. In line with the law, persons who carry out discontinuous work have seen a number of industry-wide agreements reduce the working week to 48 hours as had been established in previous contracts, referring it to a period of 12 months (it previously stood at approximately 50 hours and could even reach 72 hours for those that had been granted lodgings in or near the factory/plant). As to rest periods and daily breaks, a number of industry-wide agreements (textile) simply recall the law; while others provide a detailed list of instances allowing daily breaks to be less than 11 hours, deferring to plant-level negotiations other instances if any (chemicals, rubber and plastic).

In the case of *part-time*, all the agreements contain rules about the supplementary work, done out of the normal time. These rules normally concern a closed list of motives which can justify such prolongation, and different limitations against possible abuses from employers (chemical; metal; wood; textile, clothing and leather). Other norms concern economic compensations and the warning time (*“tempo di preavviso”*). The so called “elastic clauses”, foreseen by the law, most of the agreements have refused to implement them (metal, banks, construction). In the textile and in the wood sectors is admitted the possibility for individual agreements.

Source: Reply to the questionnaire survey

The average number of hours usually worked per country is presented on the figure below. The analysis of the evolution of this parameter suggests that it is possible to identify two groups of EU countries with very different evolutions on the working time duration during the last decade.

Figure 16: Hours usually worked per week (2010)



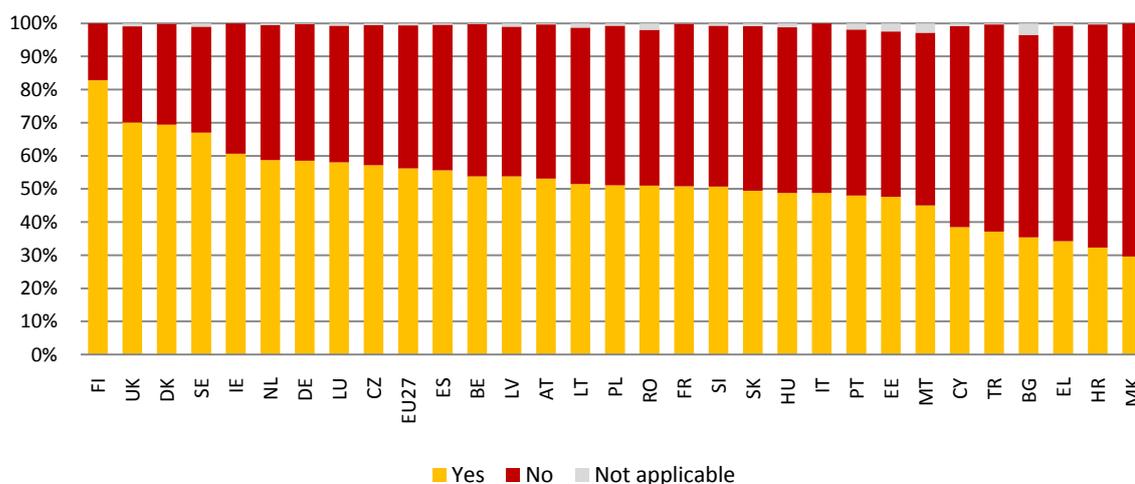
Source: Eurofound, European Working Conditions Survey, 2010

The first group, which includes Greece, Sweden, Denmark, the Netherlands, Germany, and Luxembourg, had witnessed a reduction of the percentage of employees working 30 to 40 hours and an increase on the percentage of workers of the two other groups. In the remaining countries, the percentage of wage-earners usually working more than 40 hours per week diminished. Moreover, in Slovenia, United Kingdom, Austria and Ireland, the

proportion of persons working 30 to 40 hours had also declined. On average, EU15 had -0.2% of workers in the group of 30 to 40 hours and -2.9% in the group of longer working hours, while EU27 the reduction of -4.7% took place only in the group of more than 40 hours.

The incidence of flexi-time is of paramount importance to evaluate one key domain of internal flexicurity.

Figure 17: Companies with flexitime for at least a part of the workforce (2009)



Source: Eurofound, European Company Survey, 2009

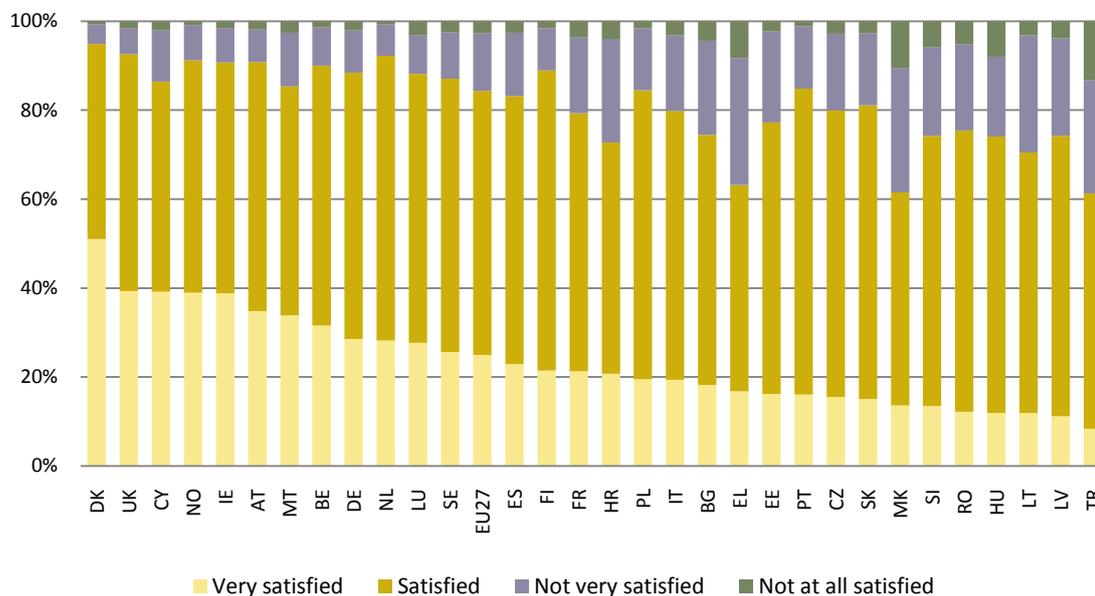
The figure above shows that the proportion of companies with some form of flexible working time arrangements is much more common in the Nordic and the so-called Continental countries than in the Southern or Central and Eastern Member States of the EU.

According to Eurofound's European Company Survey (2009), more than half (56%) of all establishments with 10 or more employees in the EU27 offer employees some form of flexi-time arrangements in the broad sense. The same source underlines the fact that the average proportion of employees entitled to use the flexi-time scheme on offer varies between 45% and 75%, indicating that in all countries on average a substantial share of employees is included in the scheme

It is likely that across Europe working time flexibilisation and access to more flexible forms of working time has increased significantly during the last 5-6 years. For example, social partners from Denmark reported in one of the cluster seminars that today, more than 80% of Danish workers have access to flexible working time models.

The models of work organisation are another relevant domain of internal flexicurity, as they can influence both the competitiveness of companies and employee's motivation.

The chart below shows a very positive evaluation of the current situation on the vast majority of the countries under scrutiny.

Figure 18: Satisfaction with working conditions in main paid job (2010)

Source: Eurofound: European Working Conditions Survey, 2010

An example of the important role of social partners at company and sectoral level, on innovation of the models of work organisation is the practice of “self-rostering” in the Danish public sector which was reported as a good practice example to the flexicurity survey:

Denmark: Self-determination of service schedules/rosters

The regional social partner agreement on well-being and health includes among a series of other initiatives the obligation for the employer to ensure that the staff members have influence on their working conditions including working time. A practical example of the carrying out of this obligation can be seen in a project/experiment conducted among others in the Region of Southern Denmark. To ensure flexibility and increase the possibility of self-determination of rosters/service schedules a wide variety of units (covering a wide variety of groups of staff) have been working with new ways to plan the working schedule. Using a new IT-system the staff members now have the possibility to influence and to a great extent plan their own working hours. The staff members simply type their wishes for working hours into the system. At the same time it is possible to see what wishes your colleagues have made and where there is a need of staff to cover a shift. When everybody has filled in their wishes it is possible for the staff members themselves to swap internally to complete the service schedule. The vision of this system is that the staff members among themselves conclude the schedule/roster.

Source: Reply to the questionnaire survey

Many other forms of working time flexibility and greater internal flexibility were reported by national social partners in the context of the survey and the cluster seminars. Here, not only in countries with a strong tradition of flexible work arrangements and high functional flexibility such as the Netherlands, Germany or Denmark but also in other countries significant progress had occurred in recent years as, for example the revision of the Portuguese Labour Code in 2009 illustrates:

Portugal: Reform of the Labour Code and working time flexibilisation

The revised Portuguese Labour Code (2009) introduced some positive measures, namely concerning the organisation of working time. In this matter we highlight the introduction of:

- Bank of hours by collective agreement;
- Concentrated schedules;
- Group adaptability;
- Possibility of compensation, through an agreement, between the work performed outside the work schedule and the absence by the worker initiative.

Source: Reply to the questionnaire survey

Already a lot was reported and written on the role of short-time working schemes, models of temporary unemployment or job-sharing arrangements in many European countries in context of cushioning the effects of the 2008 crisis and maintaining employment.²⁹ Here is not the space to document all initiatives reported in the context of the survey replies or as discussed in the cluster seminars of the flexicurity project. However, what has to be stressed is that the role of social partners in this context is crucial: Even in those countries where the government is the most important actor in the field of internal flexibility and working time regulation (many CEEC countries), the social partners are key in the context of implementing these schemes at the company level, e.g. by sectoral agreements.

Social partners have also been at the forefront of developing innovative and new solutions in the field of internal flexibility combined with provisions increasing the security of employees as the example of the Dutch “life-course savings” illustrates:

The Netherlands: Life-course savings

Another interesting and distinctive example of the Dutch approach to lifelong learning is the system of life-course savings accounts introduced by law in 2006. This system enables workers to save income or time to be spent later on leave periods or early retirement. Individuals can save up to 210% of their annual pay, for a maximum of three years of leave. Employers can contribute to these schemes and the basis for this is normally specified in collective agreements. In 2006, around 70% of collective agreements referred to aspects of the life-course savings account system.

Source: Country Fiche

3.5 ACTIVE LABOUR MARKET POLICY AND EFFECTIVE JOB TRANSITIONS

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. According to the concept, support should be available to improve the employability of those already employed and to manage transitions – both within the current job and between jobs. Also, 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 different forms of employment. Therefore, effective active labour market policies and managing job transitions are crucial elements of

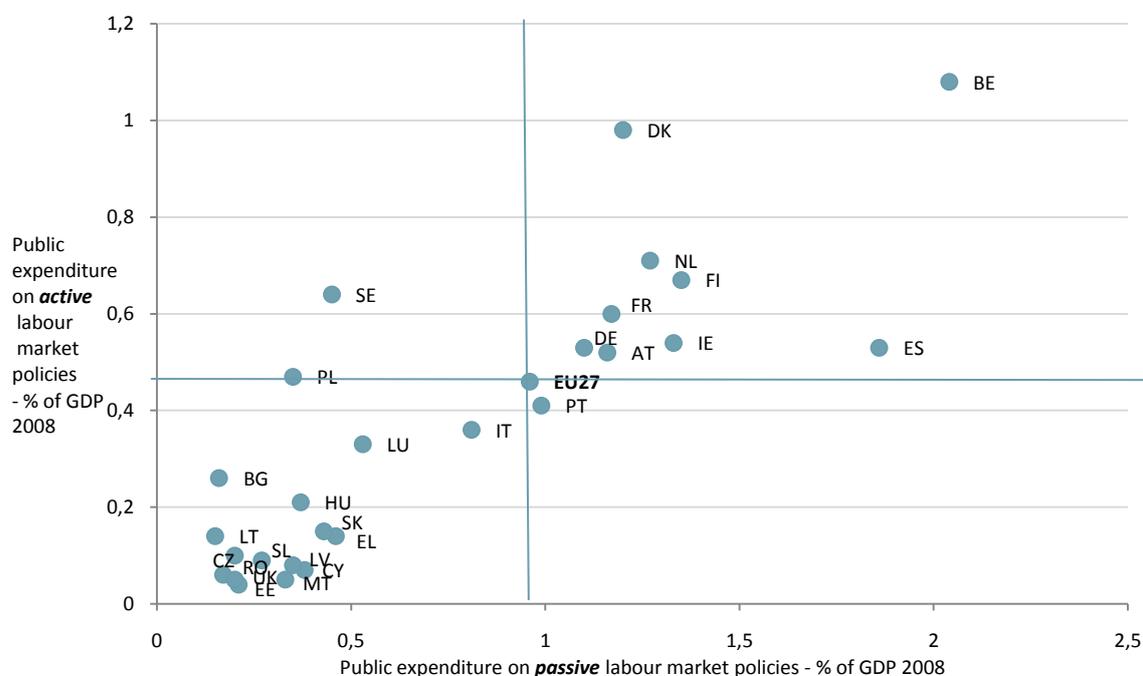
²⁹ See in particular the recent Eurofound Study on this issue: Eurofound 2010: ERM Report 2010. Extending flexicurity – *The potential of short-time working schemes*, Dublin.

the flexicurity concept. In this context, it has also been stressed that flexicurity implies a shift from job security to employment or change security – rather than protecting specific jobs, the employability of the workforce should be promoted. These changes of course lead to a strong emphasis on active labour market policy and managing job transitions.

Regarding the national frameworks and conditions of active labour market policies, the situation in EU Member States are 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 it is quite a new concept.

The following figure illustrates an overall scattered picture of financial resources of both passive and active labour market policy in 2008.

Figure 19: Expenditure on active and passive labour market policy measures (% of GDP, 2008)



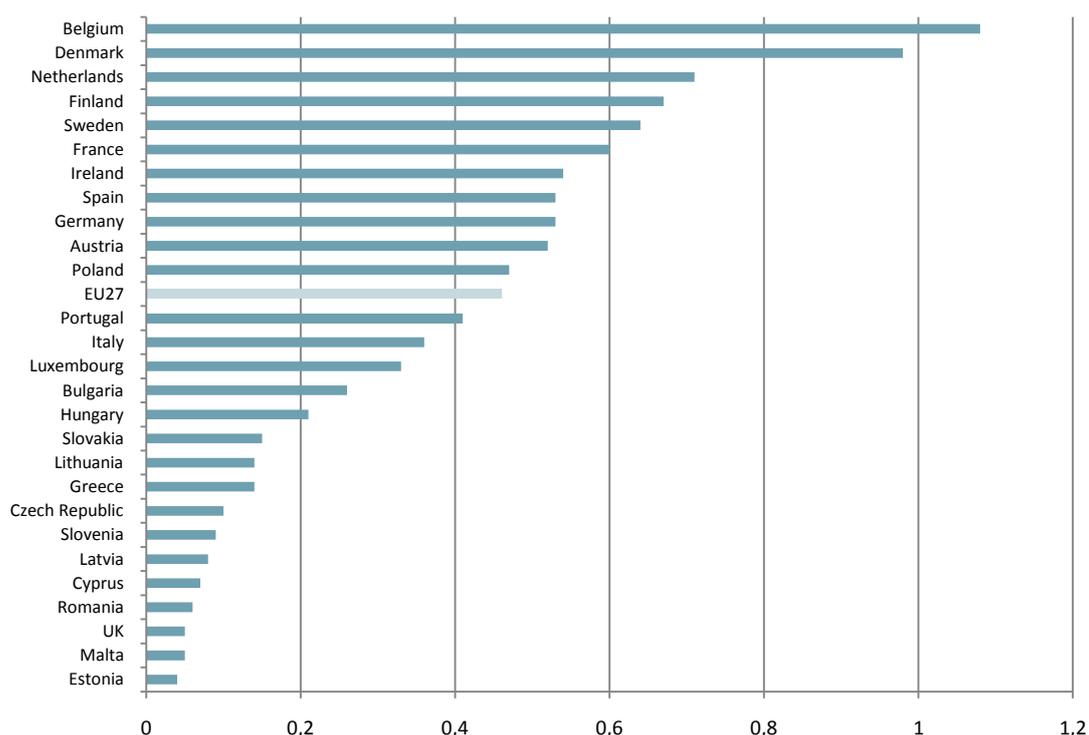
Source: Eurostat, own figure.

While in the EU27 an average of nearly 1% of GDP is spent on passive labour market policies, the respective figure for active measures is only 0.46%. When looking at the national expenditure, the following aspects are quite striking: Apart from Poland, all Central and Eastern European Member States and candidate countries range well below the EU average with most countries scoring very low on active as well as passive labour market measures. Also the UK, Luxembourg, Italy and Portugal shows only small shares on active measures³⁰

³⁰ According to Eurostat, three different types of labour market policy intervention should be differentiated: Service measures, measures and supports, with the latter referring to financial assistance, directly or indirectly, to individuals. Our overview above presents the data on service activities (passive measures) and measures, i.e. active measures of labour market policy. For further information see: Eurostat: Statistics in Focus, 94/2008.

and – apart from Portugal – also on passive measures, i.e. direct or indirect financial support for individuals.³¹ In contrast to this, the spending position of most continental and Nordic Member States are similar with the only exceptions being Belgium (high spending on both policy types), Denmark (relatively high spending on active measures) and Spain (high spending on passive measures).

Figure 20: Public expenditure on active labour market policies, % of GDP, 2008)



Source: Eurostat, own figure.

The responses from national social partners to the flexicurity survey as well as the discussions at the cluster seminars confirmed a trend that has also been visible at the EU policy: Active labour market policy and in particular its effectiveness has been the issue of debate, exchange and consultation for some time, now in particular, in the context of the European employment policy strategy the Lisbon reform processes.

However, when looking at the national level, the EU27 and candidate countries also show that 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. While in the Nordic countries, in Austria, France or Italy as well as Portugal and Spain, active labour market policies were the issue of reforms that clearly aimed at increasing the potential of job transitions, increasing the employability of workers

³¹ It has to be noted here however, that for example for the UK, the low score at least partly is explained by the fact that the public employment services are not taken into account in the respective expenditure figures.

and improving the situation of those outside or at the margins of the labour market, there have been different context conditions in other countries.

Another trend mentioned by national social partners, is to increase the efficiency of labour market policy and strengthening the idea of “making work pay”. An example is the Hartz-Reform package initiated in the late 1990s in Germany that was – according to employers’ replies to the questionnaire survey - very much triggered by the objective to increase the efficiency of labour market policy both in a functional as well as financial way. In this context, the balance of promotion and demanding was re-adjusted with reducing the promotion/security aspects and increasing the aspect of duties of unemployed persons and conditionality of support measures. Similar for Sweden, the social partners reported that the government has initiated changes that are more orientated towards supply side measures.

Also in the Czech Republic, the government has introduced reforms similar to Germany and Sweden, focussing on the notion of “making work pay” as the following reply from a Czech social partner organisation illustrates:

Czech Republic: Making work pay

Before the crisis the Government started very rightly to apply the principle “*Making work pay*” in line with the Kok’s report. The rules for unemployment benefits were strengthened (the job seeker cannot refuse offered job or training). The period was shortened. In the time of crisis (autumn 2008) the rules have been lifted and modified focusing particularly on low skilled and low paid workers. One of the anti-crisis measures is reduction of the non-wage labour costs. Both the sickness insurance and the state employment contributions have been reduced. Reduction of the employers’ social security contributions (up to 70,000 jobs should be saved by virtue of cheaper labour).

Source: Reply to the questionnaire survey

A comprehensive reform aiming at improving the capacities of the PES to bring people into employment and foster job transitions was carried out in 2009 in the Netherlands by the merger of the centres for work and income with the social security services that also included a number of other measures (creation of “work squares”, “30plus-work squares” and mobility centres - *see below*).

With regard to labour market policy reform processes in the younger EU Member States in Central and Eastern Europe and the Mediterranean, the situation differs insofar that low levels of expenditure here indicate that active labour market policies are still at an early stage. From countries like the Baltic States, Cyprus, Romania or Turkey as well as other Central European countries, the social partners reported that the shift from purely passive measures towards more active instruments focussing on employability, job and/or professional transitions was introduced only recently.

In countries such as the Czech Republic, Poland, Bulgaria, Romania, Malta and other younger EU Member States, it has also been reported that European funding (ESF, ERDF) has been used to finance measures in the field of active labour market policy.

As discussions in particular in the cluster seminars with national social partners showed, there are certain common reform trends in regard to active labour market policy reforms carried out recently:

Many countries have recently carried out reform that aim at making the public employment service more efficient, e.g. by more individualised services (Germany, Belgium, Italy, France), merging of institutions in the field of job search and PES (Estonia, Finland, Germany), the development of integrated services (e.g. Malta), the introduction of e-services, decentralisation (Denmark, Belgium, Italy). Also the monitoring of measures, instruments and programmes was strengthened in many countries.

In the field of public employment services also the outsourcing of certain services and the introduction of competitiveness was reported, e.g. in Belgium, Italy or Poland.

Special support measures targeting certain categories of groups that are regarded as particularly disadvantaged or less-favoured (e.g. younger and older people, women, migrant workers, ethnic minorities) were introduced also in many countries recently. In countries like Hungary or Croatia measures have been introduced to improve the situation of the ethnic group of Roma in the labour markets. Examples for various initiatives in this field have been reported in replies of the Dutch social partners to the flexicurity survey:

The Netherlands: The “Investing in People Act”

This Act enables local municipalities to reduce social benefits for young people. Since September 2009, all Dutch municipalities are obliged to give young people between 18 and 27 who apply for social assistance benefits a personal offer consisting of work, training or a combination of both. The biggest cities have been implementing with success this strict activation strategy since the mid-2000s. Youth without basic vocational qualification will be incited to opt for training to get the equivalent of an upper secondary vocational diploma. In case of refusal, they will receive only a reduced benefit.

Source: Reply to the questionnaire survey

There are also some cases, where labour market policy support measures have opened up for groups that have not or only partly been covered, e.g. fixed-term and temporary workers in Belgium or self-employed in Austria. Also the reintegration of disadvantaged groups into the labour market has been a focus of reform measures in countries such as the Netherlands, France, Germany or Slovenia. In this context, it has to be stressed that the public sector in many countries plays a pro-active role in measures of active integration. As for example, German employers’ organisations reported, there are many examples of public enterprises having developed programmes in order to facilitate the entry of people at the margins of the labour market.

There is no uniform picture regarding the involvement of social partners in active labour market policy and reform measures in this policy field: While there are cases where reforms have been supported and implemented on the basis of tripartite agreements (Portugal 2008 reform, the 2007 “Flexicurity Package” in Austria, reforms in the context of the “developmental welfare state” in Ireland) or via collective agreements (Finland, Denmark, Sweden), there are a lot of cases where national social partners report that social dialogue in the context of reform measures was only formal and/or symbolic with no real influence gained by social partners. This has, in particular, been reported by social partners from Central and Eastern European countries and in the two candidate countries.

However, the survey reply showed also that successful measures and cases of good practice in most cases are built on a broad consensus amongst key actors, and in many cases implemented by an active role of social partners at various levels.

Social partners have been involved in a number innovative measures in the field of active labour market policies, e.g. the “*Job contract mix*” in Denmark, attempts to facilitate the integration of new groups into the labour market in Cyprus or recent initiatives in France focussing also on the support for labour market entries illustrate:

Denmark: Job contract mix

The social partners have concluded an agreement called the “social chapter”. The social chapter sets the frames for initiatives dealing with the retention and recruitment of people who for various reasons are not able hold a job on regular terms and conditions – people furthest from the labour market, people with mental and physical disabilities, etc. – and gives them the possibility of working under various flexible terms and conditions. Furthermore the social partners have conducted an agreement on integration and training positions specially aimed at immigrants and descendants with poor language and/or professional skills who would not be able to archive jobs or education within the ordinary frames. The purpose of these positions is to qualify and train for employment in ordinary terms and conditions. Both the above mentioned agreement must be seen as a supplement to the legislation on active employments measures.

Cyprus: Productivity Centre

The Cyprus Productivity Centre has launched in May 2010 a pilot subsidy scheme for attracting people into the labour market through flexible employment arrangements and will run until August 2015. The plan includes wage subsidies for companies that wish to participate and also covers the employees’ transportation costs. It aims at creating new work positions and reducing unemployment. The plan has a budget of €3,000,000. Another pilot plan for creating flexible employment positions within companies (for current employees) is expected to commence in 2012.

France: Labour market policy innovations

Following the National Inter-professional Agreement on the modernization of the labour market, new regulation of several systems has been introduced: Examples are the conventional breaking-off (*rupture conventionnelle*): breaking the contract is facilitated and appeals for the employee are limited. Possibilities of *job trial periods* were the subject of many sector collective agreements before it became part of the Labour Code and the maximum duration has been extended.

Source: Replies to the questionnaire survey

Many initiatives reported in the context of the project focused on the stronger orientation of active labour market policy on groups outside or at the margins of the labour market, e.g. bridging the transition from school to work or from temporary jobs into permanent ones.

Schemes to support the integration of undeclared workers into the labour market have been reported by social partners in Malta.

Initiatives focussing on job transition and support for job creation were reported in the context of the project, in particular, from the Nordic Countries and some continental Member States. But also in some CEEC the 2008 initiatives has resulted in measure of active job creation support, e.g. in Estonia as the following examples illustrate:

Initiatives to foster job creation and permanent jobs

Finland

A new so-called “*Sanssi-Coupon*” was launched on May 2010 to improve employment of young people. In practice, the employer will get support paid by government (max. 500 €/month 10 months) if the employer hire the unemployed young people (under 30 years).

Estonia

Wage subsidies are paid to employers who hire an unemployed person. It is paid in the case of unemployed people who were released from prison in the 12 months prior to registering as unemployed and those who have been registered as unemployed for more than 12 consecutive months and have not found work during that time. The benefit may also be paid if an unemployed person between the ages of 16 and 24 is hired who has been registered as unemployed for more than six consecutive months and has not found work during this time. A grant is paid to unemployed people who take part in work experience, work practice or 40 hours of labour market training.

Netherlands

There are several new instruments that stimulate working and taking into employment persons which are partly able to work since 2008. Also the transition from special supported work forms to ‘normal’ work forms is stimulated by different measures of the Dutch government and relevant stakeholders.

Another issue related to job transitions is the change from temporary employment to permanent employment. In the Netherlands many forms of temporary employment act as a stepping stone to permanent employment. With the ‘stepping-stone’ effect being often a bit higher for those in relatively weak labour market positions, including workers with low education and ethnic minorities. The above mentioned initiatives/ actions/ policies are only some examples of what happens in this field in the Netherlands.

Since the first of March 2009, a national network of thirty mobility centres has been established at offices of public employment services with a specific role in regional labour market policies. Within these centres the local employers are in charge of the services that are provided: their needs are the determining factor while the UWV is responsible for the implementation. At the same time more room is created for private initiatives for assisting employees at risk of being dismissed, whether or not in cooperation with the UWV. There are various tools that can be deployed here: temporary employment agencies, zero-hour contracts, pooling by companies in the same branch of industry, redundancy programmes, education and development Fund (O&O fund). Tailor made solutions are key here. Industry organisations can use part of their O&O fund for training. In consultation with the social partners, the Cabinet will devote some of the extra resources that have been made available for the problems in the labour market to helping people find a new job.

Source: Replies to the questionnaire survey

An example of good practice in the field of job transitions, “transition agreements”, was presented jointly by the Swedish social partners in the context of the study. Today, already a large part of the Swedish workforce (2 out of 3 workers) are covered by private transitions agreements and for public services an agreement was recently (in December 2010) reached, covering around 1.1 million employees (approx. 25% of the Swedish labour market). As the Swedish social partners have stressed, the transition agreements are embedded in the four pillars of the national labour market model and are characterised by the following key factors:

- The agreements complement the public employment service
- They are designed and implemented by collective agreements that provide for additional resources in order to support transitions between jobs, e.g. by funding job search activities, training and/or topping-up unemployment benefits
- The agreements are based on the principles of sharing the costs between employees and employers

Though the orientation towards job transition and also the shift from job security to employment security, sidelined by measures to increase the individual employability seem to be a general trend in contemporary labour market policy reform processes across Europe, which is actively shaped by social partners in bilateral as well as tripartite structures and bargaining, there are also different notions in regard to main challenges: Trade unions have expressed concerns about the success in the current economic environment, i.e. the barriers of job transitions policy in times of “jobless growth” as the following quote from Turkey illustrates:

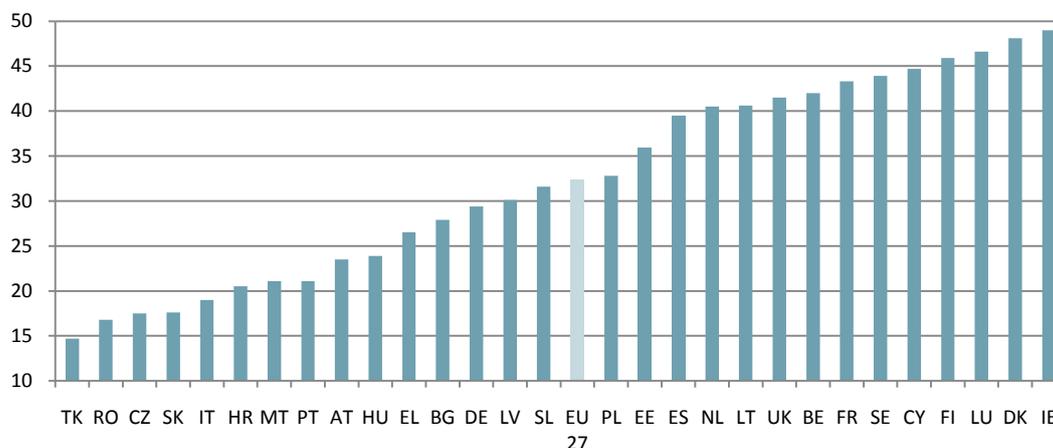
“Within the last decade, Turkey has experienced jobless growth. “Better access to work opportunities” can only be a secondary challenge if there is “no job” in the economy.”

On the other hand, employers’ organisations have stressed the need to have the most effective measures and instruments of active labour market policy in place in order to ensure quicker transitions into and within the labour market and to ensure that spending on active spending adds value, as the following quote from an employer representative of the German crafts association illustrates:

“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.”

3.6 INCREASING ADAPTABILITY, LIFELONG LEARNING AND MOBILITY

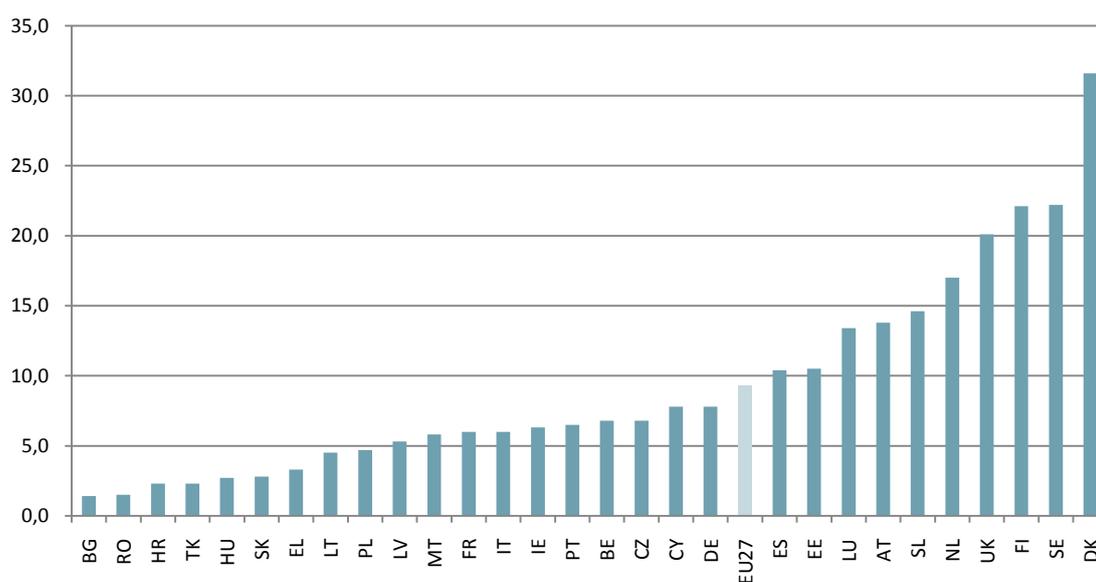
There is a broad consensus between social partners and governments in Europe today that comprehensive lifelong learning strategies and better investment in human resources are necessary to respond to rapid change and increase competition. Lifelong learning and the continuous adjustment of competences and needs is an increasingly crucial factor both for the competitiveness of firms and the long-term employability of workers. High quality initial education, broad key competences and continuous investments in skills improve enterprises’ opportunities to cope with economic change and workers’ chances of staying employed or finding new employment. From the point of view of the EU Commission and national governments high participation in lifelong learning is positively associated with high employment and low (long-term) unemployment. Against this background, the 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. In regard to educational attainment, the target has been set that by 2020 at least 40% of the population aged 30-34 having completed a university or similar education level.

Figure 21: Tertiary educational attainment, age 30-34, 2009

Source: Eurostat, own figure

The comparative data of the table shows that nearly a dozen countries are meeting the 2020 target already today; there are also 12 countries as well as the two candidate countries that are clearly below the target with shares of tertiary education levels 30% or below.

Even larger are the gaps between European countries in regard to lifelong learning or continuous vocational education indicators as the table below shows: In regard to participation rates in lifelong learning, only the Nordic countries Denmark, Sweden and Finland show rates of more than 20% with Denmark the only country having had a participation rate in LLL of more than 30%. Most European countries are below the EU average of only 9.3%, including 9 countries that only have participation rates of less than 5%.

Figure 22: 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

Against these figures, it becomes clear that Europe as a uniform geographical entity is far away from the aim of being or becoming knowledge-based economic area. The overall picture is rather like a patchwork of at least three quite different groups of countries: A first group consisting in particular of the Nordic countries but also the Netherlands, the UK and Luxembourg as a top group in regard to educational attainment as well as lifelong learning participation. Apart from this top group, the situation in most of the Continental and central European countries can best be described as “average” while the situation in quite a large number of countries (all CEEC plus candidate countries and Greece) has to be described as seriously insufficient.

The data and observations have been confirmed also by replies to the questionnaire survey and the discussions at the cluster seminars in the context of the project. At first view, the picture is somehow contradictory: The assessments made in the context of the survey replies show quite a strong bias towards assessing lifelong learning as a strength of national policies and also in the field of good practice initiatives of social partners in the field of lifelong learning or other forms of skills development were reported more frequently than other fields. Also the overview of measures in various fields of lifelong learning and competence development illustrate a large variety of practice in this context.

In the context of a comparative evaluation of national developments, the following objectives and types of measures have been identified as more or less common trends in the field of lifelong learning:

- National reforms and initiatives addressing major and specific national challenges: in 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: Latvia, Lithuania, Hungary, Croatia, Cyprus, Romania, Bulgaria and Turkey
- Moving towards the Europe 2020 targets as a political orientation: Sweden, Finland, Denmark and the Netherlands
- Focus on increasing the number of participants in tertiary education: Sweden, Denmark, Germany and Austria
- Implementing the individual right to training: e.g. Luxembourg, Portugal, Belgium and France
- Increasing the participation in CVT and LLL by new initiatives: Austria, France, Poland, UK, Belgium and Italy
- Improving the system of vocational training: Spain, France and UK
- National skills strategies and comprehensive approaches of skills development: Ireland, Austria and Denmark
- Individualised approaches of skills development (e.g. competence profiles, individual training plans, training vouchers): Belgium, France and Germany
- Lifelong learning strategies and better coverage of flexible workers: France, Austria, Denmark, Ireland and the Netherlands
- Ensuring professional experiences of jobseekers: Belgium, Poland and Malta
- Developing systems of recognition of informal and non-formal education: Czech Republic

This brief overview, which of course is not exhaustive, shows that the national context situations and points of departure in regard to lifelong learning and skills development are quite diverse. There are countries that have already quite mature approaches with a strong tradition of policies, while in other countries there is still the need to establish respective structures and practices.

At the same time, there are challenges that all European countries are facing in the field of training and lifelong learning: 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. And enterprises may be discouraged from investment in skills because trained staff may be recruited by other employers. These observations are confirmed by the latest European Working Conditions Survey, conducted by Eurofound. Although the survey found that in 2010, training paid for by employers was at its highest level since 1995 (for the EU15), breaking a fifteen year trend in which employer-provided training had not increased, the survey also shows that training opportunities are not equal for all workers: Permanent employees benefit much more from employer-paid training than those employed on other arrangements. According to the EWCS in 2010, 39% of permanent employees accessed employer-paid training, compared with only 26% of other employees.³² The survey shows an increase for those who need the most, as manual workers caught up more rapidly than of the average of employees, with a proportion of workers accessing training rose from 18% to 22% between 2000 and 2010.

Also 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. Here the sector training funds in Italy can certainly serve as an example of good practice:

Italy: The FONDIMPRESA – Training Fund

FONDIMPRESA is a joint inter-professional training fund constituted by Confindustria in cooperation with CGIL, CISI and UIL. It was established in 2001 and is financed from contributions amounting to 0.3% of the workers' salary. It covers approx. 73.000 enterprises and 3 400 000 workers. Its annual budget is approx. 200 million EUR every year. There are two schemes within FONDIMPRESA: *Conto Formazione* and *Conto di Systema*. *Conto Formazione* is an individual account of each enterprise - FONDIMPRESA member and financed from 70% of the total contribution. It aims at ensuring balance between big companies and SMEs as well as enterprises located in the North and in the South. *Conto di Systema* is a collective account that is to support all workers – members of FONDIMPRESA. It finances training initiatives for them using 26% of the total contribution. Since 2007, thanks to FONDIMPRESA, there were 10.000 training programmes organized worth 570 million EUR from which 980.000 workers benefited. The structure of benefiting enterprises was the following: 84% were small, 13% medium-size and 3% big enterprises. As for the sectors benefiting: 44% of benefiting enterprises were from manufacturing sector, 20% from construction and 20% from services. More than 30% of workers benefitting from initiatives financed by FONDIMPRESA were over 45 years old and approx. 23% were above 34 years old. FONDIMPRESA is managed jointly by social partners.

Source: Presentation by Confindustria at the 1st Cluster Seminar in Warsaw, November 2010

³² See <http://www.eurofound.europa.eu/surveys/ewcs/2010/training.htm>.

Comments made by Italian trade union representatives highlight that these funds could be very useful, but also stress that accessibility is still difficult due to bureaucratic barriers to obtain the financing is high. In order to improve the usage of the funds, trade unions have proposed to broaden the scope of eligibility, in particular with regard to apprentices and to SMEs' managers who are currently not eligible.

However, this example also illustrates that the social partners play a key role in the implementation of successful instruments and measures of lifelong learning. There are many other examples gathered in the context of this project as the following examples illustrate:

According to the Belgium employer organisation in the SME sector, subsidies have recently been introduced in order to support training and LLL measures in small companies (in particular focussing on training measures, consultancy, advice on technological and international issues and strategic orientation).

Another example is the HRDA in Cyprus which from the point of both employers and unions should be regarded as a case of good practice:

Cyprus: The “Human Resources Development Authority” HRDA

The Cypriot “Human Resources Development Authority” HRDA according to employers and trade unions should be regarded as a case of good practice in improving the situation of skills and qualification in Cyprus: HRDA offers a number of training programs, aimed both at companies and employees aiming for the upgrading of the human resources, with continuing and lifelong training and retraining of workers, new labour market entrants, the unemployed, the economically inactive women and those low-skilled and older employees to be able to be employable. As of recent and because of the crisis, HRDA has also introduced training programs for the unemployed as means to improve their employability and in-house training in business with reduced business to cover the dead time of employees instead of them losing their jobs. Other various programmes vary in length and scope and are often targeted towards specific groups (the very young, the unemployed, recent university graduates etc). Furthermore, the HRDA is conducting a survey to examine the inclusion of the self-employed in its training programs, a group that is at the moment excluded as they do not contribute to the Fund of the HRDA as the rest of the businesses.

Source: Replies to the questionnaire survey

Social partners have either initiated or actively influence reform measures at the national level. An example for this is the Austrian case, where the social partners launched two far-reaching initiatives proposing mid-term political orientations for the Austrian education and labour market policy:

- “*Chance Building*” –aiming to a comprehensive strategy of lifelong learning
- “*Arbeitsmarkt – Zukunft 2010*” – including a reform of Austrians apprenticeship training systems and a training guarantee for the youth

In Portugal, in recent years following an agreement achieved in March 2007 between the government and the social partners “*Agreement to the Reform of Vocational Training*,” a profound reform of vocational training is under way, focussing inter alia on increasing the lifelong learning culture. Also the revision of the Portuguese Labour Code which followed the 2008 “*Tripartite Agreement for a new System of Labour Relations Regulation, and Policies of Employment and Social Protection in Portugal*,” introduced positive changes on the provisions regarding vocational training by various measures.

A further example that illustrates the important role of social partners in the design and implementation of reforms was reported from France. The example also illustrates the linkage between training and crisis response measures:

France: Inter-professional agreement on vocational training 2009

The national agreement on vocational training concluded in January 2009 consists of the following elements:

- Setting of an emergency fund (for the year 2009) to finance the training needs of employees and job seekers mostly affected by the crisis
- Setting of the Joint Fund for the Security of Professional Careers (*Fonds Paritaire pour la Sécurisation des Parcours Professionnels*) (structural long-term system), which aims at supporting financially the access to adequate training systems for employees and job seekers.
- Observatories and Certifications Committee (*Comité Observatoires et Certifications*): in charge of the development of bridges between different professional certifications and the development of inter-branches “CQP”. Also works on a common stand of knowledge and skills for employees. All these points are important to enable mobility between jobs and professional branches and securing careers.
- Agreement on the management of social consequences of the crisis on employment: measures aiming at “training instead of dismissing”, notably regarding short-time working (*chômage partiel*).
- Setting up of a Social Investment Fund (*Fonds d’Investissement Social*) to coordinate funding and grants from different stakeholders (States, Regions, Social Partners) and to develop coherent responses for employees and job seekers most affected by the crisis (training during the period of partial unemployment, implementation of partial unemployment in SMEs, accompanying measures in case of economic terminations, training of job seekers...)

Source: Reply to the questionnaire survey

In many countries, the social partners have integrated provisions on LLL and CVT in collective bargaining agreements at sector and/or national level. Examples here are the development of training schemes at sector level or the Danish collective agreement for the industrial sector: According to this agreement concluded in 2007, the employee has the right to up to two weeks of training and education paid by the employer. This scheme is financed by contributions from the employers through payment into a solidarity fund.

Also the social partners in the Danish public sector have been a major driving force for initiatives in the field of LLL.

Denmark: Public sector agreement on competence development

The social partners have agreed on a general framework regarding development of competences with the purpose to oblige both employers and employees (at local level) to make an increasing prioritising of development of competences. This concerns the day to day learning by practise and training as well as the life-long-learning via courses, etc. to ensure the development of the employee and secure the skills-need of the workplace. The agreement obliges the so-called “Cooperation and coordination committee” (works council) of each region to have yearly strategic discussions regarding development of competences. In addition to these discussions the different units also have to have a competences development plan. Furthermore the agreement states that each employee has the right (and the obligation) to take part in a yearly performance review.

During this review the employer and the employee draw up an individual development plan for the year to come. As a quite recent initiative each region has established a Competence Foundation (financed by the tripartite agreement mentioned above) with the purpose of supporting and promoting the development of skills and competences. The foundation that includes both employers and employees allocates the funds to different initiatives and courses supporting skills, competences and employee development in general.

Source: Country Fiche

There are also critical voices, in particular from social partners in the CEEC and other countries with rather weak coverage of employees by social dialogue and collective bargaining, e.g. in Poland as the following two quotes from representatives of Polish trade unions and the employers' organisation for craft and small companies to the questionnaire survey indicates:

"No developments observed recently. There are no obligatory training funds on company or sectoral level. In labour law there is no individual right of employee to get a training plan from employer. Also trade unions do not participate in establishment of training plans for employees."

"Employers are aware of this problem and appreciate (generally) skills and qualifications of their workers. But on the other hand they are rather not so engaged in educational processes of their employees. According to a recent survey, only about 30% of employers have created company training plan."

3.7 INCLUSIVE LABOUR MARKETS, SOCIAL COHESION AND GENDER EQUALITY

The Common Principles of flexicurity refer to various aspects that are important in this context:

- *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"*;

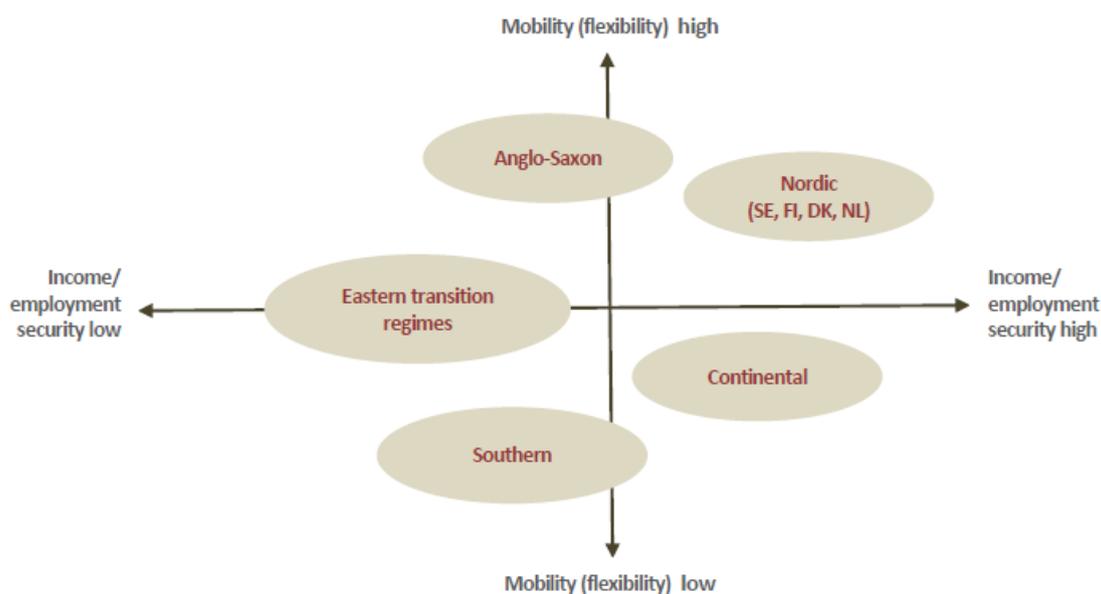
In regard to these overall principles, it is important to consider that Europe is characterised by a significant diversity of social security systems: Different social protection systems put the emphasis on different sets of benefits and ways of financing of social protection systems. In order to explain this, different welfare state typologies were put forward. The one which guides the debate most often was developed initially by Esping-Andersen, who identified

three ideal types of welfare state (the corporatist/conservative welfare state, the liberal welfare state and the social democratic welfare states), complemented to a great number of scholars by a fourth model, the Mediterranean welfare state. All countries however have adapted to changes in policies and have become more hybrid models. It is also difficult to classify the new Member States using this typology.

However, based on the typology, some characteristics for each of the different groups can be identified. These should be taken into account in the debate on flexicurity for each of the social protection systems.

The following figure presents the ways in which countries and regimes may be clustered according to different systems of welfare and social security. The figure shows the theoretical relationship between flexibility and income and employment security with the level of income and employment security displayed on the horizontal axis and the level of labour market on the vertical axis. According to their institutional characteristics, countries cluster around a limited number of welfare regime types.

Figure 23: Welfare regimes and flexicurity



Source: Own, based on Muffels and Luijkx 2006.

The Nordic model, covering the Scandinavian countries and also the Netherlands, is expected to attain a high level of labour market flexibility due to its low level of employment protection legislation. At the same time, this model provides substantial income and employment security due to a generous benefit system, a tightly regulated collective bargaining system on employment and active labour market policies.

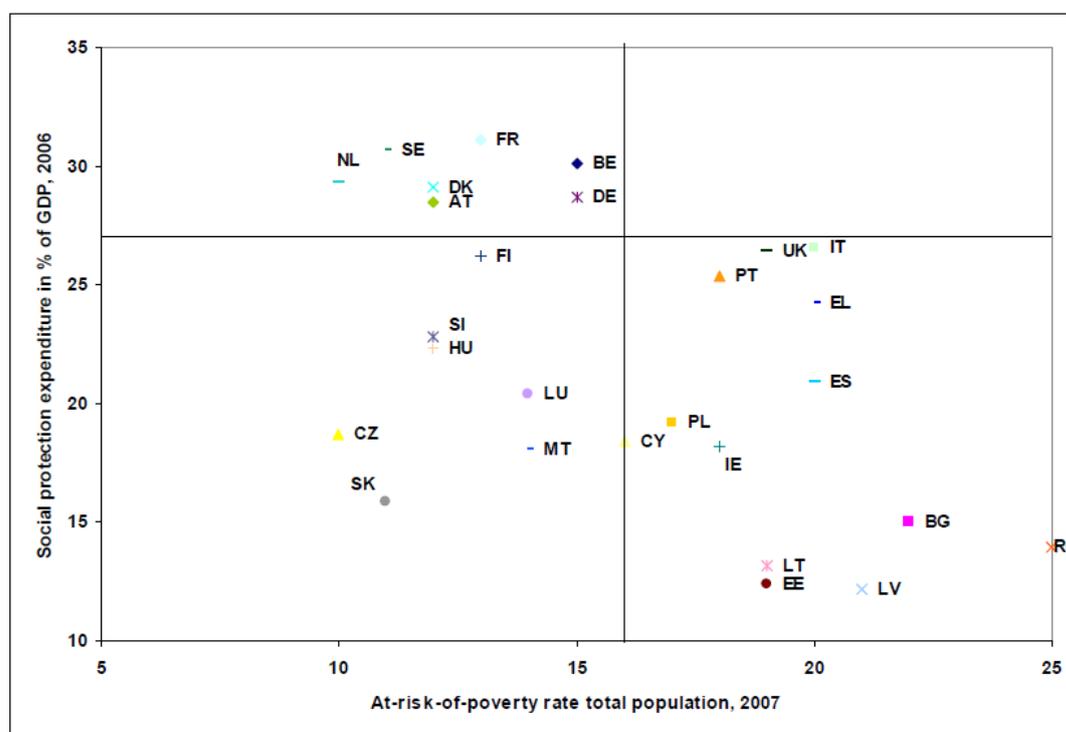
The Anglo-Saxon model, including Ireland and the UK, is presumed to be strong in terms of flexibility due to low employment protection, but weaker in terms of income and employment security due to the absence of active labour market policies and lower levels of income and employment protection. The Continental regime, covering Austria, Belgium, France and Germany, might not perform particularly well as regards labour market flexibility due to its strong employment protection legislation, but may fare better in terms of

safeguarding income based on high benefit levels and employment security with active labour market policies.

Although generalisations should be viewed with caution, the southern European model, including Greece, Italy, Portugal and Spain seems to combine a low level of flexibility due to strong employment protection, with low levels of income – based on an immature social protection system – and employment security due to a segmented labour market aimed at the protection of insiders.

The figure below illustrates the risk of poverty rate of the population in European countries in correlation with the share of social security expenditure as a share of GDP based on figures from 2006.

Figure 24: Social protection expenditure and at-risk-of-poverty rate of the total population in EU Member States, 2006



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 vertical lines depict the EU averages of the variables.

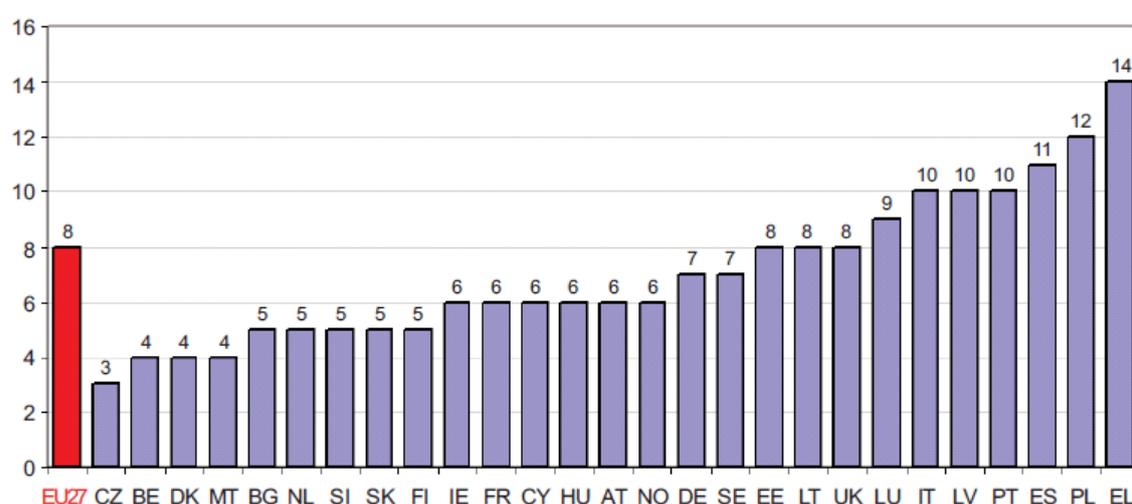
The figure and the four quadrants illustrate that obviously there is a relationship between the level of social security expenditure and poverty risks: All countries in the top left quadrant are characterised by high above-the-EU average spending on social security and risk of poverty rates below the European average. Whilst the bottom left quadrant (below the EU average share of spending on social security and below average risk of poverty rates) contains seven EU Member States, thirteen others are characterised by low expenditure on social security combined with high rates of risk of poverty (bottom right quadrant).

Although the unemployed and inactive people on the labour market are those groups that are far and away the most likely face poverty, being in work is not an absolute guarantee of

escaping poverty. This is illustrated by the share of those who are at risk of poverty in work (where the disposable household income is 60% of less of the median disposable income).

According to the data from the EU Statistics on Income and Living Conditions (EU-SILC) for 2007³³, in the EU27, about 8% of persons in employment were considered as working poor, meaning working and nevertheless living under the poverty threshold. As the following figure illustrates, significant differences arise among the individual Member States: Greece (14%), Poland (12%), Spain (11%) as well as Italy, Latvia and Portugal (10% each) show the highest in-work poverty rates while Member States with the lowest in-work poverty rates are the Czech Republic (3%), Belgium, Denmark and Malta (4% each).

Figure 25: In work and at risk of poverty (% of employed persons)



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

Some people are more or less likely to face poverty in or outside of work: As many studies have shown, women in general are a higher poverty risk and the household situation is also a crucial factor. However, in regard to in-work poverty, statistics show that, if women are in work, they are on average across the EU nearly as likely as men to live in households with a poverty-level of income.

Describing the challenges with view on the progress made towards the social dimensions of the Lisbon Strategy, a report by the EU Commissions' Social Protection Committee in 2009 has made the following assessment:

"A job is not always a guarantee against the risk of poverty and the working poor represent 1/3 of the working age adults at-risk of poverty. Since 2000, the development of temporary work, part-time work (including involuntary part-time) and sometimes stagnating wages have increased the number of individuals with low yearly earnings (especially among women and the young). For many of these workers, these jobs are not stepping stones towards better jobs."

³³ No data available for Romania, Bulgaria and the candidate countries Turkey and Croatia.

In-work poverty is also related to situations where there are too few adults working in the household, or where they are working too few hours or only part of the year. Single and lone parent households, as well as one-earner families face the highest risks of poverty.”³⁴

With regard to the reasons for in-work poverty and their underlying factors, the European Commission in its recent “*Employment in Europe Report 2010*” has highlighted the growing labour market segmentation and has made the following assessment in regard to temporary work:

“Temporary contracts can play an important role in the transition process between education and the world of work, i.e. by facilitating entry into the labour market, particularly in those countries where apprenticeship/traineeship systems are underdeveloped. Temporary contracts can facilitate worker selection and a better matching of job requirements to workers’ needs/aspirations, particularly when they also provide training opportunities that serve as bridges or stepping stones into more permanent and/or better paid jobs. However, in recent decades, labour markets in several EU Member States have been characterised by increasing dualism or segmentation. These terms refer, essentially, to the coexistence of workers with stable (i.e. long-term) employment relationships and other workers with temporary employment contracts, including agency work as well as seasonal or casual jobs.”³⁵

This assessment is mirrored also by the views of the social partners reported in the study that illustrate quite different views on major trends and challenges in regard to social security and inclusion.³⁶ The survey, the interviews and debates at the seminars illustrate that the priorities of employers’ organisations and trade unions differ significantly:

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 in the long run, to gear financial systems and support measures more towards job creation by companies and increasing the employment participation and creation of jobs. 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.

Employers’ assessment of recent social security reforms and challenges

Germany: The Hartz reforms have made the German social aid system more efficient and fairer. Also the introduction of the "pension with 67" was, because of the demographic evolution, necessary to foster the financial basis of the pension system in the future. However, reforms notably of public health system are lacking.

Denmark: There is an increasing focus on ensuring continuous pressure on all unemployed to get a job. Thus, the rules covering the availability of the unemployed to the job market has continuously been tightened: i.e. the unemployed have to show up at regular meetings with the local job centre, send in a CV, have an action plan drawn up, be actively seeking jobs etc.

Sources: Replies to the questionnaire survey

³⁴ EU Commission 2009: Directorate-General for Employment, Social Affairs and Equal Opportunities, Social Protection Committee, Indicators and statistics per country – Growth, jobs and social progress in the EU, Brussels, <http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=596>.

³⁵ EU Commission: *Employment in Europe 2010*, p. 121.

³⁶ See for example: Eurofound 2010: *Working Poor in Europe*, p. 18-21 on the views of social partners on the issue of working poor.

In contrast to this, 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.

Trade union concerns about the deterioration of social security

Germany: According to the trade unions the new Unemployment Benefit II (for long-term-unemployed persons, “Hartz IV”) has increased the poverty level and they demand an increase in the payment. Furthermore, the unions criticize that *Hartz IV* provisions have reduced the chances for unemployed people to receive training allowances; lifelong learning has not sufficiently been supported, as public expenses on further training and on adult education were cut.

Sweden: Deterioration has occurred in both unemployment benefit systems and sick leave benefits. In unemployment benefits replacement rates has drastically been cut making the level of the Swedish system one of the least generous on the OECD. The sick leave benefits has introduced strict timelines where rehabilitation measures are not in place and sick persons are pushed onto the labour market even though they still are sick.

Denmark: There have been serious deteriorations in this area due to the fact that it has been transferred to the local authorities and will thus be influenced by the economic situation in the individual municipalities. This used to be the responsibility of the state, and the introduction of active labour market policies was carried out in close cooperation with the social partners. The situation in this area has also deteriorated due to cost-cutting in the appropriations for training and education. The duration of the period of entitlement to unemployment benefit has just been halved from four to two years and, in this connection, no funds have been set aside for job creation for the unemployed. Social security has thus been reduced.

The Netherlands: Due to the economic crisis the European governments are forced to use budgetary discipline to realign with the stability and growth pace, this means severe cut backs in government spending mainly by cut backs in social security. We see this trend throughout Europe, speaking in terms of flexicurity this means an overall weakening of the security pillar.

Source: Replies to the questionnaire survey

Similar positions have been taken by trade union organisations in other countries, e.g. Germany, Spain or CEEC countries like the Czech Republic, Hungary or Romania. Trade unions in Ireland, Hungary, Latvia or Croatia have reported that the security pillar is the pillar of flexicurity that is most under threat and pressure in their countries.

In this context, it also should not be forgotten, that in countries such as Turkey, Romania and other European countries significant parts of the national workforce is employed on an illegal or informal basis not covered by any form of social security.

The differences in the assessments made by trade unions and employers do not mean that the social partners are not involved in joint initiatives that are aiming at improving the job and employment security in contemporary labour markets. There are a lot of practical cases where trade unions have actively influenced policies in coalition with employers’ organisations in order to improve the social security with view on certain groups of workers, in specific sectors or in regard to certain challenges as the following examples illustrate:

Austria: Improving the social security for labour market groups with little coverage so far

Self employed who were employed as workers before, keep their entitlement to unemployment benefits – even without paying further contributions. Since January 2009 self-employed, who have not been worker before, may opt for voluntary unemployment insurance. Unemployment benefits for “economically dependent worker” (*freie Dienstnehmer*) are covered by the unemployment insurance and the severance pay act.

Portugal: Improving the social security system

In 2006 the social partners reached two agreements with the government – “Agreement on Strategic Guidelines of the Social Security Reform” and “Agreement on the Reform of the Social Security” – with the aim of securing the financial sustainability of the Portuguese security system. The unemployment benefits scheme has been reformed in 2009, with the scope to extend the number of beneficiaries (facilitation of access conditions and extension of the grant period). These measures are transitory, due to the economic crisis. In 2010, the Government approved this change in the framework of the Stability and Growth Pact 2010-2013 which aims at reducing public deficit.

The Netherlands: Stepping stones into permanent employment

Another issue related to job transitions is the change from temporary employment to permanent employment. In the Netherlands many forms of temporary employment act as a stepping stone to permanent employment. With the ‘stepping-stone’ effect being often a bit higher for those in relatively weak labour market positions, including workers with low education and ethnic minorities.

Denmark: Transitions part-time/full time

A huge number of the regional workforce is part time employed. Today only 40 % of the nurses are working full time. This leaves a total of 60 % working part time. The average working hours for a nurse is only 30 hours per week. As an attempt to decrease the problem of staff members working part time there was concluded a political agreement (parallel to the 2008 collective bargaining) guaranteeing the employees working part time the right to obtain full time jobs (under certain conditions). This agreement applies for the nurses and the health care assistants.

Source: Replies to the questionnaire survey

The important role of social partners is also illustrated by initiatives and measures designed by them in regard to single aspects of social security, in particular on gender and on the integration and equal treatment of other disadvantaged groups in the labour market, for example migrant workers.

It is a well known fact that is documented by many replies and concrete examples in the project that social partners have been actively involved in campaigns for equal pay, improving the situation of women in the labour market by measures that aim at better work life balance and access to the labour market, as the following examples from countries where social partners play a significant role in shaping practice at national as well as company level illustrates:

Collective agreements and social partners’ initiatives focusing on gender equality***France***

There is the obligation to open negotiations on professional gender equality in companies. The Law on Wage Equality was passed in 2006: It established measures to detect wage differences between men and women in enterprises with more than 50 employees. A decree of August 2008 established the obligation for the enterprises with more than 50 employees to report on gender equality. Gender equality is regarded as a transversal theme: integrated approach of the issue in all big negotiations and in the social agenda fixed between the State and social partners.

Denmark

In Denmark, equal pay has been included in almost all of the newly concluded collective agreements on the private labour market and the social partners have agreed to establish an Equal Pay Committee which is to contribute to reducing the wage differences between men and women.

Finland

In Finland, social partners in the public sector have concluded collective agreements on equal wages in accordance to the tripartite equality programme aiming at diminishing the wage gap.

In the private sector, the social partners have been involved in an extensive equal pay campaign since 2005 comprising of numerous measures and projects to promote gender equality. The social partners have discussed regularly gender equality issues in relation to collective bargaining, gender legislation and good practices for more than 10 years. The most recent joint efforts relate to dismantling of occupational and horizontal segregation.

Netherlands

A Taskforce was assigned to keep the issue on the political agenda. By setting up a temporary Taskforce *Part time Plus*, between 2008-2010, that has been working and advising on the issue of women enlarging their weekly working hours, in particular by involving flexible working hours and places in the collective agreements and by empowering women/members by organising several events and campaigns promoting gender equality.

Source: Replies to the questionnaire survey

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

3.8.1 Creating better jobs

The contributions from national social partner organisations to this topic focussed in particular on different initiatives and activities in the field of health and safety, work environment and the quality of workplaces. From many practical examples stressed in the survey replies or in the context of the cluster seminars, the following selection should illustrate the complexity of the issue as well as the variety of social partners' contributions.

Germany: Employers and trade union concepts of better jobs

Employers in Germany stress their important role in supporting the employees' health and education. E.g. in 2008, the employer-financed *Berufgenossenschaften* (Employers' Liability Insurance Associations) spent more than €800 million for prevention measures in German companies. To also enhance the employee's responsibility for their own health (and thus preserve and raise their employability), more and more firms offer guidance and help concerning workplace health promotion. The broad range of measures comprises areas such as nourishment, smoking, addiction or a healthy work-life balance. In addition, each year, German companies spend €27 billion for training and further education of their employees. Employers play a major role in supporting various initiatives to disseminate best practices.

In contrast to this, the trade unions have initiated a campaign focussing on "Good Work" in reaction to the growth of precarious forms of work. *Good Work* is orientated towards, jobs of good quality and internal job stability. Furthermore the German trade unions are demanding a number of measures in support of better and good work, in particular a regulation for the right of permanent work after a certain number of fixed term contracts; a statutory minimum wage and extension of the Posted Workers Act to the temporary agency sector. High quality of education and of the dual vocational training system, continuous training and adult education is also needed to support the individual in coping with economic and social changes.

Unemployment Benefit (*Arbeitslosengeld II*) should be increased and pension schemes based on the contributions of employees and employers are to be reformed to include all people in employment and to provide special support for those in need.

Source: Country fiche

Improving the quality of the working life in Finland and the Netherlands

In **Finland**, various tripartite and bipartite working groups deal with issues relating to the quality of working life and productivity. The social partners established a couple of years ago a *Round table of Productivity*. The round table has a secretariat, organises yearly seminars relating to productivity and grants productivity awards for workplaces. Social partners on branch level have also done work on enhancing productivity. For example the social partners in the metalworking sector have published together a publication called “*Road signs to productivity*”.

A major initiative related to this subject in the **Netherlands** is the ‘working smarter’ campaign (*‘slimmer werken’*). The campaign thus aims to bring about ‘smarter’ and more innovative ways to work. It, for example, focuses on issues like flexible working times and workplaces and optimisation of these related to work productivity, optimal work processes and stimulation of innovation at/within work. This initiative is led by the *Dutch Innovation Platform*, the *Netherlands Centre for Social Innovation* and *Syntens* (the innovation network for small and medium enterprises). The above mentioned initiatives/ actions/ policies are only some examples of what happens in this field in the Netherlands.

Source: Country fiches

There are also negative developments reported by national social partners, e.g. from Sweden: Here, some years ago the government terminated the research agency as well as reducing the finances of the agency responsible for health and safety at the workplace. The consequences have been a less control regarding health and safety and no national research coordination regarding working life.

However, the responses to the questionnaire survey as well as practice reported in the cluster seminars and analysed in the national fiches illustrate a broad variety of both unilateral, bilateral and tripartite practice aiming at improving productivity, workplace labour relations and the quality of work. This not only characterises the situation in those countries which usually are mentioned in this context but also in others, e.g. in Latvia where quite a comprehensive approach of the social partners in regard to the “quality of work” was reported that also included the aim to fight illegal employment as the worst form of insecurity in the labour market:

Latvia: Social partners promoting better work

The social partners are actively participating in the promotion of employment relations and the practical implementation of legislative requirements on labour security, thus decreasing the number of employment relations’ violations and accidents, as well as in the building of socially responsible entrepreneurship, thus decreasing illegal employment. By attracting the EU fund financing, social partners (the Employers’ Confederation of Latvia and the Free Trade Union Confederation of Latvia) have established consultation centres to provide information and consultations to both, the employers and employees on employment relations and labour protection. Latvia has a relatively high level of undeclared employment, especially in the sectors of construction, manufacturing, agriculture and transport services, thus reducing the social security benefits and hindering reduction of the tax burden on employment. In order to reduce undeclared and illegal employment, the work is oriented towards three directions:

- increasing the administrative capacity of the competent institutions and improving control;
- improving the cooperation of supervisory institutions;
- informing the society and implementation of measures promoting legal employment. The Ministry of Welfare in cooperation with the State Labour Inspectorate is currently developing a new measure plan for 2010–2014 to decrease undeclared employment.

Source: Country fiche

3.8.2 Cost effective allocation and financial sustainability

As already mentioned above in the context of various sub-headings/policy fields, the public is often not aware about the active and responsible role that social partners are playing with view on a cost effective allocation of resources and the financial sustainability of reforms in the field of labour market flexibility and security.

Employers as well as employees often are directly contributing large shares to programmes and single fields of policy such as old age pensions, training or even active labour market policy/job transition programmes.

The following examples present just a small snapshot of the large variety of contributions:

Finland

Social partners are directly involved in national discussions relating to the sustainability of public finances in various committees and working groups.

France

Triennial convention between the State and the “Joint Fund for Secure Professional Careers” (*Fonds paritaire de sécurisation des parcours professionnels*), signed on 15th March 2010: it defines the priority actions and assures its funding (1.060 M€ of budget for the year 2010).

Italy

One of the ways through which the Italian Government is trying to assure the financial sustainability of the initiatives in the field of LMPs is to shift more and more prerogatives to the so called “bilateralism”. That consists in joint funds managed by the social partners and financed with social contributions, especially from employers. “*Bilateralism*” is in fact one of the original forms of collectively agreed welfare provision which have made up for some of the shortcomings in the universal arrangements for income protection in the event of temporary job losses. Initiatives have been taken by the two sides of industry in economic sectors which have traditionally been fragmented, where employment has been unstable and the trade unions weak (construction, craft, agriculture, retailing and tourism), as well as in some fairly robust segments of the tertiary sector (banking, post office, aviation) not covered by the social cushioning measures available to industry.

Trade unions criticise the Government approach to use it not as integrative of the public welfare schemes, but as a substitute through which reduce the public engagement and resource. Just as a tool to reduce social expenditure – which is lower than in majority of the EU-15, and recast welfare state in the sense of a lesser responsibility and universalism.

Portugal

The social partners reached two agreements with the government – “Agreement on Strategic Guidelines of the Social Security Reform” and “Agreement on the Reform of the Social Security” – with the aim of securing the financial sustainability of the Portuguese security system.

Source: Replies to the questionnaire survey

3.9 KEY POINTS

- The questionnaire survey carried out in the context of the project shows that, provided flexicurity is implemented in a holistic and balanced way, an overwhelming majority of employers and a certain majority of trade unions believe that flexicurity has the potential to provide win-win situations. However, at the same time, an overwhelming majority of trade unions this time state that flexicurity has not offered a balanced approach for workers, whereas a small majority of employers disagrees with this statement.
- With view on different policy fields covered by the flexicurity concept, the assessments of strengths and weaknesses in regard to 11 different fields made by trade unions and employers mainly differ in regard to the “extent” to which issues were considered strengths or weaknesses. While in general, trade unions are more sceptical than employers’ organisations, there are only a few policy fields where the strength/weaknesses differed significantly: The quality and productivity of workplaces; the provision of reliable and flexible contractual arrangements and lifelong learning.
- The 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 and active involvement of social partners in reform processes and their implementation at various levels. While influence in some countries is substantial, the role of social dialogue in other countries is weaker and in some cases symbolic. These differences are well known and documented in many comparative surveys and studies.
- However, this synthesis report, the survey responses, national fiches on the role of social partners in flexicurity policies as well as the seminar documentations illustrate 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 contemporary labour markets are facing.
- Hereby, and despite the differences in national frameworks of social dialogue that often makes it difficult, social partners are taking the responsibility that has been ascribed to them in the seventh Common Principle of Flexicurity.
- While the number of joint initiatives and active approaches of social partners to shape and influence the balance of flexibility and security in national labour markets is quite impressive, there are also different perceptions and views of trade unions and employers’ organisations in regard to the main challenges that today’s labour markets are facing.
- In particular, 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). Here, ensuring appropriate access to social security and other social rights regardless of the contract or size of the company is regarded as the main challenge. In particular, trade union organisations in countries that often are mentioned as role-models for flexicurity (Austria, Denmark and the Netherlands) have raised the question

whether or not the right balance between flexibility and security still is in place in their respective systems. Trade unions in other countries have stressed that reforms in recent years have focussed too much on the flexibility-related aspects of the Common Principles and too little has been done to improve the situation in regard to the security-related Principles of Flexicurity as defined by the European Council in 2007.

- In contrast to this, employers' organisations have stressed 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. Here, companies as well as workers are in need of both flexibility and security in order to meet these challenges. From the point of view of employers' organisations, there is still too little progress in structural reforms on the labour market as well as in the field of modern social security.

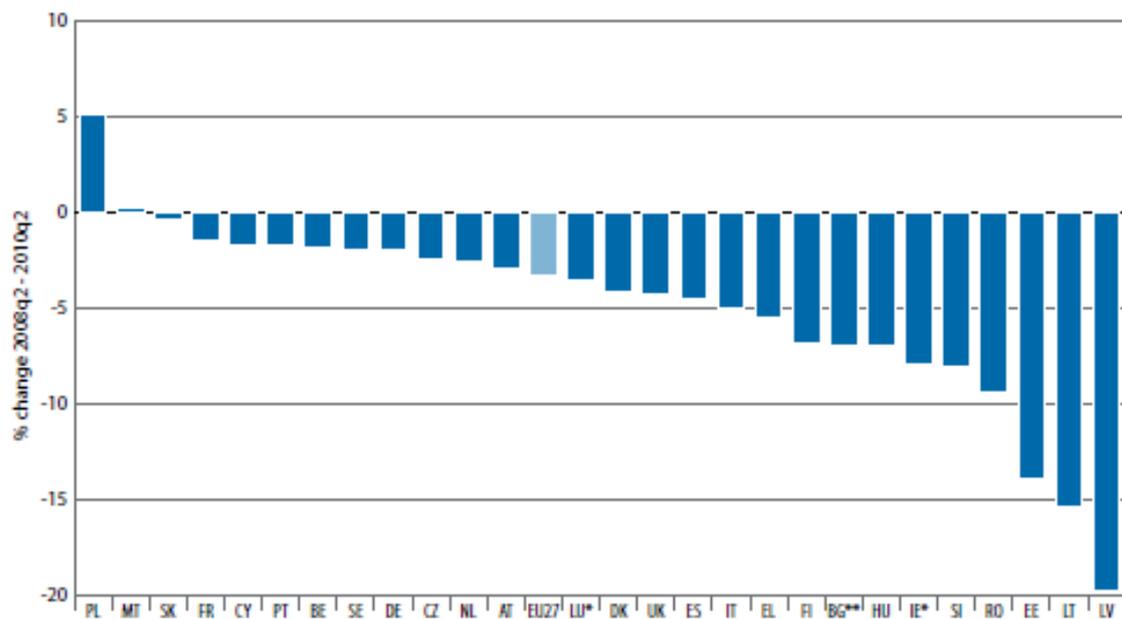
4 FLEXICURITY IN TIMES OF CRISIS AND RECOVERY

4.1 THE IMPACT OF THE 2008 CRISIS ON EUROPEAN LABOUR MARKETS

The 2008 economic and financial crisis and recession brought about substantial drops in GDP and increases in unemployment in most European countries. As a result, employment in the EU declined to around 221 million or by 2.5% (5.6 million) by the second quarter of 2010 when compared with the second quarter of 2008.

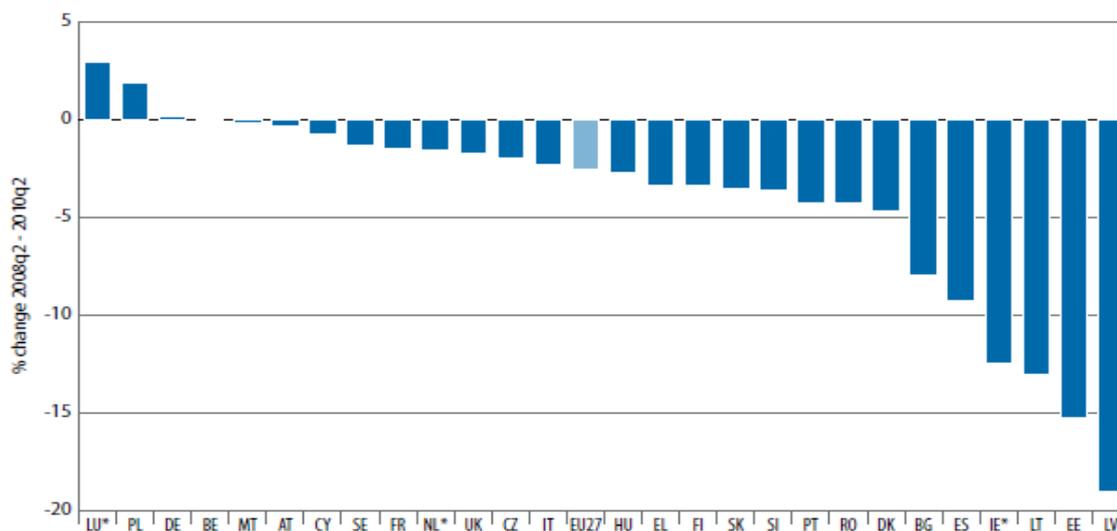
The following charts illustrate the negative and sometimes dramatic effects on national economies and labour markets over the period from the second quarter of 2008 to the second quarter of 2010.

Figure 26: Change in GDP for EU Member States from 2008q2 to 2010q2



Source: EU Commission, DG Employment: *Employment in Europe Report 2010*, p. 21

Figure 27: Change in employment in EU member states from 2008q2 to 2010q2



Source: EU Commission, DG Employment: *Employment in Europe Report 2010*, p.27

Whilst the employment situation deteriorated across the EU Member States as a whole, there were substantial variations in performance. Employment losses were particularly severe in Spain (-9%), the Baltic States (Estonia, -15%; Latvia, -19%; and Lithuania, -13%) and Ireland (-12%) reflecting sharp declines in economic activity. By contrast, Poland continued to experience employment and economic growth and other Member States including Belgium, Luxembourg Austria, Sweden, France, the Netherlands and Germany along with the micro states of Malta and Cyprus experienced much less dramatic declines.

The overview below (from the OECD) shows the variety and extent of anti-crisis measures taken in the field of labour market policy with all countries implementing one or more changes to directly sustain labour demand, either through expanding job subsidy or public sector job creation programmes, lowering employer social contributions, establishing or expanding short-time work schemes, or some combination of the three. In some countries the extent of labour market intervention was substantial.

In the area of policies to improve employment prospects, much of the focus was deployed toward 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. A number of 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.

As the overview shows, a large number of EU Member States introduced short-time working schemes and other forms of internal flexicurity and the take up of these schemes in countries like Germany was extremely high and had a substantial impact on mitigating job losses (see also the textbox in the next section).

Figure 28: Catalogue of labour market measures in response to the crisis in OECD countries

	Labour demand			Measures to help unemployed find work				Income support for job losers and low-income earners				Other training measures		
	Job subsidies, recruitment incentives or public sector job creation	Reductions in non-wage labour costs	Short-time work schemes	Activation requirements	Job search assistance and matching	Job-finding and business start-up incentives	Work experience programmes	Training programmes	Generosity or coverage of unemployment benefits	Social assistance	Other payments or in-kind support	Fiscal measures for low earners	Training for existing workers	Apprenticeship schemes
Australia	X			X	X			X		X	X	X	X	X
Austria			X		X			X			X		X	X
Belgium		X	X		X				X	X	X			
Canada	X	X	X		X		X	X		X	X	X	X	X
Czech Republic		X	X	X					X					
Denmark			X	X				X						X
Finland		X	X	X	X	X		X		X	X	X	X	X
France	X	X	X		X		X	X	X	X	X	X	X	X
Germany		X	X		X			X		X	X	X	X	
Greece	X				X			X		X	X	X	X	
Hungary	X	X	X							X	X			
Ireland			X	X	X		X	X						X
Italy			X	X	X			X						
Japan	X	X	X		X	X	X	X	X	X	X			
Korea	X	X	X	X	X	X	X	X		X				
Luxembourg	X		X											
Mexico	X	X	X		X	X		X		X		X		
Netherlands			X		X			X				X	X	
New Zealand		X	X		X		X	X		X	X			X
Norway			X		X			X						
Poland	X	X	X	X	X			X	X	X			X	
Portugal	X	X		X		X	X	X		X				
Slovak Republic	X	X	X			X					X		X	
Spain	X	X			X	X		X		X	X	X	X	
Sweden	X	X			X		X	X		X	X	X	X	
Switzerland			X											
Turkey		X	X	X				X						
United Kingdom	X			X	X	X	X	X		X	X	X	X	X
United States	X				X		X	X		X	X	X	X	

Note: Refers only to federal government initiatives. Additional measures undertaken at regional level are outlined in Annex "x" for some countries. In Denmark and Switzerland, active labour market expenditure increases automatically when the unemployment rate increases (or is expected to increase). Neither these automatic increases, nor increases in expenditure on unemployment benefits as a result of growing numbers of unemployed, are shown in the table.

Source: Responses to OECD/EC questionnaire.

Source: OECD Employment Outlook 2009

4.2 “FLEXICURITY IN TIMES OF BAD WEATHER”

In commenting on anti-crisis measures, the EU Commission has emphasised the role played by “flexicurity-related” measures in helping businesses exit the crisis in a more healthy state to return to growth and at the same time, maintain Europe’s employment levels higher than those in countries like the United States. In its Communication on Europe 2020, the EU Commission stated that,

“implementing flexicurity principles and enabling people to acquire new skills to adapt to new conditions and potential career shifts will be key.”³⁷

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.³⁸ Stressing that,

“as an integrated strategy to enhance both the flexibility and the security of the labour market and to support those who are temporarily outside it, flexicurity is even more important and appropriate in the current difficult economic context characterised by rising unemployment, poverty, segmentation and the urgent challenge of stimulating growth, creating new and better jobs and strengthening social cohesion.” (p. 2)

The European Council has made a number of recommendations for measures to be implemented by the Member States in a “balanced way”, in particular (p.4):

- Maintaining employment, where at all possible, for example through helping companies operate alternatives to redundancy such as flexible working patterns and the temporary adjustment of working time, where applicable, and other forms of internal flexibility measures;
- such measures should be combined with actions supporting employability, directing people into new jobs, preferably within their company, and encouraging workers to exploit the new opportunities during the economic recovery;
- Measures for protecting unsustainable jobs or sectors from structural change should be avoided;
- Creation of a better entrepreneurial environment through a labour market which ensures at the same time, the necessary flexibility and security, benefit systems which provide work incentives, appropriate levels of non-wage labour costs, especially for the low-skilled and other vulnerable groups, as well as through better regulation and 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

³⁷ EU Commission: EUROPE 2020 - A strategy for smart, sustainable and inclusive growth, Brussels 3.3.2010, COM (2010) final, p. 18.

³⁸ Council Conclusions on *Flexicurity in times of crisis*, 2947th Employment, Social Policy, Health and Consumer Affairs Council meeting Luxembourg, 8 June 2009. EU Commission.

crisis, through full utilisation of modern social protection systems in line with the principle of flexicurity, subsidiarity and sustainability of public finances;

- At the same time, it is necessary to maintain the incentives for access and return to employment and to focus on the support and motivation of vulnerable groups such as young people with fewer opportunities, in line with the active inclusion strategies;
- It is necessary to keep dismissed workers protected and at the same time in close contact with the labour market, through training and other suitable labour market measures, in order to prevent deterioration of their skills and human capital and to increase their competitiveness in the labour market, and to bring closer to the labour market those who were already detached from it so as to improve their employability;
- Preventive measures are most important in the long run, with regard to reducing the impacts of long-term unemployment, social exclusion and poverty.

4.2.1 The effect of the crisis on national flexicurity policies – the experience of national social partners

The replies of national social partners to the flexicurity survey also reveals some interesting results regarding their assessment of flexicurity-type measures in the prevailing economic and labour market situation. Both trade unions and employers regard three out of the eleven policy/reform fields identified in the survey as having become more important. These reflect both flexibility and security related initiatives and are lifelong learning, reliable and flexible contractual arrangements and active labour market policy.

Figure 29: Lifelong learning

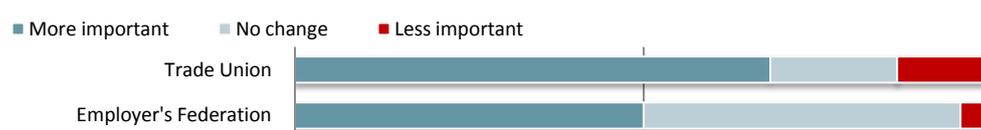


Figure 30: Reliable and flexible contractual arrangements

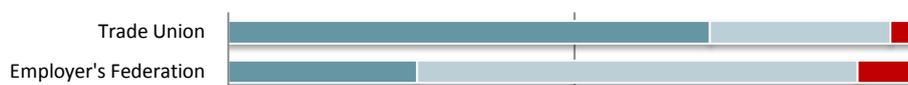
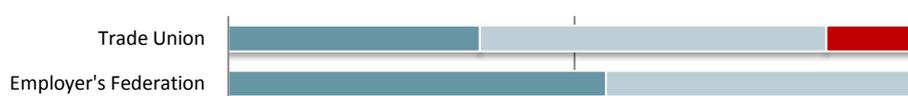


Figure 31: Active labour market policy



Source: Flexicurity survey of the European social partners

Policy fields where trade unions and employers' organisations reported different opinions were supportive social security systems, better access to work opportunities and management of job transitions and greater internal flexicurity.

Figure 32: Supportive social security systems**Figure 33: Better access to work opportunities and management of job transitions****Figure 34: Greater internal flexicurity**

Source: Flexicurity survey of the European social partners

When the qualitative responses of the national social partners to the survey and their contributions to the national analyses and cluster seminars are considered, the effects of the crisis on flexicurity policies is neither uniform nor simple.

Immediate and direct interventions to maintain jobs, provide support for income security and the most vulnerable groups in the labour market and measures to support business and enterprises are generally seen to have been the most important instruments.

Social partner views on effects of the crisis on underlying longer term principles and the national frameworks of practice in the field of labour market intervention and social policy are more divergent. In some countries, the social partners reported a strong impact of the crisis on active labour market policy:

Italy: Crisis response measures and the role of social partners

With the introduction of special measures to tackle the economic crisis (Act No. 2/09) government and social partners have tried to link more strongly than in the past, the form of income support to active policies, using the periods of work suspension to establish paths to retraining and upgrading skills. Moreover, with the aforementioned “Guidelines for training in 2010”, we’ll try to lay the groundwork for an orientation of spending on vocational training, directing it in favour of weaker labour market subjects (unemployed people, redundant or temporarily suspended workers and young women) with the aims to make less difficult their transition to another job.

Source. Response to the questionnaire survey.

In some of the newer Member States in particular, the 2008 crisis has had a strong impact through more pro-active labour market policy, internal flexibility, lifelong learning strategies or contractual arrangements, sometimes with direct reference to the flexicurity concept:

In Hungary, Latvia and Ireland the flexicurity inspired reform initiatives were implemented that include a number of security aspects in reaction to the social effects of the crisis. In Austria, the labour market reform package implemented in 2009 contained a direct reference to the flexicurity principles. In France, anti-crisis measures combined flexibility and

security aspects (e.g. the labour market policy measures to cushion the crisis adopted in 2009 and the new act on leasing of workers 2010). In Hungary, Latvia and Croatia, it was reported that the use of active labour market policies have increased.

This experience – although often not with direct reference to the concept of flexicurity – has also been reported in Germany, the Netherlands, Belgium, Luxembourg, Finland, Poland, Slovenia and the Czech Republic.

As social partners from different countries reported with view on measures to mitigate the employment effects of the crisis, the ability of internal flexible adjustments was a key to crisis-response at the company level. As already mentioned above, in many countries this was done by the application of short-time working schemes and/or temporary employment.³⁹ For example, the German social partners highlighted that the role of flexible collective bargaining agreements at company as well as sector level and the responsible practice of the social partners have been an important positive factor contributing to effective crisis-management within enterprises.⁴⁰

The following quote taken from a presentation at one of the cluster seminars in the context of the study summarises the key role of internal flexibility during the crisis.

“Internal flexibility helped to protect employees from dismissals during the crisis. In exchange to concessions on income and working hours employees gained stability. This strategy, mainly based on Pacts for Employment concluded by the social partners, can be regarded as flexicurity. Employment guarantees affect mainly core workers, periphery workers such as temp agency workers serve as a buffer.”

Source: Dr. Hartmut Seifert: “Measures of flexicurity secure employment, Cluster Seminar Lisbon, 9-10 December 2010

The importance of internal flexibility and the key role of collective bargaining for finding balanced and holistic “flexicurity” solutions are also illustrated by a good practice case reported by the Slovenian social partners:

Flexicurity principles in the collective agreement of the construction industry in Slovakia

The collective agreement concluded for 2007-2008 included the following provisions increase flexibility:

- flexible working time arrangements, overtime work, atypical working time schedules, paid stand- by work;
- management inform trade unions on changes in employment, organisational changes and related collective redundancies, rules for re-employment of own employees when hiring employees and on basic wages and bonuses;
- provision of time-off to employees participating in vocational education and training related to skill development of employees required, e.g. by restructuring of the company.

³⁹ See also: Eurofound 2010: *Extending flexicurity – The potential of short-time working schemes*, Dublin.

⁴⁰ A recent comparative study for the EU Commission has analysed the implementation of flexicurity pathways in national collective bargaining agreements. See: National implementation of flexicurity pathways. Developing tools and monitoring instruments based on empirical feedback in consensus with social partners. Project VS/2009/0629 funded by the European Commission.

It also contained a number of aspects aiming at strengthening the security of workers:

- redundancy payments over the statutory limit in amount of up to six monthly wages – in the case of leaving before the period of notice and according to the number of years in service;
- where dismissal is caused by occupational injury or illness, redundancy pay may amount up to 12 monthly wages.

Source: Reply to the questionnaire survey

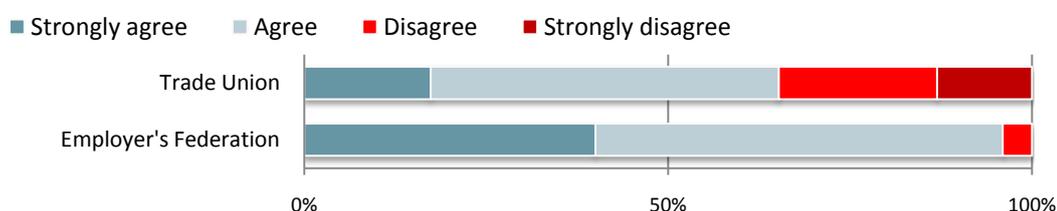
4.2.2 Effects of the crisis on social dialogue

The effects of the 2008 crisis on the role and influence of social partners and social dialogue in the public policy design and implementation reflect a variety of experiences.

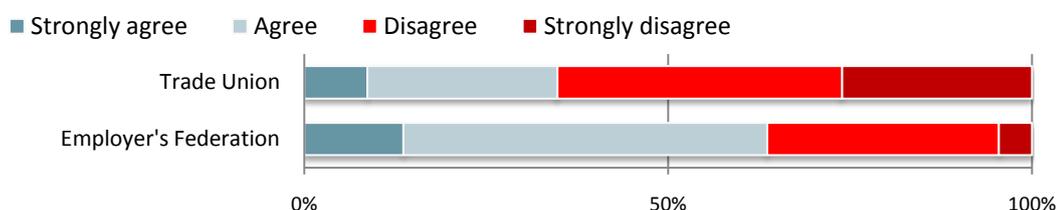
The reported experience of trade unions and employers regarding their influence on employment policy during the crisis differs. Whilst the majority of social partners agree that they were consulted by the government, employers were more positive about crisis related consultation than trade unions. Trade unions in particular commented that “consultation” did not necessarily mean that they exercised “real influence” on policy making and the “quasi symbolic” nature of consultation was commented on more frequently in the countries of Central and Eastern Europe.

Figure 35: Effects of the crisis on the influence and role of social partners

“Social partners are consulted by the government in the design of economic, social and employment policy reforms”



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



Source: Flexicurity survey of the European social partners

The second graph shows the reported experience of the social partners in regard to their role in influencing employment policy in the aftermath of the crisis differs: While the majority of employers see their role as having been increased, trade union respondents suggest a decline in influence. These views were often confirmed in observations made in the national analyses and the discussions at the cluster seminars with national member organisations, whilst it is clear there are differences from one country to another.

Three different types of experience can be identified:

Firstly, 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 Lithuania, Romania and Poland 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.

Secondly, the opposite is reported from some of the countries that experienced the most serious labour market and economic setbacks during the crisis including Ireland, Portugal, Spain and Greece. 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. The following quote from the Czech social partner representatives at one of the cluster seminars carried out, in the context of the project illustrates this:

“The crisis resulted in a situation of “legislative urgency” in which no serious consultation and real discussion between the government and the social partners took place.”

The social partners in Sweden and Denmark also reported deterioration in social dialogue and the influence of social partners on government policy.

There is a third 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 Austria for example, or in other forms that mirror the specific national tradition of industrial relations and social dialogue (e.g. Finland, France, Germany, Belgium or Italy).

4.3 KEY POINTS

The following key points arising from this chapter are:

- Compared to previous recessions, the 2008 crisis differs in terms of its scope and extent. The employment policy response in the field of labour market and social policy was huge. In general, the crisis seems to have resulted – at least temporarily – in an increase in active intervention of governments in labour market policy in order to maintain jobs and the security of those in employment. As a consequence the increase in unemployment was significantly lower in Europe than in other developed economies;
- As comparative analyses carried out at EU or OECD level has shown but also comments and statements of social partners from many countries in the context of this study have highlighted, internal flexibility was a key factor in maintaining employment and jobs in Europe, e.g. by short-time working schemes and other forms of working time reductions or flexible working times account. Within this strategy that is mainly based on collective agreements at enterprise or company level, social partners and a certain culture of responsibility and trust have been key factors of success;

- The crisis in many countries has resulted in fiscal driven reforms aimed at addressing budget and national debt issues. These measures have continued to be high on the priority list of governments today and will continue into the future. In some countries, they have not been the subject of broad social consensus;
- There is no uniform picture with regard to the role of flexicurity in the crisis. Nonetheless, crisis and recovery policy actions tend to reaffirm the importance of certain flexicurity concepts including lifelong learning, active labour market policy, social security and the need for internal flexibility and effective transition policies;
- The social partners reported different experiences in regard to their role and on the influence of social dialogue during the crisis. In some countries, influence is felt to have increased in the context of designing and implementing anti-crisis measures, whilst the converse was experienced in other countries. A decline in perceived trade union influence can be positively associated with those countries where governments acted to acute reverses in fortunes quickly and in some cases dramatically;
- The longer term financial challenges faced by some countries following the crisis is regarded by a number of trade unions as a threat to the future of social security related elements of flexicurity;
- A number of positive developments were reported at least on the social dialogue and relations between social partners since 2008. In some countries, traditionally characterised by weaker structures of dialogue, industrial relations and social partnership, the social partners have developed joint positions and demands that are an important condition for strengthening the influence in politics and reform processes, e.g. as in the case of Romania, (joint social partner initiative to implement the ILO “Global Job Pact”), Estonia (joint initiative on labour market reform) or Lithuania (joint steps of the social partners to strengthen social dialogue practice).

5 STRENGTHS, WEAKNESSES AND CHALLENGES FROM THE NATIONAL SOCIAL PARTNERS' POINT OF VIEW

Already in the previous chapters of this report, a number of certain strengths and weaknesses of the flexicurity concept have been described as they were reported by national social partners involved in the project of the European social partners. The aim of this section is to present a general synthesis on major strengths and weaknesses as well as challenges from the national social partners' point of view as they arise from the national analyses carried out in the 29 country fiches.

It should be stressed that this section should be read in conjunction with the synoptically overview of strengths, weaknesses and challenges from the point of view of national social partners that is attached in the annex to this report⁴¹: While the country by country tables present a more detailed picture of national situations and challenges in regard to the role of social partners and social dialogue in flexicurity policies, the major themes, striking aspects and common features are summarised here.

A first observation is addressing the attempts to map the state of flexicurity in European countries along certain "systems" or models as briefly presented and described in the first chapter of this report: The strengths, weaknesses as well as challenges reported by national social partners by and largely mirroring quite different realities and stages of debate in regard to flexibility and security in the respective labour markets and societies:

The Nordic as well as the Continental countries are forming a group that is characterised by a relatively "mature" state of reforms aiming at modernising labour market policy and social security according to the flexicurity concept. In many countries, reforms have been designed and implemented already before the flexicurity concept was introduced at the EU level policy debate and in fact, national cases from this group served as role models for the Common Principles. This also and particularly relates to the role of social partners and social dialogue: All countries are characterised by an active role of bilateral and/or tripartite dialogue, consultation and bargaining at various level, of course on the basis of quite different national traditions and frameworks.

The analyses and the comments received by national social partners in regard to main strengths and weaknesses as well as challenges show that the need for equitable modernisation and balanced reforms in order to address major challenges in the context of maintaining economic competitiveness, job creation and managing the transition to a low carbon society as well as in labour and social life (e.g. cases of in-work poverty and high

⁴¹ See table in annex: „Synoptical overview of strengths, weaknesses and challenges from the national social partners point of view as emerging from the national analyses“

unemployment, emergence of dual labour markets and segregation, inequalities, ageing workforces) are acknowledged by all social partners.

The study and the numerous practical cases and examples have also shown that - though not always in direct reference to the flexicurity concept and often driven by different concerns and priorities - social partners are actively contributing to reform processes and solutions. In regard to major strengths and weaknesses as well as challenges, the overall picture is characterised by joint assessments as well as different views, positions and demands.

Social partners agree that an integrative and holistic concept is needed, focussing not only on single aspects of the flexibility-security nexus but aiming at combining different and sometimes – at first glance – diverging objectives. While in some countries, social partners are directly referring to the term flexicurity in others either both or single, social partners prefer to use other terms, e.g. “*change security*”, “*transition security*” or “*secure professional career*.”

Our study has shown that the views of social partners in regard to the major challenges, which contemporary labour markets are facing, often are diverging:

Employers’ organisations in many countries stresses that major challenges still exist, for example in regard to the efficiency of labour market and social policy systems, the development of effective systems of job transition and job creation and the development of sustainable social protection systems.

A major challenge pointed out by trade union organisations, in particular, in the Nordic and Continental group of countries are related to the lack of implementing a balanced approach: From the point of many trade union organisations, the security pillar within the flexicurity concept has been neglected too often in past reform process and/or is under threat as a result of the 2008 crisis and (forced) step backs. From the point of view of many trade unions, an imbalanced approach of flexicurity has resulted in growing labour market segmentation, increase of precarious forms of work and a number of challenges in the field of equal rights and working conditions and labour relations.

It should be noted here that social partners in commenting on their national experience, have stressed that there sometimes are significant gaps in regard to flexicurity as a theoretical concept (combining and balancing flexibility and security in an integrative approach) and the reality of implementing reforms. Examples cited here quite frequently was for the aim to combine greater working time flexibility (e.g. short-time work, temporary unemployment) with training measures or the problem to implement programmes and frameworks of lifelong learning at the company level.

According to the comments of national social partners, the nature of challenges not only varies across countries but also across types of companies. Here, it was reported by employers as well as trade unions in different countries that “*making flexicurity*” a reality is a particular striking challenge in European SMEs.

It has to be noted there that the observations described here are not only characterising the situation and national debates of many Nordic and Continental countries but have also been indicated by social partners in other European countries.

At the same time, there are certain challenges that were stressed by social partners in Southern Europe, Central and Eastern European countries as well in the “Anglo-Saxon” group that are quite specific:

While in the CEEC and the two candidate countries, there are several examples that the flexicurity concept has entered the stage of reform discussion, both trade unions and employers in many countries have stressed that social dialogue lacks substance: There may be tripartism at state level but only weak social dialogue at company level and within sectors; the real influence of social partners certainly is not mirroring the situation described in the flexicurity principles.

The national analysis and reports by social partners have revealed that many countries today are characterised by a lack of appropriate “supporting systems” for introducing flexicurity, i.e. social security systems, labour law, transferability of acquired rights, transparency of acquired skills and competences etc. In particular, trade unions in the CEEC have characterised the current situation as “*flexicurity at low level*” - low public expenditure on social policy, high risks of in-work-poverty and income inequality on the one hand and little influence of social partners and low collective bargaining incidence on the other hand. A worrying result in this context of our project also, has been that in quite a significant number of countries of Central and Eastern Europe as well as in Southern Europe, the high share of undeclared work and workers not covered by any form of public social, job and labour security still is a major challenge.

Against this, from the point of view of trade unions in various countries, the question arises whether the focus on “flexicurity” can be the right concept for reform or modernisation or whether the focus should be more on “*security of the professional career*”, “*change security*” or “*transition security*”.

Finally, perhaps the most important challenge of today’s labour market addressed by social partners across the EU, is how to implement what should be the most important overall objective of flexicurity that is to contribute positively and in line with the factors described in the Common Principles of flexicurity to the creation of more and better jobs.

6 GENERAL CONCLUSIONS

In their joint statement on the Europe 2020 strategy, the European Social Partners called upon the Member States

“to review, and if necessary adjust, the design of labour law, job protection systems and, together with the social partners, collective bargaining practice” with a 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.”

Furthermore, national Member States should *“develop complementary employment security measures promoting transitions into productive and rewarding jobs”* as well as promote stable employment relationships and sustainable labour market practices.

In the light of these considerations the following general conclusions can be drawn from this project:

- Provided flexicurity is implemented in a balanced way, an overwhelming majority of employers and a certain majority of trade unions believe that flexicurity has the potential to provide win-win situations.
- However, at the same time, an overwhelming majority of trade unions this time state that flexicurity has not offered a balanced approach for workers, whereas a small majority of employers disagrees with this statement. The win-win equation needs to be considered in broader terms than it often is today. In some countries there is a clear understanding that both flexibility and security are desirables for both enterprises and workers. To perform into the longer term in competitive global economies Europe’s businesses need a stable and secure workforce.
- It has to be stressed that in these countries, today there is a broad consensus between governments, employers’ organisations as well as trade unions that professional as well as other forms of mobility (geographical, upward) is an essential part of modern and effective labour markets, job creation, employment or change security.
- In a number of countries, the prevailing view is that increases in flexibility occur at the expense of security and increased security causes reductions in flexibility. This creates the notion of a balance or trade-off between workers and employers.
- However, it has to be acknowledged that the development of such win-win situations of flexicurity is facing certain challenges, not only caused by the 2008 global financial and economic crisis that has and will have a major impact on labour markets and social relations in many European countries: The project has shown that in particular in countries, where the last decade has been characterised by strong pressure towards a liberalisation of labour law regulations and more flexible forms of employment, it has

proved very difficult for social partners to develop a joint understanding and common view on flexicurity that is based on win-win visions.

- What is a worrying result of our survey is that in countries normally quoted as models of flexicurity, the Netherlands and Denmark, the trade unions are concerned about negative effects of recent reforms and changes in policy on the balance of flexibility and security in the labour market. Against this, the Dutch trade unions today are rejecting the concept of flexicurity and the Danish trade unions that are still convinced about the potential strength of the labour market model of flexicurity are concerned about the erosion of major components of the Danish “Golden Triangle”.
- The major concern of trade unions in most countries about the (growing or persistence) imbalance of flexibility and security in today’s labour market, polarisation between workers “inside” and at the “margins” of the labour market, the increase in precarious forms of work and other trends of labour market segmentation have to be taken seriously if flexicurity should be regarded as a win-win situation for employers *and* workers. In this context, not only trade union representatives but also employers have stressed the need for defining “modern social protection rights” that reflect the challenges and risks in today’s labour markets. Modern social rights should address and take into account the impact of more flexibility for individuals and systems. Important principles of such new social rights have been defined by social partners from various countries in our project, e.g. the principle of “equality of treatment” (e.g. between part-time and full-time workers); the transferability of rights, especially during transitions; the maintenance of acquired rights and the aggregation of social rights (e.g. insurance periods, pension building rights).
- Not surprisingly, critical attitudes of both employers’ associations and of trade unions refer more to the external dimensions of flexicurity than to the internal ones, where the irreplaceable role of the social partners is stated by multiple examples reported by national social partners on the domains of the working time management – both prior, but in particular also during the current crisis – and on the protection of mobility between jobs. The synoptic overview of strengths, weaknesses and challenges as emerging from the national analyses included in the annexes of this draft report comprises quite a lot of examples of the unique role of social partners on the development of internal flexicurity.
- In regard to the question whether or not the concept of flexicurity (still) is regarded as a guiding principle for reform and modernisation of labour markets and social security systems, the 29 countries analysed in the project differ significantly. Quite a striking and somehow new result was, that in the CEEC and also in the two candidate countries, the concept of flexicurity has been a guiding model for reform, in particular in the field of labour market policy (shift towards more pro-active concepts, employability, employment rather than only job security etc.), with regard to the importance of lifelong learning, internal flexibility and mobility. The principle of flexicurity that stresses the active involvement of social partners and strong social dialogue has also been an important aspect that in these countries social partners have been able to develop common positions and understandings.

- Many of the good practice examples that were indicated by the national social partners in the context of the project but also other experiences in successfully implementing flexicurity principles illustrate that for the flexicurity approach to work, there has to be trust. Employers want to be able to react more quickly to economic developments by using a range of flexible employment practices. If workers are to give up their job security, they have to feel secure about being able to find a new job, about not losing out financially and about employment alternatives.
- A major result of our project in regard to practical win-win situations both for companies and workers in Europe has been that social partners have actively contributed to the development of concepts that move the flexicurity concept forward with regard to specific challenges and needs in labour markets and societies: e.g. the notion of “securing the professional career” in France, “change security” in Finland, approaches of security within the lifecycle in a number of countries, the “developmental welfare state” or the notion of “modern social rights” underlying the Danish employers’ approach of “Flexicurity 2nd Generation”.
- When reflecting about the role of social partners in the implementation of flexicurity policies across Europe, the project has illustrated certain and well known “path dependencies” along traditions, strengths and weaknesses of social dialogue, cultures of labour relations that have an impact on practical influence. The project has confirmed a significant variety of quality, scope and “extends” of social dialogue and “co-determination” of labour market and social policy reforms.
- The survey, the research carried out at national level and the exchange with national social partners have shown that the common principle of flexicurity that stress the active involvement of social partners and social dialogue is not always respected by European governments – there are several national cases, where social partners experience that their voice is not respected and social dialogue is more a symbolic event rather than a serious instrument/forum of political decision-making.
- The report highlights positive experiences too. These experiences demonstrate that there is no single road to the application of the flexicurity principles and underlying values that guide the development of policies and practices that will vary country by country and also by different levels (e.g. national, sector or company level) and modes (e.g. tripartite agreements and policy coordination, collective bargaining at various levels, bi or unilateral initiatives and action of social partners).
- Making the notion of flexicurity live for Europe’s small and micro businesses is a major challenge that can only be addressed by businesses, employers’ organisations, trade unions and the State working together to provide a positive and supportive environment for skills development and the management of individual and collective job transitions. By illustrating practical experiences of good practice, the project has shown that in single flexicurity-related policy fields as well as from the more “holistic” point of view, social partners have started to reflect and practically address the challenge of developing flexicurity principles for SMEs.
- In this context, it has also to be stressed that in particular, the public sector has developed a variety of cases of good practice that can be regarded as models of successfully combining flexibilisation of labour relations, contractual arrangements and

internal/functional flexibility with a high standard and quality of social and employment security.

- In regard to the role of social partners the project has also confirmed strongly the statement made in another survey that *“It takes three to tango”*: This means that in most countries social partners and social dialogue cannot take all the responsibility for designing and implementing flexicurity-style solutions on their own – they need the active backing and support of government and public administrations. And in relationship between social partners and governments mutual trust is very important.
- The financial crisis has raised both positive and negative issues. First, governments have embraced flexicurity notions in the employment policy actions that have resulted in many of Europe’s economies suffering relatively lower levels of unemployment than developed country comparators. Second, in some countries the social partners have experienced an increase in perceived engagement and influence in employment policy making. However, in the countries hardest hit by the crisis, the trade unions in particular have felt disengaged with governments that felt the need to act rapidly and decisively on the economic policy front. The need for urgency is perceived to have driven back the search for dialogue and consensus. It is hoped that this experience, is short lived. In the longer term, Europe’s trade unions remain concerned about the ongoing need for financial rigour and its impact on social protection for workers. Governments, employers and trade unions must work hard to ensure that all parties are engaged in delivering the economic and employment policies Europe’s nations need even when discussions, as they will be, are extremely challenging.

Finally, the research has shown that the best way the best practice cases of implementing the various principles of flexicurity are built on solid and strong structure of social partners’ involvement and an influential social dialogue at various levels. This is acknowledged by the European Council in their comment that,

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

Because 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, the equal application of this principle across Europe is the most important challenge in the context of making flexicurity work in Europe.

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ANNEX

- Cases of good practice as reported by the national social partners
- Overview of strengths, weaknesses and challenges as emerging from the national analyses
- Comparative statistical tables

CASES OF GOOD PRACTICE AS REPORTED BY THE NATIONAL SOCIAL PARTNERS⁴²

Country	Type/name of good practice case	Suggested by ...	Flexicurity principle addressed
Austria	- Flexicurity solutions initiated and negotiated by the social partners: Youth employment package 2008 / Working time act 2007 / Unemployment insurance for self-employed and economically self-employed	WK / UEAPME	- Social security - Internal flexicurity
	- Standing committee on new skills (national employment agency)	IV / BUSINESSEUROPE	- Lifelong learning - Internal flexicurity
	- Short time working combined with training arrangements		
	- Lifelong learning - Vienna Employment Promotion Fund	VOEWG / CEEP	- Job transition
Belgium	- System of consultation and social dialogue at national, sectoral and enterprise levels	CSC, FGTB and CGSLB / ETUC	- Involvement of social partners
	- Monitoring obligations in the field of training initiatives and financial sanctions		- Lifelong learning
	- Right to paid training leave (<i>Conge Education Paye</i>)		- Job transition
	- Recommendations on ensuring the right for transfer to "easier work" for older workers		- Contractual arrangements
	- Regulation of temporary work		
Bulgaria	- CITUB works on the development of a road to flexicurity that is based on the main components of flexicurity	CITUB / ETUC	- Flexicurity pathway
	- CITUB carried out a European funded project under the programme "The development of human resources", that is called "Security and Flexibility by law and by the collective agreements"		- Lifelong Learning, mobility - Contractual arrangements
Croatia	<i>No questionnaire response</i>		
Cyprus	- Cyprus Employers & Industrialists Federation has established the annual "Corporate Social Responsibility" award to recognise such flexible arrangements, as well as other CSR practices, and encourage other companies to follow suit	OEB/ BUSINESSEUROPE	

⁴² This list documents all cases of good practice as reported by social partners' representatives in their replies to the questionnaire survey

Czech Republic	<ul style="list-style-type: none"> - Introduction of a short time work scheme - Pension reform - Flexicurity arrangements in companies such as ArcelorMittal Ostrava, TPCA Kolín, Microsoft - Confederation of Industry of the Czech Republic (SP) – promoting flexicurity inside and outside the organisations 	<p>CMKOS / ETUC</p> <p>SPCR / BUSINESSEUROPE</p>	<ul style="list-style-type: none"> - Reliable contractual arrangements - Financial sustainability / Social security - Internal flexicurity - Lifelong learning - Social security
Denmark	<ul style="list-style-type: none"> - Occupational pensions schemes - Competence training funds - Agreement of social partners on a “social chapter” - Senior Bonus” and “Plus Working Time” - “Flexicurity – 2nd Generation” - Denmark and Danish labour market is a very good example 	<p>LO, AC, FTF / ETUC</p> <p>Danish regions/ Social partners in the public sector / CEEP</p> <p>DA / BUSINESSEUROPE</p> <p>Local Government Denmark / CEEP</p>	<ul style="list-style-type: none"> - Financial sustainability / Social security - Lifelong learning and mobility - Mobility - Internal flexicurity - Redefining flexicurity - Flexicurity pathways
Estonia	<ul style="list-style-type: none"> - Merger of the Unemployment Insurance Fund and the Labour Market Board in order to make employment market services more efficient and effective, to improve access to labour market services and to stream-line administrative procedures - Trade unions negotiated higher unemployment insurance benefits in 2008 in tripartite negotiations during the wider negotiations over the Employment Contract Act 	EAKL / ETUC	<ul style="list-style-type: none"> - Active labour market policy - Social security
Finland	<ul style="list-style-type: none"> - High-level tripartite Flexicurity Committee - Perlos case of restructuring - Tripartite cooperation in flexicurity 	EK / BUSINESSEUROPE	<ul style="list-style-type: none"> - Flexicurity pathway - Job transition
France	<ul style="list-style-type: none"> - The social initiative/model project of securing professional careers in tourism, an initiative of the CGT Rhone-Alpes (led to the implementation of vocational programmes for youth) - Framework agreement on the development of competences COPIRE - Agreement with UPA (Craft employers organisation) on the development of social dialogue 	CGT / ETUC	<ul style="list-style-type: none"> - Lifelong learning and mobility - Social dialogue
Germany	<ul style="list-style-type: none"> - Employers initiatives on work-life-balance - “Employment Bridge Bavaria” - Service Centre VET and further training of the Bavarian electric and metalworking industry employers - Possibility in a number of labour law provisions to derogate from the legal standard through collective agreements of social partners 	<p>BDA / BUSINESSEUROPE</p> <p>ZDH / UEAPME</p> <p>BVÖD / CEEP</p>	<ul style="list-style-type: none"> - Work-life-balance - Job transition - Lifelong learning - Contractual arrangements

Germany	- "mehrwert.berlin" - public enterprises try to facilitate the entry of people at the margins of the labour markets	BVÖD / CEEP	- Inclusion and employment transition
	- Promoting alliances and networks for future orientated jobs (e.g. renewable energies)		- Active labour market policy
	- Initiative "Good Work"	DGB / ETCU	- High quality and productive workplaces
	- Short-time work as an instrument of labour market policy	DGB/ETUC and BDA/ BUSINESSEUROPE	- Internal flexibility
	- Seasonal short-time work in the construction sector	ZDB/HDB / UEAPME IGBAU / ETUC	- Internal flexicurity
Greece	<i>No reference to good practice</i>		
Hungary	- The vocational system has been renewed, and the players of the work (social partners, chambers) get majority rule. A successful cooperation has started among these partners, a project has established with the necessary financial sources	LIGA /ETUC	- Lifelong learning and mobility
	- Financial aid and in particular the measures implemented after consultation with the Hungarian social partners in 2008-2009 provided by the Labour Market Fund ("Ways to work" and measures to maintain employment after the 2008 crisis)	MGYOSZ/ BUSINESSEUROPE	- Active labour market policy - Greater external flexicurity
Ireland	- Union involvement in training unemployed members with SIPTU and also by Congress	SIPTU / ETUC	- Lifelong learning and mobility
	- Skillnets - state funded, enterprise-led support body dedicated to the promotion and facilitation of training and upskilling as key elements in sustaining Ireland's national competitiveness	IBEC / BUSINESSEUROPE	- Lifelong learning
Italy	- 2009 food and beverage industry-wide contract: functional and fair balance between flexibility and security. Innovative focus on issues like participation, integrative welfare, work-life conciliation, new rights for seasonal workers or fixed-term workers, temporary suspension (social shock absorbers), leave for individual educational reasons.	CGIL / ETUC	- Contractual arrangements/internal flexibility - Internal flexibility - Contractual arrangements
	- Pirelli: collective agreements focused on two main issues: flexibility of working hours and reduction of labour costs		
	- 2008 collective national agreements valid for the temporary agency workers (TAWs)		
	- 2009, CGIL-CISL-UIL, Assolavoro (representing the Temporary employment agencies) and the Ministry of Labor reached an agreement for an experimental measure of income support for those temporary workers without any kind of income support	IUL / ETUC	- Social security
	- "Guidelines for training in 2010" - A good practice of the building of work-life balance in Italy is represented by the so-called "Model Mantova" - Apprenticeship advanced training in Piedmont region	CISL / ETUC	- Training and LLL - Worklife balance, gender equality

Latvia	<ul style="list-style-type: none"> - “Sustainability index” for Latvian enterprises – in cooperation with Employers’ Confederation of Latvia (LDDK), which was the initiator of this idea, we have created so called “Sustainability index” for Latvian enterprises. - February, 2010, Joint “Memorandum on principles of corporate social responsibility” by Free Trade Union Confederation of Latvia (LBAS), Employers’ Confederation of Latvia (LDDK) and other cooperation partners - Local Plans of Measures on Promoting Employment is to expand cooperation of local governments and SEA in order to encourage the increase of the employment at the regional, as well as at the local level 	LBAS / ETUC	<ul style="list-style-type: none"> - High quality and productive workplaces - Active labour market policy
Lithuania	<i>No questionnaire response</i>		
Luxembourg	<i>No questionnaire response</i>		
Malta	<i>No questionnaire response</i>		
Netherlands	<ul style="list-style-type: none"> - Improving the social security and collective bargaining coverage of people with so-called “alfahulp” contracts - Improving the contractual and social security of so-called “overeenkomst van opdracht” based on piece rates - 2009/2010 collective bargaining demands of Dutch trade unions on flexible contractual arrangements, temporary workers, coverage of dependent self-employed by minimum wages - ‘Leer je Rijk’ - sectoral initiatives for the public sector - “Mobility organisation” - “Task Force Part-Time Plus” 	FNV / ETUC Ministry of Interior / CEEP	<ul style="list-style-type: none"> - Contractual arrangements - Internal flexicurity - Social security - Lifelong learning and mobility - Contractual arrangements
Poland	<ul style="list-style-type: none"> - 2009 – “Appeasement crisis effects Act” – provides a number of flexicurity aspects - Amendment of “Employability Promotion and Labour Market Institutions Act” (2008) 	ZRP / UEAPME	<ul style="list-style-type: none"> - Contractual arrangements - Active labour market policy - Lifelong learning
Portugal	<ul style="list-style-type: none"> - Collective Agreement between the Association of Construction and Public Works Companies and SETACCOP (UGT-affiliated union) - Public Employer Collective Agreement between the Social Security Institute and SINTAP (UGT-affiliated union) - 2008 “Tripartite Agreement for a new System of Labour Relations Regulation, and Policies of Employment and Social Protection in Portugal” 	UGT / ETUC CIP / BUSINESSEUROPE	<ul style="list-style-type: none"> - Working time - Internal flexicurity/working time - Social security
Romania	<i>No questionnaire response</i>		
Slovakia	<i>No questionnaire response</i>		
Slovenia	<i>No reference to good practice</i>		
Spain	<ul style="list-style-type: none"> - Introduction of internal flexibility measures in collective bargaining at sectoral and regional level 	PIMEC / UEAPME	<ul style="list-style-type: none"> - Internal flexicurity at sectoral and regional level

Sweden	<ul style="list-style-type: none"> - Collective agreements on outplacement services for corporate managements and trade union representatives (TRR) - personalized services of trade unions to individual members on issues such as social security or career development - Security and adjustment agreements 	TCO / ETUC	- Job transition
Turkey	<ul style="list-style-type: none"> - Agreement in metal sector to reconstitute working conditions during the economic crisis for 18 months - Short working benefits 	TURK IS / ETUC	<ul style="list-style-type: none"> - Job transition - Contractual arrangement - Internal flexicurity
United Kingdom	<i>No reference to good practice</i>		

SYNOPTICAL OVERVIEW OF STRENGTHS, WEAKNESSES AND CHALLENGES AS EMERGING FROM THE NATIONAL ANALYSES⁴³

NORDIC COUNTRIES

Denmark

The Danish flexicurity model is clearly characterised by strengths rather than weaknesses. This has been also confirmed by the European Commission in the review of Denmark's achievements in the context of the Lisbon Reform Programme.

According to the Danish social partners, employers as well as trade unions agree that the model has been also able to develop and implement anti-crisis measures in response to the financial and economic turmoil of 2008 and thereby contributed to a successful recovery of the economy.

With regard to the assessment of strengths and weaknesses of flexicurity and its major components as well as the impact of the current financial, economic and social crisis, the following results are arising from the responses of the Danish social partners to our questionnaire survey:

Most social partners regard the implementation in the major policy fields of flexicurity in Denmark as a strength with only the trade unions being a bit more critical (stressing weaknesses in particular in the field of active labour market policy and social security systems as well as lifelong learning resulting from the described reductions in financial resources).

With regard to the impact of the financial and economic crisis after 2008 the assessment of the Danish social partners is less clear: While the employers organisations (DA, Local Government, Danish Regions) don't see any substantial change in the flexicurity policy fields, the trade unions think that certain flexicurity principles (LLL, reliable and flexible contractual arrangements, active labour market policy, supportive social security systems, better access to work and job transitions, upward mobility of workers) is becoming more important by the crisis.

For the Danish trade unions recent developments both in terms of financial measures as well as social dialogue are regarded as undermining the balance between high flexibility and high standards of social and employment security in the labour market. This concern is not shared by employers' organisations: In particular for the private employers' organisation DA challenges are rather connected to the qualitative improvement of flexicurity in the context of future labour market needs and the efficiency of the concept itself. Here, DA has recently started a project on "Flexicurity – 2nd Generation" which is stressing the need to improve in particular mobility and dynamism in the Danish labour market in order to maintain and increase competitiveness of the Danish economy in the global context. Starting from basic consideration that a well-functioning labour market is both in the interest of companies, workers and the public, DA seeks to initiate a process of identifying good practice and efficient instruments and elements that contribute to mobility, dynamism and an open labour market. According DA, there is also a need to develop a new definition of "modern social rights" of employees in this context.

⁴³ This synopsis is based on major results of the 29 „national fiches“ prepared by the team of experts in the context of the project.

Finland	<p>A study conducted in 2007 evaluating effectiveness of the Finnish security model – the “Change Security” model - proved that it works relatively well. Early intervention combined with a wide spectrum of ALMP measures and targeted, workplace-related training seems to be effective combination of activities to facilitate job to job transition.</p> <p>The Finnish social partners are engaged very actively in designing appropriate legal regulations for labour market and social security modernization.</p> <p>Both employers organisations’ and trade unions’ representatives believe that Finland should work out its own flexicurity model, and that it would be not appropriate to attempt to ‘transplant’ the Danish model. There is a difference of opinions between social partners as far as employment protection levels and unemployment benefit system are concerned.</p>
Sweden	<p>A quite striking result of the survey carried out amongst Swedish social partners is the assessment of both employers’ organisations and trade unions that the role of social partners and tripartite dialogue has decreased in the aftermath of the 2008 global financial and economic crisis.</p> <p>In particular the trade unions report in most policy fields of flexicurity, apart from collective bargaining, report a decreasing influence on policy and practice development and implementation in recent years. On contrast to this, the employer organisation that took part in the survey, reported that no significant change took place in recent years with regard to influencing policy and practice.</p>

CONTINENTAL COUNTRIES

Austria	<p>In their reply to our survey, the Austrian social partners agree that some significant progress has been made by the Austrian government with regard to implement major components of flexicurity in the Austrian labour market. In particular lifelong learning is mentioned both by employers and trade unions as a positive example and strength of the flexicurity reform approach.</p> <p>On the other hand, in particular the trade unions stress that flexibility and security in the labour market still is not balanced sufficiently – weal income security of the unemployed, lack of public support in adult training and education, insufficient childcare facilities and care arrangements are mentioned as major problems and challenges.</p> <p>With regard to the effects of the global financial and economic crisis and the recession of the Austrian economy, there is quite a common view of the Austrian social partners that most flexicurity principles have become more important by the crisis.</p> <p>Quite remarkable, most Austrian social partners comment that the role of social partners and tripartite dialogue has increased in the aftermath of the 2008 global financial and economic crisis (there is only one exception, i.e. on the employers’ organizations side reporting a “decrease”).</p>
Belgium	<p>The Belgian social partners do not refer directly to flexicurity in their agreements. They prefer to discuss ‘employment security’ or ‘effective job-to-job transition’.</p> <p>According to trade union representatives flexicurity has been practised in Belgium for a long time without being given a specific title. Trade unions highlight the importance of ensuring appropriate unemployment benefits and designing appropriate ALMP measures (as regards training, assistance for job seekers etc.) for all categories of workers. They also stress that the social security system and social protection still has to be improved, e.g. with view on the rather weak replacement rates. The trade unions have also made proposals for sustainable ways to finance these improvements. Furthermore, the trade unions are in favour in extending the provision for time credit to all employees and to require replacement for employees taking career breaks.</p> <p>Employers expressed doubts on the effectiveness of outplacement services provided within the framework of employment units. They would like to see a more dynamic approach to ALMP. They are also sceptical on the use of ‘time credits’ and point out that sometimes they are used to finance leisure time.</p> <p>Both trade union and employers’ organisation representatives stress the importance of lifelong learning for effective functioning of the labour market. They agree that ensuring quality of work is important. The Belgian social partners are willing to re-examine the status of blue-collar and white-collar workers.</p>

France

French social partners prefer to discuss provisions for 'securing of professional career' and modernization of the labour market rather than 'flexicurity'. For the French social partners concept of 'flexicurity' is not naturally fitting their agendas. Trade unions openly dislike the word 'flexicurity' as they are convinced it usually results in more flexibility for employers, while the second component - security for workers – is often forgotten. It is especially acute in the context of the segmented labour market and two groups of employees – the better-protected ones on CDI and other employees who are not eligible to social protection.

According to trade union representatives' assessment enterprises are more and more often dismissed from their social responsibilities towards employees and territory on which they operate. Some trade unions point out that their objections to the concept of 'flexicurity' are related to the fact that 'flexicurity' is a 'Trojan horse of the government': the government hides initiatives that result in social regression behind the notion of flexicurity'. Among employers perception of flexicurity and its stage of implementation is more diverse. There are some that believe 'some elements of flexicurity are implemented without being named flexicurity'. Others believe that "flexicurity is non existing on the French labour market, which is too rigid as regards to instruments as well as culture and attitude'. From the perspective of employers the challenge is to dynamise the labour market by introducing less constraining rules for hiring and firing; to this objective they welcomed with satisfaction new procedure for ending the employment contract. Some of the French social partners believe that recent developments cover only chosen aspects related to flexicurity while others remain underdeveloped. Both trade unions and employers observe that the European Employment Strategy is a trigger for some changes or, at least, discussions between social partners on the employment-related subjects. As a consequence, they believe that the discussion on flexicurity is driven by the European trend and the EU interest and not a natural point of their discussion. They are convinced that changes on the French labour market should be realized in a 'French way of doing thing' and use existing procedures and mechanisms. They prefer to negotiate concrete measures than concepts.

Germany

The description of debates, demands and approaches of the German social partners with regard to flexicurity has shown that there are two rather divergent perceptions of the term. This makes it extremely difficult to talk and reflect about flexicurity in a non-political or ideological way. For the employers the term is positively connected to the need to create more flexibility, transparency and reliability in the German labour market and to establish conditions that create more jobs. For the trade unions and against their experience of a decade of labour market reforms, flexicurity is applied to measures which actually have contributed to a growing segmentation of the labour market, a growth of precariousness in work and in general a growth of insecurity. The review of different policy fields has also shown that under the surface of this general political controversy there are layers, where social partners work together and develop joint approaches, e.g. in the field of lifelong learning, qualification and training or internal flexibility. This pragmatic approach is driven by joint interests of employers as well as employees at company as well as sectoral level. With regard to their view on major challenges of the future, the German social partners also show different assessments and orientations: While for the employers' organisation the reform process described above and the flexicurity concept as they have interpreted is a good starting-point and track for the years to come, the trade unions demand a general change of major policy orientation. As shown above, this change should be more clearly focused on the normative goal of "good work" and the quality of work. In reflection of the effects of labour market reform as well as the social effects of the crisis and structural change in Germany, there is a need to define a fresh approach, or, as the DGB has called it in a position paper on the Europe 2020 initiative, a "comprehensive flexicurity approach" that is aiming at creating "Change Security" and is demanding more social security instead of flexibility..

Luxembourg

In Luxembourg, the trade unions tend to believe that flexicurity is already present in some areas and needs to be further developed by improving social dialogue in enterprises, security of careers and continuous training. The employers stand at position that flexible forms of employment are an important source of advantage for both companies and employees and seek less strict rules for their use. They stress the view that different types of employment contracts, such as fixed-term and temporary contracts, not only meet the need for flexibility in the way that companies organise work, but also meet the needs of workers for work/life balance, leisure and education. They suggest these alternative forms of work have an overall positive effect on the employment market and that current regulations on them need to be less restrictive. They also consider the enhancement of ALMP and intermediation mechanisms particularly important for the better functioning of the labour market, as well as investment in initial and continuous training, with a view to strengthening employability. Nonetheless, as in many other areas in Luxembourgish social dialogue, the social partners are generally able to find compromise solutions that satisfy elements of each of their needs

Netherlands

The Flexibility and Security Act (1999) is the most illustrative example of flexicurity policy in the Netherlands. The involvement of the social partners in the policy-making process that led to this act and their role in its implementation is very substantial. It is often argued that without the active engagement and decisiveness of the social partners, the Dutch government could not have enacted the law. Today however, the Dutch social partners are less confident either in delivering continuing wage restraint or finding the right balance of flexicurity and security in terms of protection for those on regular employment contracts than they have been at any point in recent history.

CEEC COUNTRIES**Bulgaria**

The Bulgarian employers see a need for further liberalisation of labour legislation as they consider some of the provisions to hinder business competitiveness. In contrast to this, the Confederation of Independent Trade Unions in Bulgaria (CITUB) emphasises the need for a more concrete definition of the concepts of “flexibility” and “security”, as well as for consensus on measures for achieving the right balance between them. Although it recognises the importance of flexibility in all of its forms for economic competitiveness and the well-being of workers, it strongly disagrees with the intention to introduce flexibility measures at the expense of workers’ rights and job security. CITUB highlighted also improvements in the role of collective agreements for implementing labour market reforms and flexible forms of work. In particular the implementation of the European framework agreements on telework and temporary agency work were implemented in Bulgaria by collective agreements. This illustrates for the trade union organisation an important aspect of implementing flexicurity: While security should be mainly implemented by law, the issue of flexibility in the labour market should be tackled mainly by collective agreements.

Croatia

It should be borne in mind, as far as flexicurity is concerned, that economic, social and labour market reform processes in Croatia during the last decade were not so much driven by the guiding principles of flexicurity but more orientated towards the adoption of the European Unions *acquis communautaire*.

When key actors and social stakeholders in Croatia discussed the issue of flexicurity in the context of the EU-Croatia Joint Consultative Committee (JCC) in 2009, the following conclusions were drawn on key aspects in regard to an effective implementation of major flexicurity principles: The JCC calls on the government of Croatia to further develop social dialogue, based on the principles of mutual recognition and respect. The *Croatian Economic and Social Committee* should prepare a strategy to advance social dialogue, with the support of the European Commission.

In general, social partners in Croatia have a positive perception of the concept of flexicurity, i.e. the kind of flexibility which simultaneously ensures reliable contractual arrangements, and of the current state of play in the Croatian labour market. However, with regard to the opinion on concrete aspects and main challenges the two social partners have quite different opinions: Employers do not consider the contractual arrangements permitted under Croatian labour law to be sufficiently flexible. The rigid system of job security is supposed to have had negative effects such as the increased number of temporary contractual arrangements, the resulting segmentation of the labour market (a high security level for “insiders” and a high flexibility level for “outsiders” and obstacles to labour market access for job seekers.

Trade unions disagree with the employers’ argument about high security levels and claim, instead, that there is enough flexibility in the market. They are of the opinion that the lack of utilisation of the available instruments is not embedded in the actual legislation, but that it stems from the employers themselves. Because exaggerating the extent of inflexibility and failing to utilise the instruments necessary for flexibility to become a reality is the sole fault of employers. The trade unions do not perceive employment and dismissal procedures to be complicated and believe that the employers’ argument is based on a handful of isolated cases.

Czech Republic

Recent developments in the Czech labour market suggest that awareness of flexicurity is rising at the level of the company (SPČR questionnaire). Moreover, the concept has also become an element of national employment strategy. The 2008 crisis was a driver of flexicurity measures at the level of individual enterprises, where they often saved jobs through the introduction of flexible remuneration and working arrangements. Today, the flexicurity debate remains polarised. Trade union representatives claim there is too much flexibility and not enough protection, while employer organisations believe that employment regulation is too rigid and more flexibility is necessary to energise the labour market toward greater job creation.

A weakness is the 'difference' between the Czech social partners in their understanding of 'security of employment'. For employers security is linked to making the labour market less rigid and 'freeing' the natural processes of recruitment and dismissal, trade unions perceive it as a combination of guaranteed employee rights, efficient job placement and sufficient social support.

The social partners have been involved in the process of developing pension and social security system reforms. Current discussions relate to further amendments to the Labour Code that would support flexibility.

Both social partners stressed that social dialogue and meaningful consultation process requires time. They observed that at present "legislative urgency" shortens time for opinion exchange and discussing proposals.

Estonia

The Estonian social partners have contributed to recent labour market reforms by expressing their opinions on, and proposing amendments to, legal drafts. Their contribution was especially marked in the creation of the unemployment insurance scheme and the recent merger of the two public employment service institutions. In 2008 the social partners initiated bipartite negotiations to discuss concerning government proposals. Both trade unions representatives and employers' organisations representatives would like to be involved more and earlier in the development of labour laws.

The concept of flexicurity has entered the social partners' agenda only recently in the context of the modernisation of labour market. In general, the Estonian social partners prefer to discuss specific aspects of flexicurity rather than the overall concept. Flexicurity is perceived more as an EU concept than one of national relevance.

The Estonian trade unions believe that flexibility should not be achieved at the cost of security for workers. They prefer indefinite duration employment contracts to more flexible arrangements and feel that tailoring contractual arrangements to the modern labour market needs should be supported by security measures for workers. The trade unions are strong supporters of training and would welcome higher spending on training, from employers and the government.

Employers' representatives believe that the Estonian labour market is in need of more flexibility and the creation of a more favourable environment for flexible contractual arrangements would improve employment prospects. Also employers' representatives welcome more funding on training activities and the abolition of taxes on training expenses. They are strong supporters of ensuring a match between vocational education and employers' needs.

Hungary

The Hungarian social partners have different views on labour market reforms, and, as a consequence, to their elements linked to flexicurity. Trade union representatives have expressed concerns that often measures of labour market modernisation and implementing reforms are resulting in a weakening of employee protection. They stress that the Hungarian labour market flexibility is relatively high, while protection of workers is very low. In contrast to this, employers are convinced that improvements on the labour market require lower labour cost: reducing taxes, social contributions and eliminating wage increases not tailored to productivity and reducing generous minimum wage for skilled workers. They also believe that flexible contractual arrangements can foster more dynamism in the labour market and create more employment opportunities. Employer organisations representatives would welcome more freedom in shaping employment relations via company-level collective agreements or on the basis of individual contracts.

Regulations related to flexicurity are rarely written into company-level collective agreements. However, it seems that despite a quite pronounced trade union disagreement for more flexibility on the labour market, both employers and the government are interested in further flexibilisation.

Latvia	<p>With regard to flexicurity, it has to be stressed that employers and trade unions tend to highlight different dimensions of flexicurity. Employers focus most of their attention on flexibility, while trade unions are more concerned about security and wage levels. Public debate focuses on the various individual dimensions of flexicurity without establishing linkages between them in a strategic manner.</p> <p>The national approach to flexicurity as it stands places emphasis on the partnership dimension and capacity building of the social partners. They are involved in the official debate and policymaking process on implementation of all national employment policies and these discussions contain elements of the flexicurity approach. The focus of government has centred on making existing employment policies more effective rather than developing new ideas and concepts associated with flexicurity.</p>
Lithuania	<p>Major strengths and weaknesses of the Lithuanian labour market policy and labour relations are: a functioning tripartite consultation and social dialogue at the government level on the one hand and problems and deficits in the implementation of the measures developed and adopted in the context of the Lithuanian NRP on the other hand. Major challenges identified by the Lithuanian government in the context of labour market trends are in particular the sharp increase in youth unemployment and the need to increase youth employability and expand the entrepreneurship education; maintaining an adequate labour supply in the light of an ageing population; social segregation and undeclared work. Also productivity increases and better coping with skills mismatches by improving education and training systems, lifelong learning, and occupational health and safety are regarded as major challenges.</p>
Poland	<p>According to social partners the notion “flexicurity” starts to appear in Poland, and to a great extent it is the result of the EU-financed programmes. Social partners perceive their role as “contributing to flexicurity awareness building”. It can only be done by giving examples of successful implementation and disseminating good practices; it will be a lengthy process. Awareness building, apart from promoting flexicurity, would also create more trust and understanding between social partners. Additionally, trade unions perceive their role as partner for negotiations and for indicating necessary changes.</p> <p>According to trade unions the lack of the national structure for the bilateral dialogue makes cooperation between social partners difficult. One of the main goals shall be building appropriate structure which would support social partners in professional bilateral social dialogue on national level. Moreover, social partners lack resources for economic and legal expertise. Trade unions point out political competitive edge of employers and complain about their limited willingness to cooperate.</p> <p>Both social partners agree that for now there is no coordinated and complex approach to discussing flexicurity; the issue is not addressed in the Tripartite Commission. PKPP Lewiatan representatives believe that flexicurity shall be discussed in a complex package, including changes in working time calculation. They stress that there are not any joint projects at the national level; the only joint projects realized at the regional level are awareness building events, i.e. seminars and conferences. NSZZ Solidarność representatives point out that only regular employment (indefinite duration employment contract) guarantees good quality work, appropriate lifelong learning and continuing vocational training initiatives, work-life balance as well as sustainable productivity growth.</p>
Slovenia	<p>In the official Slovenian documents, the flexicurity concept first appeared in 2005 as part of the Slovenian Development Strategy. Subsequently it became a frequently mentioned concept in governmental documents and in the debate among the social partners.</p> <p>The role of social partners and of the social dialogue process in policy-making on the introduction of flexicurity policies have been most important at the national level and on overall policy design rather than implementation. Both employers' organisations and trade unions are actively involved in discussions and in the formulation of the legal framework for flexicurity policies and most notably during the discussion of the amendments to the Labour Relations Act that were introduced in 2007. The most important document in which the concept and elements of flexicurity are explicitly dealt with is the Social Agreement (2007-2009). In this document the social partners support the broad principles underpinning the flexicurity concept and policies.</p> <p>From the government and employers sides the emphasis of the concept has tended to be on flexibility rather than on social security. In public discussion on the "Framework of Economic and Social Reforms for the Increase of Well-being in Slovenia" the trade unions pointed to the need for a balance between the intended greater flexibilisation of employment relations and social security measures.</p>

Slovakia

In Slovakia, the social partners were recently involved in social dialogue at national and sectoral level on the formulation of individual policies and measures related to employment flexibility and social security of employees. Initiatives have been taken by the state administration to consult the social partners on the development of a flexicurity policy.

According to the trade unions, security should be strengthened by increasing income support for those who are unemployed and improving training and skills development to help unemployed people to find a job. Employers emphasise the high long-term unemployment rate and believe that flexible contractual arrangements, lifelong learning and ALMP measures to improve activation are the appropriate instruments. Collective bargaining contributes to the implementation of flexicurity differently according to sectors and individual companies. However, social dialogue on the development of systemic and reasonably balanced flexibility/security policy is in its initial stages.

Romania

The effects of the global financial and economic crisis after September 2008 have been the most important challenge to the role of social partners and social dialogue in current labour and social relations in Romania.

The Romanian social partners have developed quite a number of joint initiatives in response to the economic crisis. For example, in June 2009, trade union confederations and employer organisations at national level called on the government to join efforts for implementing the ILO 'Global Jobs Pact', in order to counteract the effects of the global economic crisis. Most of the trade unions and employers hold the common view that openness to social dialogue with the aim of finding the best ways to maintain and create jobs would enable Romania to contribute to the success of the pact. However, after the Romanian government has entered tripartite consultation on anti-crisis measures taken in the first half of 2009, the social dialogue situation worsened in the aftermath with the economic and financial situation of Romania becoming more and more difficult:

SOUTHERN EUROPEAN COUNTRIES**Cyprus**

According to the response to our survey, during recent years the influence of social partners in single policy fields has increased with regard to social security and social protection policy. In most other areas the situation is assessed as stable, i.e. neither increased nor decreased influence. A decrease of social partners' influence is reported in the field of "collective bargaining and collective agreements at the enterprise level".

Greece

Implementing any reforms on the Greek labour market seems to be a challenge at the moment. The country is in difficult economic situation, but at the same time, quick and deep reforms are inevitable. Greece faces such structural problems as high unemployment rate, significant share of undeclared work, low participation rates, especially among women, young and older workers and urgent need to modernize social security system. There are shortages in all four flexicurity pillars. Lifelong learning and mobility are not yet everyday reality. Full-time indefinite contracts prevail, while more flexible contracts are rare. PES have been reformed, but need further reform to modernize and to offer a more integrated and personalized services. The questions arise also around effectiveness of subsidies and their rationale. Social support needs to be developed to offer appropriate level of assistance to all employed, independent on the contract. According to trade unions there is lack of sustainable approach to financing flexicurity and supporting measures. For trade unions the core of attention is security; for employers – flexibility and increasing productivity. It is important to point out positive influence of the EU-funded projects that contribute to developing different elements of labour market policy.

In a joint document of the Greek government and the social partners ("Green Bible"), the following challenges have been described in particular: extending employment protection to informal employment; defining dependent labour by clarifying the 'grey areas' between employed labour and self-employment; combating undeclared work; and facilitating transition between various forms of employment and unemployment.

Italy	<p>The Italian approach to flexicurity focuses on modernization of the social security system and improvement of the vocational training system. The Green Paper on the social security model published in July 2008 invited social partners to discuss a comprehensive approach to the reform of the social security system, and -at the same time – initiated cutting social spending. The debate today revolves around extending social protection to all types of contracts and reducing the gap between protection offered to regular workers and the one offered to workers on non standard contracts.</p> <p>For trade unions the most important issues are job security and guaranteeing appropriate pay levels. For employers increasing flexibility and productivity are the most important issues. Social partners agree that lifelong learning and vocational training are crucial in improving the employability of Italian workers. They also agree that the effectiveness of PES shall be improved, although they have different opinions on how this should be done. Employer representatives stress that recently Italian social partners have started to make joint decisions. It is not always easy since there is always some opposition and some political resistance that prevents from having the same opinion. However, in urgent situations social partners manage to reach agreements.</p>
Malta	<p>Flexicurity is an emerging theme in the Maltese labour market. Before it became a recognised concept, it had to overcome trade union suspicions linked to associating flexicurity with less protection for workers. At present it seems that the sound grounds for discussion are there, however, there are still some obstacles that have to be coped with. The main challenge is to ensure better participation of all groups of the potentially active working population, i.e. youth, women, older workers and immigrant workers. Second, it is making "formal work" pay, therefore reducing illegal employment. Third, ensuring that more people achieve tertiary education or return to Malta after graduating from foreign universities.</p>
Portugal	<p>In Portugal, trade unions are generally sceptical about the concept of flexicurity. They are particularly keen to combat precarious work and see a focus on flexicurity as an approach which responds primarily to employers' needs. In particular, trade unions consider that contractual flexibility is already significant in the country and could be reduced, not least through a more effective implementation of existing rules. They believe that more attention should be devoted to lifelong learning and social security with the proviso that activation measures should not negatively impact on employee rights and protections.</p> <p>Employers tend to be much more in favour of flexicurity and view it in two dimensions. First in increasing internal and external flexibility of employment in terms of hiring and firing, working time, work organisation, functional flexibility and geographical mobility. Second they emphasise employment security rather than job security.</p>
Spain	<p>Social partner opinions on the strengths and weaknesses in implementing the flexicurity principles as expressed in the replies to our questionnaires differed quite a bit between trade unions and employers' organisation. While there was consensus on gender equality policies being rather a strength and active labour market policies and measures aimed at greater internal flexicurity being rather a weakness, there was disagreement on the evaluation of contractual arrangements, social security systems, external flexicurity, lifelong learning and the mobility of workers and on the promotion of high quality and productive workplaces. Contractual arrangements and greater external as well as internal flexicurity, seem to be the most important challenges and the Spanish government has addressed this issue in the Labour Market Reform package 2010. The step to implement the reform package unilaterally resulted in strong opposition, in particular, from the trade unions' side that culminated in the general strike at the end of September 2010.</p> <p>In the light of the crisis and recession, the decentralisation process of collective bargaining towards the company-level basically stopped and generally, collective bargaining slowed down during 2009 and came to a standstill. Many collective agreements were not renewed or re-negotiated. At the end of 2009, social partners finally started to negotiate a framework bargaining agreement that brought this deadlock situation to an end.</p>

Turkey

The concept of flexicurity has received increased attention from the social partners and government organisations in recent years and as a result, flexicurity related issues – such as job creation, job security and social inclusion – are now emerging in social partner discussions.

Although the situation, in particular in regard to the respect of basic labour rights and trade unions, has improved in recent years in the context of EU convergence process, there are still a number of challenges and barriers to social partnership and social dialogue in Turkey. According to the survey reply of the trade union confederation TÜRK-İŞ the most important challenge for social partners playing a more important role in industrial and labour relations as well as in regard to the implementation of flexicurity in Turkey is the lack of a sufficient coverage of workers by collective agreements. A further challenge according to the trade unions is the fact, that due to the extensive share of undeclared work nearly half of the Turkish workforce is not covered by social security.

In contrast to this the Turkish employers stress the highly rigid employment protection legislation and the lack of flexibility within the labour market as the main reason for the segregated labour market.

According to the employer organization TISK, *“Turkey can ensure real employment protection not through a rigid labour legislation but by giving the labour force skills needed in the labour market, by emphasizing active labour market policies and by improving flexible working arrangements.”*

ANGO-SAXON COUNTRIES**Ireland**

Irish trade unions generally consider social security to be the main missing element of a comprehensive flexicurity approach, since flexible labour markets and ALMP (albeit recently) are well established in the country. The employers regard temporary agency work as a crucial source of flexibility, especially in certain sectors of the economy and consider the costs of a strengthened welfare system as problematic in the current financial environment.

Also the *Irish Business and Employers Confederation (IBEC)* is more cautious on flexicurity. IBEC is wary of the notion of ‘insiders’ and ‘outsiders’ in the labour market, suggesting that many employers do not view part-time work, for instance, as offering a lesser form of contract. IBEC has questioned whether an expensive Danish style flexicurity model would be acceptable in Ireland - given, for instance, the current financial situation and the leap in taxation and public spending that it would entail.

United Kingdom

In the UK, the term flexicurity is not very familiar and not used in public debates. However, there are main divergences between the social partners related to issues such as active labour market policy or contractual arrangements. The Trades Union Congress (TUC) has made a strong case that the current labour market regulation does not sufficiently protect workers. On the other hand, employers firmly reject any labour market regulation and maintain that the UK model can in fact be regarded as ‘flexicurity in action’ – thereby echoing the model of ‘flexicurity through the market’, which is sometimes identified in the relevant literature. Nonetheless, employers and trade unions are highly interested in skills training and lifelong learning.

The lack of tripartite dialogue is a further characteristic of the UK labour market model – most reform initiatives are government led with only weak involvement of social consultation. With view on major challenges, skills training and lifelong learning are of particular significance and relevance to both employers and unions. In particular on this issue trade unions and employers are consulting each other and developing joint initiatives. In contrast to tripartite dialogue the bipartite level of consultation and exchange is still alive in the UK.

Main labour market indicators in comparison

	Austria	Belgium	Bulgaria	Croatia	Cyprus	Czech Republic	Denmark	Estonia	Finland	France	Germany	Greece	Hungary	Ireland	Italy	Latvia	Lithuania	Luxembourg	Malta	Netherlands	Poland	Portugal	Romania	Slovakia	Slovenia	Spain	Sweden	Turkey	UK	EU27
Employment rate – % population aged 15 - 64	71.6	61.6	62.6	56.6	69.9	65.4	75.7	63.5	68.7	64.2	70.9	61.2	55.4	61.8	57.5	60.9	60.1	65.2	54.9	77.0	59.3	66.3	58.6	60.2	67.5	59.8	72.2	44.3	69.9	64.6
Employment rate older people – % population aged 55-64	41.1	35.3	46.1	38.4	56.0	46.8	57.5	60.4	55.5	38.9	56.2	42.2	32.8	51.0	35.7	53.2	51.6	38.2	28.1	55.1	32.3	49.7	42.6	39.5	35.6	44.1	70.0	28.2	57.5	46.0
Self employed - % total population	14.2	16.2	26.9	15.0	17.2	18.7	6.2	8.2	12.1	9.1	11.0	35.4	11.0	17.8	23.4	11.6	12.1	5.9	12.3	13.4	22.8	13.2	28.8	15.4	17.3	13.7	5.4	n.a.	13.7	15.5
Employment in services - % total employment	71.6	78.9	53.0	53.7	75.7	59.3	77.8	64.8	70.9	77.2	73.0	69.3	62.3	72.6	68.3	58.0	63.5	77.1	77.8	80.5	54.6	62.2	40.9	64.6	58.4	71.4	76.1	33.7	81.6	70.4
Employment in industry - % total employment	23.2	19.3	27.1	29.9	19.8	37.1	19.4	31.1	24.1	19.7	24.9	18.9	30.7	22.1	27.7	23.4	27.2	21.3	19.9	16.7	31.4	26.9	31.3	32.3	32.9	24.1	21.8	20.5	16.8	24.1
Employment in agriculture - % total employment	5.2	1.8	19.9	16.5	4.5	3.5	2.8	4.1	4.9	3.1	2.1	11.8	7.1	5.3	3.9	8.6	9.3	1.5	2.3	2.8	19.0	10.9	27.8	3.2	8.6	4.4	2.1	45.8	1.6	5.6
Unemployment rate - % labour force 15+	4.8	7.9	6.8	9.1	5.3	6.7	6.0	13.8	8.2	9.5	7.5	9.5	10.0	11.9	7.8	17.1	13.7	5.2	6.9	3.4	7.1	9.6	6.9	12.0	5.9	18.0	8.3	12.5	7.6	8.9
Youth unemployment rate - % labour force 15-24	10.0	21.9	16.2	25.0	14.0	16.6	11.2	27.5	21.5	23.3	10.4	25.8	26.5	24.4	25.3	33.6	29.2	16.9	14.3	6.6	17.3	20.0	20.8	27.3	13.6	37.8	25.0	22.7	19.1	19.6
Long term unemployment rate - % labour force	1.0	3.5	3.0	5.1	0.6	2.0	0.5	3.8	1.4	3.3	3.4	3.9	4.2	3.4	3.5	4.6	3.2	1.2	3.0	0.8	2.4	4.3	2.2	6.5	1.8	4.3	1.1	2.8	1.9	3.0

Source: Eurostat, *Employment in Europe Report 2010*

Flexicurity indicators in comparison

	Austria	Belgium	Bulgaria	Croatia	Cyprus	Czech Republic	Denmark	Estonia	Finland	France	Germany	Greece	Hungary	Ireland	Italy	Latvia	Lithuania	Luxembourg	Malta	Netherlands	Poland	Portugal	Romania	Slovakia	Slovenia	Spain	Sweden	Turkey	UK	EU27
Educational attainment, LLL and CVT																														
Total population having completed at least upper secondary education (population aged 25-64, %), 2009	81.9	70.6	77.9	76.8	72.4	91.4	76.3	88.9	82.0	70.4	85.5	61.2	80.6	71.5	54.3	86.8	91.3	77.3	27.7	73.4	88.0	29.9	74.7	90.9	83.3	51.5	80.7	28.2	74.6	72.0
Percentage of employees (all enterprises) participating in CVT courses, 2005	33	40	15.0	n.a.	30.0	59.0	35	24.0	39.0	46.0	30.0	14.0	16.0	49.0	29.0	15.0	15.0	49.0	32.0	34.0	21.0	28.0	17.0	38.0	50.0	33.0	46.0	n.a.	33.0	33
Lifelong learning participation – percentage of the population aged 25-64 participating in education and training over the four weeks prior to the survey, 2009	13.8	6.8	1.4	2.3	7.8	6.8	31.6	10.5	22.1	6.0	7.8	3.3	2.7	6.3	6.0	5.3	4.5	13.4	5.8	17.0	4.7	6.5	1.5	2.8	14.6	10.4	22.2	2.3	20.1	9.3
Contractual arrangements and internal flexibility																														
Part-time employment - % total employment, 2009	24.6	23.4	2.3	9.0	8.4	5.5	26.0	10.5	14.0	17.3	26.1	6.0	5.6	21.2	14.3	8.9	8.3	18.2	11.3	48.3	8.4	11.6	9.8	3.6	10.6	12.8	27.0	11.3	26.1	18.8
Fixed-term contracts - % total employees, 2009	9.1	8.2	4.7	11.6	13.4	8.5	8.9	2.5	14.6	13.5	14.5	12.1	8.5	8.5	12.5	4.3	2.2	7.2	4.8	18.2	26.5	22.0	1.0	4.4	16.4	25.4	15.3	10.7	5.7	13.5
Access to flexitime, % total employees aged 15-64, 2004	37.0	31.7	8.6	n.a.	10.4	21.0	37.0	16.6	50.2	28.2	52.3	15.1	17.3	20.2	32.9	19.3	16.9	37.5	18.2	37.0	19.9	19.9	10.8	19.4	28.6	15.3	61.2	n.a.	33.5	31.3
External flexibility*																														
Strictness of employment protection – overall, 2008	2.41	2.61	n.a.	n.a.	n.a.	2.32	1.91	2.39	2.29	3.00	2.63	2.97	2.11	1.39	1.56	n.a.	n.a.	3.39	n.a.	2.23	2.41	3.05	n.a.	2.13	2.76	3.11	2.06	3.46	1.09	2.24
Strictness of employment protection – regular employment, 2008	2.37	1.73	n.a.	n.a.	n.a.	3.05	1.63	2.46	2.17	2.47	3.00	2.33	1.92	1.60	1.77	n.a.	n.a.	2.75	n.a.	2.72	2.06	4.17	n.a.	2.5	3.15	2.46	2.86	2.56	1.12	2.11
Strictness of employment protection – temporary employment, 2008	2.29	2.67	n.a.	n.a.	n.a.	1.71	1.79	2.17	2.17	3.75	1.96	3.54	2.08	0.71	2.54	n.a.	n.a.	3.92	n.a.	1.42	2.33	2.54	n.a.	1.17	2.5	3.83	0.71	4.88	0.29	2.08
Strictness of employment protection – collective dismissals, 2008	3.25	4.13	n.a.	n.a.	n.a.	2.13	3.13	3.25	2.38	2.13	3.75	3.25	2.88	2.38	4.88	n.a.	n.a.	3.88	n.a.	3.00	3.63	1.88	n.a.	3.75	2.88	3.13	3.75	2.38	2.88	2.96

* data for OECD

Source: Eurostat; Employment in Europe Report 2010; Eurofound (European Working Conditions Survey 2010); OECD.

Flexicurity indicators in comparison

	Austria	Belgium	Bulgaria	Croatia	Cyprus	Czech Republic	Denmark	Estonia	Finland	France	Germany	Greece	Hungary	Ireland	Italy	Latvia	Lithuania	Luxembourg	Malta	Netherlands	Poland	Portugal	Romania	Slovakia	Slovenia	Spain	Sweden	Turkey	UK	EU27
Active labour market policy, social security and equality																														
Public expenditure on active labour market policies (categories 2-7) - % of GDP, 2008	0.52	1.08	0.26	n.a.	0.07	0.10	0.98	0.04	0.67	0.60	0.53	0.14	0.21	0.54	0.36	0.08	0.14	0.33	0.05	0.71	0.47	0.41	0.06	0.15	0.09	0.53	0.64	n.a.	0.05	0.46
Public expenditure on passive labour market policies (categories 8-9) - % of GDP, 2008	1.16	2.04	0.16	n.a.	0.38	0.20	1.20	0.21	1.35	1.17	1.10	0.46	0.37	1.33	0.81	0.35	0.15	0.53	0.33	1.27	0.35	0.99	0.17	0.43	0.27	1.86	0.45	n.a.	0.20	0.96
Social protection expenditure - % of GDP, 2008	28.2	28.3	15.5	n.a.	18.4	18.7	29.7	15.1	26.3	30.7	27.8	25.9	22.7	22.1	27.9	12.6	16.2	20.1	18.9	28.4	18.6	24.3	14.3	16.0	21.5	20.9	29.4	n.a.	23.7	26.3
Persons at-risk-of-poverty after social transfers - % of total population, %, 2009	12.0	14.6	21.8	17.0	16.2	8.6	13.1	19.7	13.8	12.9	15.5	19.7	12.4	15.0	18.4	25.7	20.6	14.9	15.1	11.1	17.1	17.9	22.4	11.0	11.3	19.5	13.3	26	17.3	16.3
Inequality in income distribution	3.7	4.1	6.5	4.5	4.1	3.4	3.6	5.0	3.8	4.2	4.8	5.9	3.5	4.5	5.1	7.3	5.9	4.1	4.0	4.0	5.1	6.1	7.0	3.4	3.4	5.4	3.5	9.9	5.6	5.0
Job satisfaction – percentage of workers that are either very satisfied or satisfied with working conditions in their main paid job (EWCS 2010)	90.8	90.0	74.4	72.7	86.4	79.9	94.9	77.2	88.8	79.3	88.3	63.2	74.1	90.7	79.6	74.2	70.6	88.1	85.3	92.2	84.5	84.8	75.4	81.0	74.2	83.1	87.0	61.3	92.6	84.3

Source: Eurostat; Employment in Europe Report 2010; Eurofound (European Working Conditions Survey 2010); OECD.