



SOCIAL PARTNERS AND FLEXICURITY IN CONTEMPORARY LABOUR MARKETS
EU SYNTHESIS CONFERENCE, BRUSSELS, 31 MARCH – 1 APRIL 2011

CONFERENCE NOTES

Organisation and programme

The final conference on flexicurity in the joint European level social partners' project, "The implementation of flexicurity and the role of social partners" took place at the Hotel Bloom in Brussels on the 31st March and 1st of April 2011. It was attended by more than 100 participants from national and European social partners' organisations as well as the candidate countries such as Turkey. Guest speakers from the European Commission and the European Foundation for the Improvement of Living and Working Conditions also attended the conference.

A detailed programme, the list of participants as well as presentations are attached to these notes and are available on the EU Social Partners resource centres websites¹

Conference notes

DAY ONE

WELCOME ADDRESS – INTRODUCTION BY THE EUROPEAN SOCIAL PARTNERS

Steven D'Haeseleer on behalf of the employers organizations (BUSINESSEUROPE, UEAPME and CEEP), and **Joël Decaillon** on behalf of the ETUC welcomed the participants and presented the background of the project in the context of the EU social partners' work programme 2009 – 2010 and summarized briefly their assessment of the project activities as carried out in 2010 and 2011.

Steven D'Haeseleer stressed in his welcome address that the joint project was not an easy one due to often diverging opinions and assessments made by the social partners. This diversity is also mirrored in the synthesis report and the other material prepared in the context of the survey and the project which was based on different methodological tools. However, the project has also shown that social dialogue at the EU level is alive and also is addressing challenging issues in the field of contemporary labour market developments and labour market policy. He highlighted in particular that the project brought useful examples and has initiated a constructive exchange and discussions amongst social partners and experts on the topic. With view on the main results achieved by the project Steven D'Haeseleer underlined that the project contributed and extended joint understanding amongst social partners, opened a window to exchange ideas and experiences beyond the ideological debate.

Mr. D'Haeseleer also stressed that from the point of view of employers, flexicurity is the right concept to tackle major challenges in contemporary labour markets. While trade unions as well as employers' organisations agree on most of these challenges, there are different views on further needs and directions of reform processes. He expressed the wish that the conference may continue the frank and open-minded exchange of views on different aspects of the topics which are necessary to develop joint understanding and initiatives.

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



Joël Decaillon on behalf of the ETUC agreed that implementing the different project activities and summarizing main results of the study as documented in the final synthesis report has been a tough task since flexicurity is not an easy but a controversial topic. The project has analysed the implementation of the eight common principles of flexicurity and in particular the current state of active labour market policy, social security and labour law reforms in the EU and two candidate countries and thereby contributed a lot to the question whether flexicurity is working according to the common principles and/or where are needs for improvement. According to Joël Decaillon, the project has contributed to a better understanding of the current situations and also to the challenges for the future in the aftermath of the global financial and economic crisis. It has also clearly shown that the active involvement of social partners and a substantive role of social dialogue is key for the successful implementation of the flexicurity common principles.

Mr Decaillon also summarised the concerns of the European trade unions with view on the flexicurity concept: First, given the diversity of situations and challenges in a common social and economic sphere with more than 500 million citizens it is extremely difficult to address contemporary challenges and needs in the labour market and in regard to social security by one single concept. Second, trade unions are concerned in particular about imbalances between external and internal flexibility and between flexibility and security in contemporary labour markets that are resulting in challenges in particular with view on equal treatment and inclusion.

THE ROLE OF SOCIAL PARTNERS IN THE DEVELOPMENT AND IMPLEMENTATION OF FLEXIBILITY AND SECURITY IN CONTEMPORARY LABOUR MARKETS: PRESENTATION OF RESULTS OF THE STUDY

A comprehensive overview of the joint project and major components of the study (questionnaire based survey, work on comparative indicators, 29 country specific flexicurity “fiches, cluster seminars and major results emerging from the comparative evaluation of the information gathered in the context of the project) was presented by **Eckhard Voss**, co-ordinator of the experts team.

The presentation is attached in the annex to these conference notes.

HIGHLIGHTS OF THE DISCUSSION

Participants from various countries (Germany, Belgium, France, the Netherlands) commented on the study and the presentation highlighting the value of the study in general but also stressing their view on major challenges emerging with regard to flexicurity in contemporary labour markets. Participants from the German and Belgium trade unions for example highlighted labour market trends that have contributed to an increase in contractual inequalities and a growing share of more precarious forms of work and a substitution of comparative secure standard contracts by more flexible forms of work and temporary agency work as in the German cleaning sector . Also the statement made in the synthesis report that flexicurity contributes to job creation was questioned – also the opposite could be the case. A representative of an employer’s organisations made the reply that both job creation as well as job destruction should be regarded as inevitable aspects of labour market developments.

French trade union representatives commented that the study in general focussed much more on the issue of flexibility and flexible forms of work than on the issue of security and the triple character of security (economic, social and political). It would be important to address these different facets of security and security solutions at different levels (e.g. at the company level) more in future research.

A representative of the Dutch small enterprise employers indicated that although not addressed directly in the study, the issue of self-employment forms of work and promotion of entrepreneurship are important issues and topics in contemporary labour market developments and policy that should be taken into account.

PANEL 1: THE DIFFERENT FORMS OF FLEXIBILITY:

Panellists:

- *Jørgen Rønne*, DA, Denmark
- *Erik Pentenga*, FNV, The Netherlands
- *Emmanuel Julien*, MEDEF, France

The panel discussion was introduced by the expert team member **Anna Kwiatkiewicz** who summarised the issue of different forms of flexibility as emerging in the context of the flexicurity concept and addressed the following questions to the three panellists and invited them to comment on them:

- *Which forms of flexibility are important and should be discussed here as either positive or negative examples?*
- *How “flexibility” is currently discussed in the respective country, have there been changes in the notion of flexibility and different forms recently and is there a joint understanding between social partners in regard to “flexible forms of work”?*
- *Regarding flexibility as an issue being both in the interest of employers and workers – do the panellist share this view and is it also a topic within the social dialogue in the respective country? Are there any practical examples that can illustrate flexibility as a win-win-situation?*

HIGHLIGHTS OF THE STATEMENTS AND THE FOLLOWING DISCUSSION:

Reflecting upon the Danish model and the experience of labour market flexibility, **Jørgen Rønne** of the Danish employer federation DA stressed the positive aspects of the flexicurity concept and also the need of enterprises to act in a flexible way in order to be able to adjust to market needs and trends and stay competitive, also employees need flexibility. For meeting market challenges and stay in the market, a mobile and flexible labour force for European companies is crucial. In this context, public authorities, employers and individuals should be responsible. Mr Rønne also highlighted different forms of flexibility, i.e. not only external forms such as contractual flexibility but also internal flexibility such as in the field of working time or work organisation that are equally important. Mr Rønne also stressed that job destruction is not naturally linked to the flexicurity concept but rather an effect of market changes and enterprises that lack competitiveness. Against this, a crucial task of labour market and social security policy is to facilitate job transitions over the whole life-cycle.

Erik Pentenga of the Dutch trade union federation FNV stressed the different view of workers and employers on flexibility. He stated that in today’s labour market, having a job not long is a secure fact for the whole life and that flexibility is much more than only external and contract flexibility as measured in the Employment Protection Indicator. However, Mr Pentenga also stressed that the debate on flexibility very much focuses on the aspect of external flexibility and other aspects are neglected, for example the rather adverse effects of flexible jobs on labour productivity and thereby competitiveness. Mr Pentenga also highlighted some trends in the Dutch labour market and the discussion on flexibility in the national context, in particular the question, whether or not flexible jobs are a “stepping stone” into regular forms of employment: While in 1999 around 12% of all jobs were based on a flexible contract, the share has increased since then to around 35% - from the point of view of the Dutch trade unions, this trend is challenging the thesis of the stepping stone effect.

Emmanuel Julien from the French employer federation MEDEF positioned the flexibility issue within the wider topic of global economic trends and the challenges European business and labour markets are facing. As he stressed, for staying competitive and for the success in the global market, economic performance and flexibility is crucial. He also highlighted in this context that positive economic performance is a precondition for social progress and security. With reference to the antipode Yin

and Yang (*"No Yin without a Yang"*) Mr Julien commented that the French social partners have addressed the need of balancing flexibility and security in a joint statement that was signed by four trade union and three employers' organisations in June 2008.

In the following discussion, participants from the Netherlands, Germany, France, Belgium, Italy and other countries commented on the statements and the questions rose in the context of the panel. The comments illustrated both the variety of the perception of flexicurity amongst national social partners but also joint assessments and common opinions:

- Union as well as employer representative agreed that the world is changing rapidly and there is a need that also the world of labour has to be adjusted accordingly. According to the employer representative, flexibility is one aspect in this context.
- According to a Dutch employer representative there is not only a need for more flexibility but also for "new forms of security". Internal and external flexicurity should be both looked at in order to adapt to a changing world.
- German participants from both unions as well as employer organisations explained that the German "*Jobwunder*" and the remarkable low number of dismissals in the aftermath of the crisis was based on a strong consensus between the social partners to keep people in the job. With regard to external flexibility a representative of the employers' stressed the need to have this type of flexibility as a "puffer". He also stressed that agency work is not substituting but securing stable employment. The German employers are also in favour of codes of conduct in regard to working conditions in temporary agency work and they acknowledge the need to have a good balance between internal and external flexibility.
- In this context, participants also highlighted the value of "negotiated flexibility" which had been particularly successful during the recent crisis situation. From the union point of view on collective agreed approaches can avoid the growing segmentation of the labour market between permanent workers with a comparatively strong protection and flexible workers with weak coverage by security. An approach of a rather positive example was reported by an Italian participant: Here, temporary workers are covered by rather good framework conditions, though also in Italy there are a lot of cases of misusing flexible forms of work.
- In this context a participant stressed the need to study in depth achievements in regard to internal as well as external flexibility guided by the question "*Where do we need more internal and where more external flexibility?*"
- Trade union representatives from the Netherlands as well as France and Germany raised the issue of productivity in the context of an increasing share of flexible jobs – there is evidence that a high share of flexible workers have a negative effect on labour productivity.
- A representative of the SMEs in the Netherlands explained that internal flexibility in small companies is much more difficult to implement as in larger ones.
- Trade union representatives from France and Belgium stressed the need of collective negotiated solutions, e.g. sector schemes in the field of professional mobility in order to support individual workers and avoid extreme forms of flexible contractual arrangements (e.g. zero hour contracts, or 1-day contracts).

In his reply, Mr Julien recalled that the joint agreement signed in 2008 is considered innovative and that security should not be taken for granted. He also underlined that productivity is linked with job creation rather than job security.

Mr Rønne stressed that a mobile and open labour markets are the solution and not the problem, as thousands of companies are closing and going out of business. We should adapt to the current situation, help to find more jobs and find transitions.

PANEL 2: ACTIVE LABOUR MARKET POLICY; LIFELONG LEARNING AND SOCIAL COHESION

Panellists:

- *Allan Jones, EBU, United Kingdom*
- *Valérie Jadoul, FGTB, Belgium*
- *Antje Gerstein, BDA, Germany*
- *Peter Rigney, ICTU, Ireland*

The panel discussion was introduced by the expert team member **Antonio Dornelas** who summarised the issue of different forms of flexibility as emerging in the context of the flexicurity concept and addressed the following questions to the four panellists and invited them to comment on them:

- *From your point of view, which are the most important challenges with view on ALMP, LLL and social cohesion in your country?*
- *With regard to social dialogue – How have these challenges so far been addressed at different levels and forms of social dialogue (e.g. at national level, collective bargaining at different levels, other initiatives) and is there a principle joint understanding between social partners in regard to major needs?*
- *Do you think that the flexicurity concept is the right way to address challenges in the context of social cohesion and labour market policy? If so, are there any concrete cases of good practice that illustrate this? If not, which alternative concepts do you favour?*

HIGHLIGHTS OF THE STATEMENTS AND THE FOLLOWING DISCUSSION:

Alan Jones, representing the CEEP member organisation EBU explained the situation in the UK with regard to flexicurity. Against the background of the specificities of the UK/Irish model of labour relations he stated that the term “flexicurity” is not well known in the UK policy debate. With regard to the issue of flexibility and security in the UK labour market and reform debates he also commented that there have been significant changes over time, depending very much on the political orientation of different governments and also the influence of the social partners. Mr Jones also described the current situation of labour market challenges and policy in the context of the crisis. The public policy is very much dominated by massive reductions in public spending and employment protection while at the same time active labour market policy measures have only a very weak tradition in the UK. In this context, public services and initiatives at local level are facing the challenge to maintain or even extend a certain level of action under the conditions of reduced resources. With regard to lifelong learning, Mr. Jones highlighted as an example of good practice an initiative developed at the BBC where the focus shifted from job to employment security, i.e. stronger efforts on the employability, skills and professional mobility of workers. The most important challenge according to Mr Jones for the coming year is how to create new jobs in times of decreasing public expenditure.

In contrast to the UK, the social dialogue and also tripartism in Belgium according to **Valérie Jadoul** from the trade union federation FGTB is well advanced. However with regard to the key issues addressed by the panel, Belgium is facing major challenges. Mrs Jadoul in particular stressed the following: coverage of flexible workers, e.g. part-timers by measures of lifelong learning and support of skills development or the access to training of older workers. With regard to social cohesion the most important challenge according to Mrs. Jadoul is the lack of access to quality jobs for younger

workers and workers with a migration background. Another major challenge mentioned by Ms Jadoul is vocational training. Despite existing legislation in Belgium, precarious workers (in particular temporary agency and part-time workers) have access opportunities to training. Flexicurity, according to Ms Jadoul could be a model only with is effective social dialogue is in place.

The situation in Germany in regard to active labour market policy, lifelong-learning, social dialogue and flexicurity in general was explained by **Antje Gerstein** of the employers' federation BDA. She noted that ALMP in Germany today is based on the principle of "Encouragement and Support", i.e. providing necessary social protection and incentives to work. The efficient use of financial resources and the concentration of the most effective instruments from Mrs Gerstein's point of view are crucial in ALMP as well as the clear orientation toward supporting the re-integration of unemployed persons into the labour market. According to Mrs Gerstein the main challenge in the field of lifelong learning is to better match labour market needs and the existing skills of the workforce, for an increased employability. From the point of view of Mrs Gerstein the flexicurity concept is a suitable approach to tackle these challenges. As a positive example she highlighted a collective agreement in the chemical sector that has developed quite innovative measures to cope with demographic change. This agreement also illustrates the specific nature of autonomous social partnership – in contrast to many other EU countries tripartism has no special tradition in Germany.

Peter Rigney from the ICTU trade union federation in Ireland explained both the perception of flexicurity in Ireland and the situation with regard to the three main policy fields of this panel: He noted that there is some kind of "informal commitment" of the Irish social partner to flexicurity. Mr Rigney also highlighted the major challenges in the current difficult situation of Ireland and the Irish labour market which is to reduce the high number of unemployed persons and in particular to support those who are already unemployed for a long time. He also stressed that a good qualification and skills base is the best way to find a new job and training, and lifelong learning an insurance against unemployment. Another worrying trend that was reported by Mr Rigney is the increasing number of infringement to the Maternity protection act: workers are either made redundant when back from maternity leave or put in a position to resign. In regard to social dialogue Mr Rigney commented that though the tripartite dialogue collapsed in 2009 the dialogue between employers and unions continued. With regard to flexicurity two specific challenges were highlighted by Mr Rigney: first, to implement flexicurity in SMEs and secondly – with reference to Winston Churchill the need to "*protect the good employers from the bad*".

In the following discussion, participants from Germany, Italy and France highlighted in particular challenges and problems in the field of lifelong learning:

- Though skills and qualifications are becoming more and more important, some trade union participants reported a decrease in continuous training activities at the company level during the last decade.
- In this context some trade union participants expressed the opinion that there is a correlation between the growth in flexible forms of work and reduction of LLL activities. Some underlined that the flexicurity model has failed in this respect.
- With view on the significant gaps between European countries regarding indicators of LLL participation or CVT participants raised the question about the underlying reasons for this and why there seems not to be any convergence despite more than 20 years of active policies on LLL and qualification in Europe.
- The situation of SMEs and the challenge to also cover SME workers by active labour market policy and/or LLL strategies were highlighted by some participants.

- Labour market policies do not require large funds but efficiency and effectiveness of the funds. Therefore it is about securing economic efficiency.

EUROFOUND'S ACTIVITIES IN THE FIELD OF FLEXICURITY

At the end of the first conference day, the new director of the European Foundation for the Improvement of Living and Working Conditions, **Juan Menéndez-Valdés**, presented an overview of activities of Eurofound addressing specifically or indirectly the flexicurity components. They include (but are not limited to): research projects, e.g. flexicurity in times of crisis, 2nd generation of flexicurity, studies on working time, in the context of different research activities (e.g. the European company survey, the European Working Conditions Survey or comparative research projects).

The presentation of Mr Menéndez-Valdés is attached in the annex of this documentation.

In the discussion following the presentation, participants not only raised questions regarding specific activities described in the presentation but also suggestions were made on future research needs, e.g. to analyse whether or not flexicurity still is a reference model at EU member state level; to carry out research on the efficiency of flexicurity as a policy concept and strategy or to identify elements within the flexicurity concept that work and elements that don't are successful. In general it was suggested that national social partners should more often use and consult the Eurofound data for their daily work.

RESOURCE CENTRES

European social partners Cinzia Sechi (ETUC) and Guillaume Cravero (BUSINESSEUROPE) concluded the day by presenting the "toolbox" available for social partners: websites and documentation of the projects available online.

DAY TWO

PANEL 3: FLEXICURITY IN TIME OF BAD WEATHER

Panelists:

- *Malgorzata Rusewicz, Lewiatan, Poland*
- *Javier Fernández, CC.OO, Spain*
- *Anna Katharina Huber, WKÖ, Austria*
- *Rune Siglev, LO Denmark*

The panel discussion was introduced by the expert team member **Eckhard Voss** who summarised the issue of different forms of flexibility as emerging in the context of the flexicurity concept and addressed the following questions to the three panellists and invited them to comment:

- *From your personal view, do you think flexicurity is also a suitable concept of policy reforms in "times of bad weather"? Why do you think so?*
- *When you reflect about the major anti-crisis measure taken in your country after 2008 how would you assess the specific balance between flexibility and security within these measures and what have been or are the main strengths and weaknesses of specific measures applied after 2008 (including the coverage of different types of enterprises and employees, e.g. small companies, workers in flexible contracts, self-employed)?*
- *With view on future needs – the flexicurity concept at the EU level at least was designed in times of rather "good weather" and orientated to support the implementation of the Lisbon*

strategy to create more and better jobs in Europe. Which aspects of the flexicurity concept have to be adjusted and/or reinvented in the light of the current labour market situation and the Europe 2020 Strategy?

HIGHLIGHTS OF THE STATEMENTS AND THE FOLLOWING DISCUSSION:

Malgorzata Rusewicz of the Polish employers' federation Lewiatan characterised the role of flexicurity as an instrument and strategic orientation in the context of crisis and recovery in Poland as very positive. According to Mrs Rusewicz, Poland has developed its own notion and pathway of flexicurity that also contributed to the development of anti-crisis measures that were able to protect around 200,000 workers from dismissal. According to her flexicurity also is the right concept for the future and the tasks arising in the context of economic recovery. Basically the Polish way of flexicurity according to Mrs Rusewicz is to combine an increase in flexibility and financial concessions by an increased job security. The most important forms of flexibility in Poland are working time flexibility and the liberalisation of fixed-term contracts. However, Mrs Rusewicz also highlighted that today only a minority of Polish companies (11%) are making use of such flexible forms of work. However, also other trends in the context of the economic crisis were highlighted in the statement, for example a relatively high proportion of workers that had to accept a wage reduction (12%) and a growing share of workers that are not receiving any additional benefits (currently around 45%). While Mrs Rusewicz in general appreciated the flexicurity approach as a positive and good concept that works in times of "bad weather" she highlighted also the challenge that social dialogue in Eastern countries today is not a real basis for flexicurity: there is a lack of trust and compromise is not a solution at this moment.

The situation in Spain from the perspective of flexicurity was described and assessed by **Javier Fernández** of the trade union federation CC.OO. Mr Fernández stated that from the trade union point of view, one could agree with the notion of flexicurity under determined conditions and in particular that the aspect of security should not be forgotten nor undermined. Here, he highlighted that the flexicurity concept lacks of a clear definition and conceptual imbalance: while the flexibility aspect is well developed and more concrete (in particular with regard to the need of more external flexibility) this is not the case with view on security aspects which are much weaker defined and developed. Mr Fernández also stressed the need to adjust flexicurity to the specific national conditions, also in time of economic crisis. While for example in some countries, LLL and training seem to be major and important goals. Nevertheless, the situation in Spain is different. Here, already many training initiatives are carried out by the government, the social partners and other institutions. From the Spanish point of view the question is more related to employment and other challenges within the labour market: against the rapid rise in unemployment and the high unemployment rate amongst young people the question arises, which type and purpose training activities should have. Mr Fernández also summarized major labour market trends in recent years and before the crisis hit the country: job creation in particular took the form of highly flexible jobs; external flexibility was used much more than internal flexibility. When the crisis occurred, the rapid job creation turned in a rapid destruction of jobs – in contrast to countries like Germany, no buffer of internal flexibility existed in the Spanish labour market. In regard to flexible contractual arrangements Mr Fernández stated that from his perspective, not all flexible contracts are necessarily precarious. There are also examples where flexible contractual arrangements are combined with positive frameworks of security. This illustrates that the major challenge for the future will be to develop better combinations of flexibility and security in the labour market. Mr Fernández concluded his statement with two preconditions for a flexicurity concept that is able to produce win-win result for employers as well as employees: First, a clear definition of labour rights should be the basis of any flexicurity agreement and secondly, there is a need for a macro-economic framework (in Spain as well as Europe) that is not only oriented towards flexibility but also towards social performance.

On behalf of the Austrian Economic Chamber WKÖ **Anna Katharina Huber** presented major recent economic and labour market development trends in Austria as well as the position of the Austrian employers on flexicurity. Though the crisis and the years 2008/2009 were the most difficult ones since the 2nd World War, the country did remarkably well during the crisis and in the context of economic recovery – the increase in the number of unemployed was comparatively modest and already since summer 2010 employment is increasing again. According to Mrs Huber the main reason for the success in managing the crisis on the labour market was internal flexibility in Austrian companies. Here, she also stressed a contrast to the German neighbour – though also in Austria a short-time work scheme exists and it played a role during the recession, it was used not in the massive way as in Germany; other forms of working time flexibility were important to maintain employment. Further important elements for cushioning the crisis and entering recovery were labour market packages that were able to avoid a significant slump in private consumption. Reforms already implemented before the crisis in the field of dismissal laws/redundancy payments, working time, employment transfer, continuous training, youth employment or self-employment during the crisis paid off. According to Mrs Huber the fact that Austria is a small country with a strong national and diversified business structure largely dominated by small but flexible companies contributed to the positive development during the crisis. It is important to be able to forecast skills needs and survey how the market will evolve in this context, keeping in mind the EU 2020 objectives. A further element and perhaps precondition of the Austrian model however is the strong social partnership and the influence of the Austrian social partners. The Austrian system of labour relations and economic as well as social policy is based on both a robust and influential bipartite as well as tripartite consultation and dialogue. Based on this stable fundament, all relevant reform projects and measures have been developed and implemented jointly by the Austrian government and the social partners. With regard to flexicurity this has resulted in measures and initiatives that according to Mrs Huber are combining flexibility and security in a very balanced way. Mrs Huber presented a number of examples illustrating that flexicurity can work in good as in bad times if implemented with a strong involvement of social partners and social dialogue.

A strong and robust social dialogue and strong social partners as a key factor of flexicurity being implemented in a balanced way is also characterising Denmark that often is cited as the “mother of flexicurity”. Against this, it was also confirmed by **Rune Siglev** from the trade union federation LO Denmark that flexicurity is also made for bad weather. He explained that the Danish “golden triangle” of generous social benefits in cases of unemployment and active labour market policy that are compensating/counterbalancing the comparatively high external flexibility is based on a strong bilateral as well as trilateral dialogue and relationship between employers, trade unions and the government. According to Mr Siglev, the current challenges that the Danish society and economy are facing are not resulting from problems within the flexicurity concept as such but there are certain political challenges, i.e. the current Danish government has taken and implemented measures and reforms that are undermining the specific balance of flexibility and security within the Danish labour market. The Danish trade union are particular concerned about recent reforms that reduce the level of social security and are weakening other elements such as active labour market policy or training activities. Furthermore the role and influence of social dialogue in regard to decision making process has weakened. These trends are illustrating that the Danish model of flexicurity today is under significant political pressure.

In the following discussion, participants from various countries highlighted in particular:

- Trade union representatives highlighted the need to reinforce elements of security in the current situation of crisis and recovery – the crisis has resulted in a significant increase of flexibility and insecurity of worker - this has to be accompanied/cushioned also by an increase in job and employment security

- It was also highlighted that the crisis had quite different and effects on different national economic framework conditions
- Employers' representatives noted that though internal flexibility and job security are important instruments to cope with crisis situations, there is also a need for external flexicurity because this enables companies to implement necessary changes and process of restructuring in order to maintain competitiveness, explore new markets etc.
- Several participants highlighted the Austrian and Danish experience of strong social dialogue, involvement of social partners in developing and implementing flexicurity-style instruments and measure as well as high income-security as important elements and components of flexicurity.
- In particular participants from Central and Eastern Europe commented that the lack of social dialogue and trustful relationships should be regarded as a major weakness of flexicurity in their countries
- The case of the Netherlands where more and more men working part time when they have young children was also mentioned. This is in fact a solution chosen not only by women.

KEYNOTE BY THE EUROPEAN COMMISSION

In a keynote to the conference, **Koos Richelle**, new Director General at DG Employment, Social Affairs and Inclusion highlighted and summarised some key initiatives of the EU Commission in regard to the current economic situation, short-term and long-term objectives, as well as on flexicurity. Mr Richelle in particular stressed that labour markets function better thanks to flexicurity and that according to the EU Commission flexicurity is able to deliver and contribute significantly to the recovery of the European economy and also to the targets defined in the Europe 2020 Strategy or flagship initiatives such as the New Skills for New Jobs initiative.

According to Mr Richelle the priorities of the Commission in regard to implementing flexicurity are: avoiding labour market segregation, support the development of stable employment and open-ended contracts, foster effective active labour market policies that in particular support the reduction of long-term unemployment and job transitions as well as improving the coverage of flexible workers and SME workers by social security. Mr Richelle in this context stressed that there is no one fits all approach of flexicurity but the need to adapt the components and principles to the specific national conditions.

With view on future initiatives of the EU Commission, Mr. Richelle indicated that the Commission in autumn 2011 will organise a stakeholder conference on flexicurity and will prepare a Communication on "Flexicurity 2" in 2012.

In the following discussion, participants made the following comments and suggestions:

- Flexicurity is an approach that should be tailor-made for specific country conditions
- At the same it is important that the four components and the eight principles of flexicurity are implemented in a balanced way – in many European countries this is not (always) the case
- Against the problems in many countries, the aim to avoid segregation that be regarded as a top priority for the Commission
- For a trade union participant the measures implemented in the context of the austerity programmes in many European countries are undermining flexicurity and in particular the

security related aspects. Against this, the challenge will be to rebalance flexibility and security

- The Pact for the Euro will have significant effects on flexicurity in the member states, e.g. in the field of national pension systems
- Europe and the need for structural reforms in the field of labour market and social policy are not isolated entities – they have to be situated in the globalised world
- According to trade union suggestions flexicurity 2 should focus on needs in terms of modern labour rights and new universal social rights, e.g. the transferability/portability of workers' rights in cases of moving to another job

Mr Richelle replied that what is needed to be discussed should be done so with full awareness of the current situation in the world. The fact that young people want to move around and are self interested in entrepreneurship. Early retirement should be reconsidered given the life expectancy now.

CONCLUDING ROUND TABLE: SOCIAL PARTNERS AND FLEXICURITY IN CONTEMPORARY LABOUR MARKETS

Participants:

- *Thérèse de Liedekerke, BUSINESSEUROPE*
- *Andrea Benassi, UEAPME*
- *Joël Decaillon, ETUC*
- *Sophie Thörne, CEEP*

In the final round table session that was introduced and moderated by the expert team member **Alan Wild** representatives of the European Social Partners (ETUC, UEAPME, CEEP and BUSINESSEUROPE) highlighted major results and outcomes of the 18 months project as well as the final conference:

Thérèse de Liedekerke, BUSINESSEUROPE

- The project's approach to concentrate on national experiences in regard to the implementation flexicurity and the organisation of smaller cluster seminars combining countries with different backgrounds has proved to be the right approach of addressing the issue of flexicurity
- In evaluating the projects results, it could be said that flexicurity should be rather regarded as a "square" rather than a triangle: It should be based on "3 plus 1 pillars": Apart from active labour market policy, flexible labour law and social security there is a fourth important pillar: a sound economic environment
- The project also has shown that more important than searching for the right balance of combining flexibility and security seems to be to create "virtuous circles" for a sustainable employment
- With regard to future adjustments of the flexicurity concept, the "Europact Plus" already has defined a crucial aspect/notion – the call for having more efficient and sustainable systems in place and the need to avoid "unsustainable developments"

Andrea Benassi, UEAPME:

- Flexicurity should be regarded as an instrument to maintain competitiveness and job creation in a globalised world. In this view the ultimate target of flexicurity is to increase productivity and competitiveness

- From the point of view of UEAPME the major challenges in contemporary labour markets are youth unemployment and the development of the tackling of skills needs
- The cases of good practices presented in the project and the final conference illustrate the important role and necessity of social dialogue
- With regard to flexicurity in SMEs the following conclusions can be drawn: possibilities for internal flexibility in small businesses are much more limited and often simply not feasible because of their size. Therefore SMEs are much more depending on external flexibility and a business climate that is supporting this.
- It would be a good idea to consider a “Flexicurity Monitoring exercise”

Joël Decaillon, ETUC:

- The project has shown that there was both a need as well as concrete added-value to monitor and evaluate the national implementation of flexicurity and the eight flexicurity principles
- From the point of view of the ETUC, flexicurity has not been implemented in a balanced way – during the last decade inequalities, social gaps and labour market segregation have grown and is today the main challenges for labour market and social policy. Trade unions therefore have strong reserves doubt whether flexicurity has the potential to tackle these challenges
- Two other challenges that were mentioned by Joel Decaillon where the share of informal labour market and fiscal redistribution. Flexicurity have been ineffective in tackling effectively the first and fiscal redistribution is still very unbalanced in a number of member states. These are two major obstacles that make flexicurity to be effective.

Sophie Thörne, CEEP:

- Economic crisis puts pressure on SPs in different ways
- Flexicurity is an approach to provide well functioning labour markets in Europe. It is very obvious that we will have to compete with high competitiveness and quality services/production.
- However, flexicurity has also to take into account that the EU is made up of 27 different labour markets and social security systems
- With regard to implementing flexicurity in a balanced way, social partners are playing an important role – they also have to make use of all the rights the EU treaty provides
- It would be useful to evaluate the measures that are documented and described in the synthesis report and the national fiches on flexicurity

The moderator *Alan Wild* closed the conference by commenting that the implementation of the project was a challenging task. On behalf of the expert team he noted that the team has tried to develop an open and frank exchange on the complex issues addressed by the flexicurity concept in order to move the debate forward and improve knowledge and trust amongst social partners. He thanked the participants for the lively and constructive debates and contribution, the European social partners for organising the conference and the translator for their professional support.

ANNEX

- 1) Conference Programme
- 2) List of participants

- 3) Presentation by Eckhard Voss, Wilke, Maack and Partner
- 4) Presentation by Juan Menéndez-Valdés, Eurofound