



# Flexicurity and industrial relations

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This report is available in electronic format only.

*This report reviews the present situation concerning the relevance and implementation of flexicurity in European Union Member States. First, the report presents a brief introduction of recent developments on the issue of flexicurity at EU level, followed by a review of policies at national level. The study then focuses on the contribution of social dialogue and collective bargaining to the different approaches to flexicurity at national level and on the positions of the social partners. Moreover, the report aims to investigate whether the introduction of the concept of flexicurity at national level has had any impact on the attitudes of the social partners as regards labour regulation and, more generally, on industrial relations.*

## Introduction

In recent times, **flexicurity** – the balance between labour market **flexibility** and security for employees against labour market risks – has gained a prominent place in the [European Employment Strategy](#). As it evokes a joint commitment to and the implementation of both flexibility (or adaptability) and security, it has always been a likely candidate to represent the European aspirations to combine, on the one hand, economic growth and, on the other, social cohesion. Both of these concepts have been most effectively incorporated into the renewed [Lisbon Strategy for growth and jobs](#).

In its communication of June 2007, [Towards Common Principles of Flexicurity: More and better jobs through flexibility and security \(83.9Kb PDF\)](#), the European Commission has set a number of important objectives as regards the European labour markets. In particular, it puts forward possible responses to a number of challenges and dilemmas that the European policymakers, social partners and workers are facing in the present social and economic environments (European Commission, 2007, p. 3):

*Europe must create more and better jobs, to manage change and new social risks. It must reduce segmented labour markets and precarious jobs, and promote sustained integration and accumulation of skills. Women, the young and migrants are already over-represented among labour market outsiders, and older workers face a number of difficulties keeping or finding a job. Even those on open-ended contracts can feel threatened because, if they are made redundant, they face the same difficulties moving on to good quality jobs.*

According to the Commission (European Commission, 2007, p. 3), ‘adaptation requires a more flexible labour market combined with levels of security that address simultaneously the new needs of employers and employees’. This entails a shift from job security to employment security for workers and the possibility for companies to adapt their workforce to changes in economic conditions. In the latter case, companies ‘should be able to recruit staff with a better skills match, who will be more productive and adaptable leading to greater innovation and competitiveness’.

In this perspective, flexicurity would help to achieve both the goals of the renewed [Lisbon Strategy](#) and modernise the [European social model](#)(s). In particular, the Commission underlines the importance of an ‘integrated flexicurity approach’ (European Commission, 2007, p. 4), which ‘requires policies that address simultaneously the flexibility of labour markets, work organisation and labour relations, and security – employment security and **social security**’. In practice, reference to the flexicurity approach should guide the strategies and actions of the Member States in a broad range of policy domains and could possibly challenge existing arrangements to a

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significant extent. Moreover, flexicurity requires an active involvement of the social partners and could imply a redefinition of their role.

Despite the emphasis on flexibility and security in the labour market, through adequate unemployment benefits, training opportunities for all and smooth transitions between different labour market situations (from school to work, from one job to another, from unemployment to work and from work to retirement), this approach includes a number of other dimensions. These dimensions (also) refer to the flexibility and security of labour relations within companies, such as work organisation, the possibility to conciliate work and private responsibilities, the acquisition and upgrading of competencies and skills, and careers.

In particular, the Commission identifies four basic components of flexicurity (European Commission, 2007, p. 5):

- *‘Flexible and reliable contractual arrangements* (from the perspective of the **employer** and the **employee**, of “insiders” and “outsiders”) 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. This includes broad coverage of **social protection** provisions (unemployment benefits, pensions and healthcare) that help people combine work with private and family responsibilities such as childcare.’

The key challenge for governments – and for the social partners, according to their responsibilities – is to formulate policies to increase labour market flexibility and, at the same time, develop a whole range of measures that aim to make working life more secure. Social actors – notably public authorities and the social partners – have crucial roles to play in devising and implementing these policies.

Indeed, the abovementioned four policy dimensions can warrant different degrees of social partner involvement and industrial relations. For instance, alongside the essential contribution of legislation, the social partners can certainly have an important role to play in the definition and use of flexible and reliable contractual arrangements – and collective agreements are specifically mentioned by the European Commission – as well as in **lifelong learning** initiatives. Labour market policies and social security systems essentially refer to the responsibility of the public authorities; nonetheless, the involvement of the social partners in the policymaking and implementation phases and the autonomous initiatives of **trade unions** and **employer organisations** can be significant even in these domains – for instance, through collectively-agreed pension schemes or the role that they play in the provision of unemployment benefits, such as in the so-called Ghent system (Scruggs, 2002).

Having to deal with such a composite and complex – and often controversial – concept, this report by the European Industrial Relations Observatory (**EIRO**) needs to narrow down the scope of the analysis. Therefore, after a brief overview of flexicurity policy in EU Member States and Norway, the focus will shift to the involvement and actions of the social partners. In particular, this study will consider the role of the social partners in devising and implementing regulations, both in the policymaking process and through collective bargaining. The social partners’ autonomous contribution to flexicurity will also be covered in the analysis. Given the obvious

limitations of this report in terms of length and scope, readers should refer to the national reports for more in-depth information on specific countries.

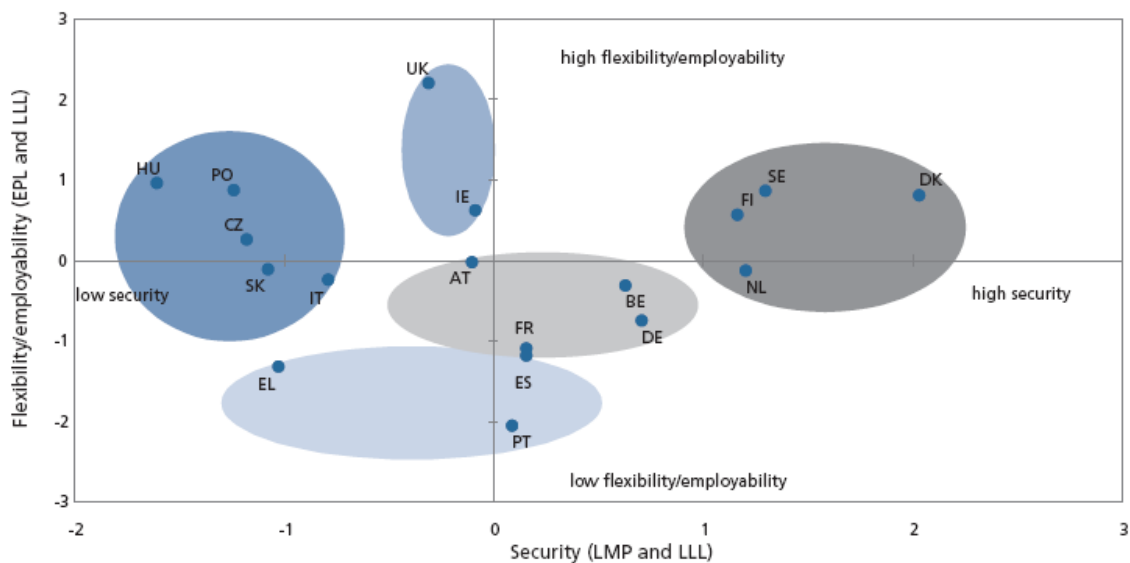
## Flexicurity policies in EU Member States

In the broad and adaptable framework set by the European Union (EU) approach to flexicurity, quite different policies and tools can be interpreted as contributing to the goals of more dynamic and efficient labour markets and enhanced security for workers. The development of the [European Employment Strategy](#) since the mid 1990s has, in fact, stimulated the introduction of a number of measures in the different EU Member States that may be grouped under the headings identified in the European Commission communication of June 2007 (see [Table A1 in the Annex](#)).

Since the existing initial arrangements in the different EU countries can be characterised by various combinations of flexibility and security, it could be expected that, in principle, the objective of balancing the two elements may require quite different interventions, due to the distinctive features of the specific starting points. Moreover, according to the [Common Principles of Flexicurity \(88Kb PDF\)](#), adopted by the [Council of the European Union](#) at the meeting of the Employment, Social Policy, Health and Consumer Affairs Council ([EPSCO](#)) held in Brussels on 5–6 December 2007, each Member State can follow particular pathways to flexicurity, which reflect national peculiarities and established forms of economic and social regulation. As a consequence, it is possible that no common policies will be adopted or similar ways to implement them across the EU. For instance, the need to emphasise flexibility rather than security will not be present in all countries. Furthermore, the relative importance of legislation and collective bargaining will highly depend on the existing country-specific institutional framework.

Despite these reasonable expectations, the picture emerging from the analysis of the study's national reports often does not correspond to them and presents a number of relatively surprising features. It should be noted, however, that this study is based on the representations of the different national flexicurity approaches, as illustrated in the reports of the [EIRO national centres](#). Therefore, it should be regarded as a qualitative account, which can be particularly sensitive in detecting the various interpretations and the different emphases given to the concept of flexicurity at national level, as well as recent developments and tendencies in the Member States. It is not an analysis of the existing balance of flexibility and security in the different Member States, based on quantitative methods, as the one presented in the second chapter of the report *Employment in Europe 2006* (European Commission, 2006) or in Philips and Eamets (2007). Nevertheless, the results of these assessments and clustering of the national patterns of flexicurity can represent an interesting background for the present overview (Figure 1).

### National flexicurity patterns and country clusters (principal component analysis)



#### National flexicurity patterns and country clusters

Note: EPL = Employment protection legislation; LLL = Lifelong learning; and LMP = Labour market policies. For a full list of country codes, see Table A4 in the Annex to this report.

Source: European Commission, 2006, p. 106

#### Characteristics of flexicurity policies

The first general characteristic of national flexicurity policies, as presented in the national reports, is the absence of a clear polarisation of flexicurity strategies. It is usually not possible to identify countries that essentially pursue policies to enhance either flexibility or security. Interestingly, Member States are seemingly reinforcing flexibility and security simultaneously, though often to different degrees. This may correspond to a commitment to flexicurity policies. At the same time, given the different starting points in each Member State, it is not possible to envisage a convergence towards a common solution to the flexibility/security dilemma. Rather, Member States seem to follow their own trajectories and traditions in the implementation of flexicurity. These pathways are presented in [Table A2 in the Annex](#). Moreover, the table also refers to ‘activation’ as an intermediate dimension, since it can include both lower and shorter unemployment benefits – that is, less security, more flexibility – and more effective employment services as well as training initiatives – that is, more flexibility, more security.

Secondly, and perhaps more precisely, policy developments seem to follow ‘incremental’ or ‘additive’ pathways, in the sense that new policies supplement or correct existing ones, in search of a better balance along the flexibility/security frontier. For instance, in Austria, a system characterised by an average position in relation to the two dimensions, according to the abovementioned analysis carried out by the European Commission (see Figure 1 above), recent interventions tend to reinforce security. In this case, greater protection is granted to forms of atypical employment that had been left, until recently, relatively unregulated.

Thirdly, in spite of the great diversification of national measures on flexicurity, as reported by the EIRO national centres, some of the flexicurity dimensions seem to attract most of policymakers’ attention across the various Member States. Such dimensions often represent the prevalent share

of the recent policy mix: more security for atypical employment, a higher emphasis on lifelong learning and a stronger focus on ALMP. These measures aim, in particular, to introduce incentives for people to participate in training activities and take up job offers, in order to combat long-term unemployment and avoid dependence on social assistance. So far, no significant evidence can be found of a radical transformation of the existing flexicurity arrangements at national level or of the emergence of a common model across countries. However, it could be said that some of the flexicurity components are more widely embraced and could be regarded as a form of limited convergence within some specific elements of labour regulation. For example,

- atypical employment is made more secure but flexibility is preserved;
- efforts have been made to strengthen lifelong learning, thus investing in [employability](#);
- the activation of job seekers seems to be an importance element in the provision of public employment services.

Fourthly, such seemingly contradictory tendencies – the prevalence of path dependency and some limited convergence – could be linked to the fact that flexicurity, so far, does not seem to permeate national debates on labour and employment policies. Furthermore, it is even less recognised as an established or overarching policy goal. As the concept will be considered in more detail in the section of this report on the role of industrial relations, in a number of countries, flexicurity is not an established reference for public policies or industrial relations. It has been mainly introduced in recent years through the European Employment Strategy and is only beginning to enter the policymaking process. It is proving relatively effective, at this initial stage, in directing the initiatives of the public authorities, at least as a reference framework in the evaluation of existing measures and for the definition of new policies. However, it is far less successful as a guide for [social dialogue](#) and industrial relations, especially due to the scepticism of trade unions regarding the possibilities of flexicurity. Trade unions often consider flexicurity as a possible way to foster deregulation of labour markets and increase flexibility without considering security (for further details on this issue, see the section of the report on the views of the social partners). In fact, the meaning of the concept itself is often a matter of contention. Consequently, while some of the elements of flexicurity policies have been adopted in many cases, not many examples of a fully-fledged flexicurity approach can be found, where the various dimensions are addressed simultaneously and in a systematic way. For instance, a reduced presence of the term flexicurity in the national debate and a widespread scepticism on the part of the social partners, particularly trade unions, in the adoption of flexicurity as a policy goal can be found in various EU Member States, such as France, Belgium, Germany and Portugal.

However, some important exceptions can be found to the relatively low relevance of flexicurity in the national debates: in some cases, flexicurity is perceived as a concrete benchmark for labour and work policies. This is the case in the countries where the flexicurity approach more closely reflects national traditions – most notably in the Nordic countries of Denmark, Finland, Norway and Sweden – and in some of the new Member States (NMS) that joined the EU in recent years. In the case of the NMS, the reform of labour regulations has been a relevant part of the accession phase and the EU employment policies have been widely debated. In the former cases, it is not uncommon to find clear and direct comparisons of the so-called ‘Danish flexicurity model’ to the existing domestic approach to flexicurity, with a view to underlining the respective ‘pros and cons’, like in Finland and Sweden, for instance. In the latter cases, reference to flexicurity tends to remain rather abstract and does not preclude the presence of harsh criticism, but in certain circumstances it can emerge as an important element of the shared objectives of the government and the social partners, like in Bulgaria. In many Member States, the integration of the flexicurity concept at national level is only in its early stages – as in the Baltic states of Estonia, Latvia and Lithuania, as well as Cyprus and Hungary. In general, in both situations, the effects of the debate

on flexicurity on the policymaking process are rather weak. This is either because flexicurity is already present and the existing national systems are usually considered to be more adapted to the local social and economic features – as in the case of the Nordic countries – or due to the fact that the concept still needs clarification and interventions follow the lines of traditional segmented policies – which is the case in many of the NMS.

Looking again at Figure 1, it could be interesting to note that the Nordic countries and the NMS roughly correspond to the two clusters that occupy a similar position on the flexibility/employability scale but lie at the opposite ends of the security continuum. This may suggest that it is the position along the security dimension that can make the concept of flexicurity appealing to social actors, such as the government and the social partners, either for the purpose of improving particularly low levels of security or maintaining a relatively high degree of security. On the contrary, where a medium level of security is present, the debate tends to focus on the more contested dimension of flexibility, reducing the grounds for a shared approach to flexicurity.

## **Flexicurity between the labour market and industrial relations**

After the first appearance in the mid 1990s of the term flexicurity in the Dutch debate over the combination of wage restraint, **working time** flexibility and the participatory structures typical of the so-called ‘polder model’, the concept of flexicurity has been increasingly used, especially in the international debate. The reason for this increased reference to flexicurity is to identify a specific and clear combination of flexible labour markets (obtained through low firing costs), generous unemployment benefits and effective employment services to help unemployed people to enter paid employment as quickly as possible. The paradigmatic realisation of such a virtuous three-fold arrangement was to be found in the Danish model (as aptly described by the ‘golden triangle’ – Bredgaard et al, 2005). However, the growing awareness among social science researchers, practitioners and policymakers that there may be different institutional settings for combining flexibility and security, as far as labour relations are concerned, has led to the enrichment of the initial concept to include other possible elements. As a consequence, flexibility and security were not the only elements to be considered in the job-matching process, whereby traditional job security is converted to employment security, but also other dimensions of work flexibility were included within the boundaries of flexicurity. For instance, functional work flexibility could easily be integrated into the concept of flexicurity, as it fundamentally refers to and requires high skills and broad worker competencies. It therefore has a strong link with employability, as long as such skills and competencies can be properly applied in different organisational settings. Furthermore, other components of work flexibility, like working time and pay flexibility, could be considered, at least for their important contribution to company competitiveness and the corresponding impact on job and employment security through the increased viability of the economic enterprise.

A wider understanding of the flexicurity concept that comprises almost all of the dimensions of labour regulation, including the workplace level, has at least two main influences, which are clearly recognised in the EU approach:

- the central role that social partners and industrial relations can play in the specification of flexicurity;
- the multiplication of the possible ‘models’ of flexicurity, which can result, in principle, from the combination of very different sources of both flexibility and security.

In such a framework, this study will mainly try to investigate the role played by the social partners and industrial relations in the implementation of flexicurity at national level. In doing so,

some information on the different approaches to flexicurity across Member States is also given. Moreover, the report will provide an overview of the state of national debates on flexicurity and on the positions of the social partners on flexicurity issues.

## **Role of industrial relations**

As already mentioned, a broad definition of flexicurity significantly increases the role of the social partners and fully includes industrial relations and collective bargaining among the potential sources of flexicurity. Industrial relations can contribute to the development of the flexicurity approach in various ways. First, the social partners can participate in the definition and management of flexicurity policies, which reflects the ‘political dimension’ of their impact. The relevance of this component probably reflects the different features and characteristics of the various national industrial relations systems. Therefore, the social partners will most likely play an important role in the introduction of flexicurity measures in countries where they are part of established social dialogue systems, are recognised as important actors in the decision-making process on labour and social policies, or are represented in the management bodies of the employment services or the social security system in general.

A second component of the influence of industrial relations relates to the contribution of joint regulation and collective bargaining, especially at workplace level, which supplement and integrate the degree of flexicurity warranted by labour market and social security policies. This could be regarded as the ‘regulatory dimension’ of the role of the social partners in introducing and implementing flexicurity. While the first dimension introduced above is essentially connected with the position of the social partners within the political system, this second element stems more directly from the character and strength of the national industrial relations systems, and notably of collective bargaining. However, if this condition can be regarded as necessary in terms of promoting flexicurity, it is not sufficient to do so, as the actual contribution of collective bargaining to flexicurity depends heavily on the integration of a ‘flexicurity approach’ in the negotiations – something which may be regarded as the openness to search for new ways to balance flexibility and security, and this is particularly difficult.

Finally, the unilateral input of the social partners may be taken into consideration. Such a ‘unilateral dimension’ refers to the relationship between the social partners and their constituency and depends on whether they provide specific services to their members (and possibly beyond their membership) that add to flexicurity. In some ways, it provides some indications of the organisational strength of the social partners and their capacity to take on new responsibilities, which may in fact be found in the origins of the trade union movement (Cella, 2007). Examples of these ‘flexicurity’ services could include job placement, training and supplementary social security schemes.

As Table 1 below (which brings together the indications contained in [Table A3 in the Annex](#)) shows, while the contribution of the ‘political dimension’ is rather substantial in many countries, with some notable exceptions, the role of collective bargaining and of service provision is far less common. The relevance of social dialogue in policymaking concerning the different dimensions of flexicurity appears as a distinctive feature of the European social model. However, it should be noted that it does not always assure a significant impact on the policy output, as reported, for instance, in the case of many central and eastern European countries, where the partnership approach to policymaking is formally well established.

The assessment of the role of social partners with regard to flexicurity in the political, regulatory and unilateral dimensions, as presented in Figure 2, maintains a great degree of subjectivity and is fundamentally based on the interpretation by the author of the information included in the national reports. With this in mind, it could be nevertheless interesting to note that the association



of flexicurity with the policy arena is quite significant and probably reflects the efforts of the EU policymakers – overall, almost three quarters of the countries covered by this report score ‘high’ in relation to this dimension. The contribution of joint regulation and collective bargaining to flexicurity turn out to be significant in half of the countries covered and this division essentially corresponds to the relative strength of the national industrial relations systems. Finally, the role of unilateral actions on the part of the social partners appears to be relevant in just a quarter of the countries covered, seemingly following more idiosyncratic paths and resulting in a more heterogeneous composition in terms of the domestic characteristics of industrial relations and public social security systems.

**Table 1: Analysis of the social partners’ roles in flexicurity**

		Regulatory dimension			
		<i>High</i>		<i>Low</i>	
		Unilateral dimension		Unilateral dimension	
		<i>High</i>	<i>Low</i>	<i>High</i>	<i>Low</i>
<b>Political dimension</b>	<i>High</i>	Ireland, Luxembourg, Portugal, Sweden	Austria, Belgium, Denmark, Finland, France, Italy, Netherlands, Norway, Slovakia	Bulgaria, Malta	Estonia, Hungary, Latvia, Spain, Romania, Slovenia
	<i>Low</i>	Germany		United Kingdom	Cyprus, Czech Republic, Greece, Lithuania, Poland

*Source: Based on the national contributions to this report*

As for the capacity of collective bargaining to effectively shape flexicurity at national level, a crucial aspect is represented by the views of the social partners, which define the position that flexicurity assumes in their strategies.

## Views of the social partners

One of the main objectives of this report is to analyse the positions of the social partners on the issue of flexicurity in the various EU Member States and Norway. In doing so, the report responds to different questions about the reception and implementation of a key concept in the recent developments on employment policies at EU level. First, the EU principles of flexicurity envisage and support an active involvement of the social partners in the design and application of the policies that substantiate the integrated approach to flexicurity. In this regard, it is interesting to verify the degree and scope of such involvement and, above all, how the social partners themselves see these policies and evaluate their role. Secondly, as the fundamental specificity of flexicurity should be the virtuous combination of flexibility and security and therefore the capacity to satisfy simultaneously the interests and aspirations of both the employers and employees, in dynamic and ‘proactive’ ways, it would be particularly significant to verify whether conflict arises around flexicurity. In other words, since flexicurity is sometimes presented as having the potential for overcoming conflict between both sides of industry, due mainly to the determination of ‘win-win’ solutions, the introduction of flexicurity policies may be expected to be particularly unproblematic and may lead to a reduction in industrial conflict. If this is not the case, it should be useful to investigate why conflict is not reduced.

In looking at flexicurity, it is probably better to start from this second aspect, as it will also provide some guidance to analyse and understand the more descriptive issue of the evaluation of flexicurity policies by the social partners, as well as the (self-)definition of their role in the possible implementation of the concept. The national reports (to which readers should refer to get more information on specific national situations) depict basically a two-fold picture. On the one hand, the general concept of flexicurity can be welcomed by the social partners, as employer organisations and trade unions alike often declare that they will share the commitment to realise flexicurity through appropriate measures. On the other hand, when it comes to assessing specific measures, the positions of the social partners seem to reproduce traditional patterns and approaches, as employers are essentially interested in flexibility, while trade unions highlight the need for and the commitment to security.

Moreover, in some cases, the concept of flexicurity itself is regarded with scepticism. For instance, some trade unions consider the debate on flexicurity as a rhetoric to support the simple implementation of flexibility measures, with no regard for any meaningful involvement or considerations of the demands put forward by employees and employee representatives. If this interpretation prevails, flexicurity even risks becoming a divisive concept, quite far removed from the initial qualification as an almost decisive contribution to the construction of social peace and mutual gains.

A number of trade unions consider that the debate on flexicurity, as well as the interpretation of the concept and the connected policies supported by the EU, focus an overwhelming amount of attention on the flexibility aspect, while largely neglecting the issue of security. This kind of criticism has been voiced, for example, by the Austrian Trade Union Federation ([Österreichischer Gewerkschaftsbund, ÖGB](#)). In Belgium, various trade unions, such as the Belgian General Federation of Labour ([Fédération Générale du Travail de Belgique/Algemeen Belgisch Vakverbond, FGTB/ABVV](#)) highlight the urgency to stop any further flexibilisation. Others, such as the Confederation of Christian Trade Unions ([Confédération des Syndicats Chrétiens/Algemeen Christelijk Vakverbond, CSC/ACV](#)), are concerned about the risk that flexicurity could lead to the dismantling of workers’ rights and protections. In this case, the trade unions, including the Belgian Union of White-Collar Staff, Technicians and Managers ([Syndicat des Employés, Techniciens et Cadres de Belgique/Bond der Bedienden, Technici en Kaders](#),

[SETCa/BBTK](#)), believe that the EU concept puts too much emphasis on flexibility. Similar positions can be found in many other countries, as illustrated below.

The commentary section in this report will look further at the possible reasons for this scepticism on the part of the trade unions. At this stage, it is possible to mention at least two of these reasons. One important reason for the scepticism of the national trade unions is linked to the European-level debate on flexicurity and to the strong criticism that the [European Trade Union Confederation \(ETUC\)](#) has voiced in its [opinion on the European Commission Communication on flexicurity](#), demanding a ‘major rebalancing’ of its approach. In fact, many national trade unions have explicitly referred to ETUC’s position. A second reason for the sometimes unfavourable position of trade unions can be traced back to another initiative of the European Commission touching on similar topics, namely the [Green Paper on ‘Modernising labour law to meet the challenges of the 21st century’](#). The Green Paper was widely criticised by the trade unions (see, for instance, the [ETUC comments](#)), because they considered it an attack on permanent employment and employee protections. In some way, this parallel debate has drawn the attention of the social partners to the flexibility of contractual arrangements, which may in turn have influenced more general attitudes towards flexicurity. Once again, in many of the national reports to this study, a direct reference to the debate triggered by the Green Paper was made and the issue of contractual arrangements has proven the most controversial. Such a possible focus in the national debates is also interesting, since, as noted above, in a number of countries the policies followed seem to be moving in the direction of increasing the security of atypical jobs, as a way to correct what has probably been regarded as an excess of flexibilisation in recent years.

Some issues related to flexicurity are less controversial. However, these issues are the traditional policies that support ‘win-win’ solutions, such as training policies, not least because of the relevant role played by public authorities and funding in this domain. As a consequence, the social partners are often united in asking for further development of education and training measures, with a view to improving the balance between the skills and competencies demanded by companies and those acquired by job seekers through their educational career. The conclusion of agreements and joint statements is also easier in these domains. Examples of the social partners’ emphasis on education and training policies can be found in Belgium (as illustrated by the interprofessional agreement for 2007–2008, [BE0701019I](#)), Bulgaria, Estonia, Latvia, where the social partners maintain that an effective lifelong learning system is not present and that government investment is insufficient, or even in Poland, where the absence of a significant debate on flexicurity is noteworthy.

## More divergence

Turning to the debates on flexicurity at national level, it is possible to notice the tendency by trade unions and employers to underline different if not opposite aspects. In Austria, trade unions have particularly highlighted the issue of the ‘[economically dependent worker](#)’ in recent years and demanded changes in the legal definition of ‘employee’. The reason for this was to extend the protections traditionally granted only to subordinate workers to self-employed workers too, if they meet the criteria for economic dependence. While employers have shared the objective to improve the social security coverage of self-employed workers, particularly with regard to unemployment protection – and some results have been achieved in this domain – they have resisted the requests put forward by the trade unions to include this group of workers in collective bargaining. Austrian trade unions have also campaigned for the improvement of lifelong learning policies, as well as for the introduction of economic sanctions for companies that do not participate in [vocational training](#) schemes. The employers have criticised this latter demand and supported the idea of using incentives instead, in order to foster participation in vocational

training programmes. In general, trade unions consider the extension of social security coverage an essential component of flexicurity policies, whereas the employers have focused on the need to strengthen the activation approach and further support the acceptance of new available jobs by employees who have been made redundant. The employers highlight the flexibilisation and possible individualisation of pay at decentralised level as another important dimension of the flexicurity approach. Trade unions have so far resisted such requests.

Similarly, in Belgium, trade unions and employers have quite different views on the various policies that are usually considered to contribute to flexicurity. For instance, trade unions demand that the recently introduced measures to foster the activation of job seekers be reconsidered, whereas the employers are in favour of further developing this line of intervention. The regulation of the 'time credit' system is also a source of contention. In this regard, trade unions are demanding both the extension of the career break system to workers who are presently excluded from it, such as supervisory staff, as well as the reintroduction of the obligation on employers to replace workers on leave. However, the employers have argued for stricter rules regarding the use of time credits.

In Cyprus, to date, the main statements made by the social partners on the issue of flexicurity have been included in a government paper, which aims to introduce the debate on flexicurity in the national context. According to the Cyprus Chamber of Commerce and Industry ([Κυπριακό Εμπορικό και Βιομηχανικό Επιμελητήριο, ΚΕΒΕ](#)), flexicurity can represent an important tool to improve competitiveness, while the presence of flexible forms of employment is vital for the operations of small and medium-sized enterprises (SMEs). Lifelong learning and active labour market policies are considered essential to ensure employability and combat long-term unemployment, especially for disadvantaged groups of workers, such as young people, women and persons with a disability. ΚΕΒΕ considers that tax incentives and a reduction of non-wage costs, particularly in the case of low-paid jobs, could be important measures to increase employment and reduce **undeclared work**, which is negatively affecting small companies. On the trade union side, the Democratic Labour Federation of Cyprus ([Δημοκρατική Εργατική Ομοσπονδία Κύπρου, ΔΕΟΚ](#)) emphasises the importance of maintaining permanent employment and rejects a flexicurity model that would erode employee protections and lead to labour market segmentation. According to ΔΕΟΚ, flexicurity should entail a strict monitoring and implementation of existing legislation and a focus on combating undeclared work, the creation of a training system that would assist the transition to new jobs and the introduction of incentives for the adoption of **work-life balance** policies by companies. The Cyprus Workers' Confederation ([Συνομοσπονδία Εργαζομένων Κύπρου, ΣΕΚ](#)) regards flexicurity as a positive step that could promote a worker-friendly regulatory framework, by combining strong job protection, ALMP and lifelong learning. This could be achieved through collective bargaining and the involvement of the social partners, so that flexibility and security could be appropriately balanced. On a more critical note, the Pancyprian Federation of Labour ([Παγκύπρια Εργατική Ομοσπονδία, ΠΕΟ](#)) considers flexicurity as a means to deregulate labour markets and weaken industrial relations.

In the Czech Republic, the Confederation of Industry ([Svaz průmyslu a dopravy ČR, SP ČR](#)) favours labour market flexibility in order to boost competitiveness and considers that the existing Labour Code should be amended to reduce the protection of trade unions' rights and to make it 'leaner' and less bureaucratic. For instance, employers demand the possibility to dismiss workers without 'just cause' and an increase in the scope for the individualisation of employment relationships. The Czech-Moravian Confederation of Trade Unions ([Českomoravská konfederace odborových svazů, ČMKOS](#)), on the other hand, underlines that the fundamental role of permanent employment must be preserved and that protection of atypical employment must be increased.

In Germany, the term ‘flexicurity’ is rarely used in public debate and trade unions and employers hold quite different views of what a flexicurity approach constitutes. While trade unions have highlighted internal (and bargained) flexibility and have focused their attention on security, employer organisations are supporting internal and external flexibility as a responsibility of (and opportunity for) individual employees. The Confederation of German Employers’ Associations ([Bundervereinigung der deutschen Arbeitgeberverbände, BDA](#)) supports a broader use of temporary employment contracts and atypical employment arrangements, to be associated with public subsidies for low-paid jobs and an improvement of the training system, which should be developed in close cooperation with the employers. Individual responsibility of workers in seeking employment, training and insurance coverage should be implemented. The Confederation of German Trade Unions ([Deutscher Gewerkschaftsbund, DGB](#)) highlights, in particular, the need to increase security for atypical jobs, for instance through the establishment of the right to demand the transformation to permanent employment after a certain number of temporary contracts, as well as a statutory minimum wage. Moreover, the policies that support the creation of ‘mini’ or atypical jobs should be discontinued because, according to DGB, they merely result in the substitution of existing permanent jobs. Long-term unemployment benefits should be raised (again) and increased investment in the training system is regarded as crucial to successfully address the recent social and economic changes. Interestingly, both parties are rather critical of public policies, although for opposite reasons.

In Estonia, trade unions and employers have quite different views on the issue of contractual arrangements. The Confederation of Estonian Trade Unions ([Eesti Ametiühingute Keskliit, EAKL](#)) supports the use of open-ended employment contracts rather than flexible work contracts. Moreover, it demands more protection for economically dependent workers and generally demands more security in the labour market. The Estonian Employers’ Confederation ([Eesti Tööandjate Keskliit, ETTK](#)) maintains that flexible work contracts should be promoted and believes that this would diminish the number of economically dependent workers. More generally, EAKL and ETTK, as in many other cases, are dissatisfied with the current national policies in this area, as they believe they do not implement the right balance between flexibility and security. While trade unions consider existing arrangements too much oriented towards (increasing) flexibility, employers demand more flexibility and the relaxation of existing labour market regulations.

In Greece, the trade unions express significant criticism towards the concept of flexicurity. For the trade unions, flexicurity can be a means to promote flexibility and underline that combating undeclared work and extending the protection of labour legislation to economically dependent workers are necessary conditions for any social dialogue on flexicurity. According to the Hellenic Federation of Enterprises ([Σύνδεσμος Επιχειρήσεων και Βιομηχανιών, SEV](#)), the implementation of flexicurity would require the reduction of the financial cost of **dismissals** and the simplification of the administrative procedure regarding collective dismissals. It would also require the simplification of the procedure and form for concluding various types of employment contracts, especially part-time and temporary contracts. Furthermore, more working time flexibility would apply, notably as far as the extension of the reference period to calculate average weekly working time.

In Hungary, employers are concerned about stagnating gross domestic product (GDP) growth, a high tax wedge and high minimum wages for skilled workers. In particular, the employers demand the possibility to increase the use of **atypical work** (casual, temporary and part-time work), derogate mandatory rules through collective or individual bargaining, and reduce protection against dismissals in small enterprises. On the trade union side, the [Democratic League of Independent Trade Unions \(Független Szakszervezetek Demokratikus Ligája, LIGA\)](#) emphasises the importance of enforcing labour regulation, which it believes is easily and often

cluded. Therefore, LIGA is in favour of interventions aiming to increase the employment level and particularly to combat undeclared work.

In Lithuania, the social partners seemingly refer to flexicurity to pursue their own objectives: employers seek to reduce restrictions on the use of flexible forms of employment and dismissals, while trade unions highlight the necessity to improve enforcement of labour regulations and increase employee protections.

In Luxembourg, the trade unions believe that flexicurity is, in some respects, already present and needs to be further developed to include more security for workers, particularly regarding the improvement of social dialogue in enterprises, security of careers and continuous training. The employers maintain that flexible forms of employment are an important source of advantages for both companies and employees and demand less strict rules for their use. Moreover, they consider the enhancement of ALMP and intermediation mechanisms particularly important for the functioning of the labour market, as well as investment in initial and continuous training, with a view to strengthening employability.

In Latvia, employers and trade unions highlight different dimensions of flexicurity. Employers focus most of their attention on flexibility, while trade unions are more concerned about security and namely wage levels. In fact, flexicurity is not an established goal for the social partners or the government and it does not form part of the public debate, which rather focuses on the various dimensions of flexicurity without establishing specific links across them. The debate on flexicurity is just about to start properly following a report prepared by the Latvian government in 2006. However, the social partners have jointly proposed to reduce the existing threshold for making industry-wide collective agreements generally binding from 60% of sectoral employment to 50%, as they believe this would help to implement flexicurity more effectively. It is interesting to note that the national approach to flexicurity emphasises, in particular, the partnership dimension and capacity building of the social partners, in addition to informing on opportunities and providing state support.

In Malta, the social partners have often explicitly affirmed that company-level collective bargaining almost intrinsically promotes flexicurity, as it enables employers and trade unions to devise solutions and arrangements adapted to the company's specific situation. As far as flexicurity policies are concerned, the [Malta Federation of Industry \(FOI\)](#) has been criticising for a long time the Cost of Living Allowance (COLA), which represents the statutory annual wage increase, arguing that it hinders job creation. The [Malta Employers' Association \(MEA\)](#) draws particular attention to continuous training. The employers emphasise the lack of [temporary agency work](#), which contributes to labour market rigidity, whereas the trade unions underline the lack of good and reliable crèches, which means it becomes more difficult to create suitable conditions for work–life balance and dual-income families.

In the Netherlands, the debate on flexicurity has recently focused mainly on new regulations on dismissals. The employers, often with the support of the Ministry of Social Affairs and Employment ([Ministerie van Sociale Zaken en Werkgelegenheid, SZW](#)), maintain that less strict rules on dismissals will support employment creation, through a reduction in anticipated firing costs. The trade unions strongly criticise any such labour law modification, since they believe this would not contribute to employment creation and would only substantially and effectively reduce employee protections. Interestingly, the possibility to find solutions that combine more flexibility and security through specific regulations of dismissals and job placement are not significantly present in the current debate. It seems that social partners are less confident today regarding the possibility to find mutually beneficial solutions than they were in the 1990s, when the concept of flexicurity was first explained with reference to the so-called 'polder model' of wage restraint, flexible working time, social dialogue and strong participatory institutions.

In Portugal, trade unions are sceptical about the concept of flexicurity, if not altogether against it. The unions are particularly keen to combat precarious work and prefer to support social dialogue than focus on flexicurity, which they believe could increase labour market problems and may respond only to employers' needs. In particular, trade unions consider that contractual flexibility is already significantly present and could even be reduced, at least through a better implementation of existing rules, while more attention should be devoted to lifelong learning and social security. However, the trade unions believe that activation measures should not negatively impact on employee rights and protections. Employers are much more in favour of flexicurity since they consider it could operate in two directions: increase the flexibility of employment relations – in terms of hiring and firing, working time, work organisation, functional flexibility and geographical mobility – and emphasise employment security rather than job security. In general, they focus their attention especially on contractual flexibility and activation, and partly on working time flexibility, in a framework that could be termed 'workfare'.

In Romania, employers, in particular, stress the role of temporary agency work and working time flexibility in relation to flexicurity. Trade unions believe that the flexicurity concept needs further elaboration and clarification. They especially underline the issues of monthly minimum wages (rather than hourly minimum wages), protections in the case of collective redundancies and the establishment of a wage guarantee fund for workers of companies that go bankrupt and vocational training. Moreover, the trade unions believe that labour market flexibility does not lead to the creation of new jobs and they criticise the use of flexicurity as a means to make the termination of employment contracts easier. According to the unions, flexicurity should mean more security and better working conditions.

In Slovakia, the usual divisions between trade unions and employers can be found. According to the trade unions, security should be strengthened by increasing income support of those who are unemployed as well as training and skills development, with a view to helping unemployed people to find a job. Employers emphasise the high long-term unemployment rate and believe that flexible contractual arrangements, lifelong learning and ALMP, and notably activation measures, should be developed to address this structural problem.

### **Some convergence**

Even where the flexicurity approach has been jointly embraced by the social partners in the framework of efforts to modernise labour law and social security, like in Bulgaria, clear differences emerge between trade unions and employers in their interpretations of the consequences of such an approach for actual policies. Some significant disagreements, for instance, have emerged in Bulgaria on the use of fixed-term employment contracts, limits to overtime, and the presence of seniority bonuses and severance pay. More generally, on the one hand, the employers are voicing demands for a substantial reduction in existing employment protection legislation, which they consider significantly hinders business competitiveness. On the other hand, the trade unions strongly oppose what they consider 'flexibilisation at the expense of worker rights and protections' and are requesting a clarification of the concept, in order to achieve an appropriate balance between flexibility and security.

In Denmark, often considered the home country of the flexicurity approach as it has been developed in the international debate after the early experience of the Netherlands, both employers and trade unions recognise the positive contribution of flexicurity to the functioning of the labour market and to social peace. However, employers are demanding important changes in the existing regulatory framework, especially targeted to increase the activation of job seekers to find employment by redefining both the amount and duration of unemployment benefits. In particular, the employers support the progressive reduction of unemployment benefits during the unemployment period, starting from a higher level than the present one, and the reduction of their

duration from four to two-and-a-half years. On the other hand, the trade unions demand an increase in the unemployment benefits of those who are uninsured.

In France, the focus is on ‘making career paths secure’, rather than on a broad concept of flexicurity, which could be linked to the narrower issue of reducing the segmentation of the labour market. This more focused approach may have helped the social partners to converge on certain measures, especially in the field of skills formation and training, notably through a system of forward-looking employment and skills management (*Gestion prévisionnelle des emplois et des compétences*, GPEC). However, some significant differences remain in the positions of the social partners. The trade unions, besides a developed system of skills management, demand more secure contractual arrangements, for instance through different systems of income guarantee and job placement services, especially in the case of termination of employment. The employers link security to the modernisation of employment contracts and termination rules, with a view to improving labour market efficiency.

In Spain, the social partners agree that employment security must be a priority in industrial relations, though companies may need temporary employment in order to adapt to the market situation. In general, the social partners consider internal qualitative flexibility a preferable solution to external quantitative flexibility. In particular, collective bargaining can effectively contribute to flexicurity through a number of ways: the introduction of job classification systems and appropriate training that contribute to functional flexibility; working time flexibility and the annualisation of working time in ways that balance the interests of both workers and companies; the development of lifelong learning as a means to enhance qualifications; skills development; and supporting employability. Despite such a common understanding, which has been translated into the various Agreements for Collective Bargaining (*Acuerdos para la Negociación Colectiva*, ANC) since 2002, the trade unions remain rather sceptical about the implementation of flexicurity. The unions believe that the competitive strategies of Spanish companies eventually privilege external flexibility as the main adjustment tool, thereby producing precariousness and reducing security. In terms of policy options, the trade unions demand further investment in ALMP, which they regard as particularly underdeveloped since most of the financial resources made available in recent years have been allocated to economic incentives for companies that recruit on open-ended employment contracts.

In Finland, in 2006, the Ministry of Labour (*Työvoimatoimisto*) explicitly proposed the adoption of the Danish model of flexicurity. Both the employers and the trade unions expressed their doubts over this proposal, given the differences between the two countries in terms of economic structure and institutions. In August 2007, the Ministry of Labour set up a high-level tripartite group to study a possible flexicurity model for Finland. At the same time, in 2006 and 2007, the main social partner organisations drafted joint proposals for wide-ranging employment policy packages to boost employment and labour mobility. The proposals included a special emphasis on vocational and continuous training, employment services, tax incentives, as well as on relocation support and housing policies.

In Ireland, the social partners are currently debating the issue of flexicurity. The [Irish Congress of Trade Unions \(ICTU\)](#) believes that it would be useful to explore the possibility to adopt the flexicurity approach according to the Danish and Dutch models. However, the [Irish Business and Employers’ Confederation \(IBEC\)](#) is more doubtful about this, especially in consideration of the high costs – and high tax burden – that such a move would entail. In more practical terms, the trade unions are demanding more security for temporary agency work through the introduction of the equal treatment principle, as well as more investment in social security. The unions consider social security to be the main missing element of a possible fully-fledged flexicurity approach, since flexible labour markets and ALMP are well established. The employers regard temporary



agency work as a crucial source of flexibility, especially in certain sectors of the economy, and, as mentioned, consider the costs of a strengthened welfare system as problematic.

In Italy, the Confederation of Italian Industry ([Confederazione Generale dell'Industria Italiana, Confindustria](#)) agreed that flexibility in the organisation of work and a modern social security system are two components that are fundamental for the modernisation of labour markets. According to Confindustria, the development of strategies that focus on finding a correct balance between the two elements would enhance the competitiveness of enterprises, creating at the same time more scope for regular and protected employment. Confindustria fully approved the contents of the European Commission's Communication on flexicurity by expressing the hope that 'the Commission's clear indications on modernisation of the labour market will become concrete measures to be applied in the Italian labour market'. The General Confederation of Italian Workers ([Confederazione Generale Italiana del Lavoro, Cgil](#)), the Italian Confederation of Workers' Trade Unions ([Confederazione Italiana Sindacati Lavoratori, Cisl](#)) and the Union of Italian Workers ([Unione Italiana del Lavoro, Uil](#)) appreciated the Commission's attempt to reach an effective compromise between labour flexibility and security. In particular, the trade union organisations judged positively both the fact that the Commission had identified four areas for the implementation of a 'flexicurity' policy – flexibility and 'reliability' of contractual arrangements; a lifelong learning strategy; ALMP; and modern social security systems – and the need to integrate these different areas. However, they supported the criticisms voiced by ETUC. Parts of the Commission's Communication criticised by the three Italian trade union confederations were the emphasis on the need to reduce protections against dismissals, which the trade unions considered excessive, and certain substantive aspects of the document that referred in particular to labour market flexibility.

Employers in Norway are in favour of deregulating temporary employment, while the trade unions strongly disagree with this, as they believe it would make it more difficult for temporary agency workers to find permanent employment. However, the strong disagreement among the social partners on this topic did not have an impact on the consensus on other topics – such topics include the improvement of ALMP, including continuous training and competence development, or the implementation of measures specifically designed for older workers or employees with special needs (as illustrated by the 'Inclusive Working Life Agreement' of 2001 and 2003, see [NO0311104F](#)).

In Slovenia, flexicurity has in recent times been at the centre of debate among the social partners, most notably during the discussion of the recent amendments to the Labour Relations Act that were introduced in 2007. Whereas at this level the social partners developed a certain consensus on the concept and the policies linked to flexicurity, it seems that lower level social dialogue and collective bargaining remain characterised by more traditional attitudes, with employers demanding more flexibility and trade unions arguing for more security. It seems that one of the main achievements of the debate on flexicurity is the emphasis put on the role of the social partners in the policymaking process leading to the concrete implementation of the flexicurity concept.

In Sweden, the debate on flexicurity centres around the assessment of the Danish model and comparisons between the situation in the two neighbouring countries. The employers underline the rigidities in the Swedish regulation of dismissals and would welcome a revision of the strict rule on the identification of workers to be involved in collective layoffs. The trade unions focus their attention on ALMP, especially for young people, and criticise the recent reform of the unemployment benefit schemes, as they believe that it reduced workers' security.

In the UK, the main divergences between the social partners relate to the field of contractual arrangements. For instance, 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. However, employers and trade unions are highly interested in skills training and lifelong learning.

## **Decentralised collective bargaining on flexicurity**

As mentioned previously, the concept of flexicurity basically refers to a combination of flexible labour market regulation (essentially low firing costs), effective employment and requalification services that include ‘activation’ incentives, and significant income support measures to cover spells of unemployment. In other words, flexicurity refers to flexibility in the labour market associated with security in finding a new job and income security. However, the emphasis on the possible plurality of national flexicurity models and on the role of the social partners has added a relevant dimension to flexicurity in terms of industrial relations and the contribution of collective bargaining, especially at workplace level.

In the following section, the distinctive input of collective bargaining to flexicurity will be presented, as it emerges from the national reports to this study. It should be noted that some elements of both flexibility and security can always be found – at least in the presence of the negotiations themselves, which represent a guarantee for the workers involved. However, in order to avoid the tendency to consider almost any determination of collective negotiations as an example of flexicurity, the agreements that try to introduce flexibility and security simultaneously were taken into account. The identification of this simultaneous presence is often quite difficult to detect and a matter of evaluation.

### **Flexibility of pay**

As one of the main topics of collective bargaining, wages and salaries cannot remain outside the joint regulation of flexicurity. In general, flexibility of pay can be associated with improving job security, as long as it contributes to company viability and profitability. However, according to a more demanding connection with flexicurity, this study aims to identify the forms of variable pay introduced by collective bargaining that directly and explicitly enhance the security of certain groups of workers.

An experience of this kind can be found in Austria, where the flexible pay schemes presently included in the metalworking sectoral agreement incorporate, since the 1997 accord, an element of ‘redistribution’ that benefits low-paid and temporary agency workers. In fact, the metalworking sector agreement provides for the possibility to distribute a quota of the general pay increase established at industry level to certain groups of workers at company level, which may occur through a specific works agreement. In particular, some 10% of the wage increase (or 0.3% of the 3.5% pay rise in 2007) can be distributed selectively to low-paid workers (such as young workers and women), in order to increase their real wages, or to key employees, so as to compensate for performance and increase retention rates. In this way, employers who may wish to use part of the collectively-agreed pay rise to reward core workers should balance this with an improvement of the position of marginal workers. A similar mechanism is foreseen by the so-called ‘distribution pot’, which is a redistributive scheme that will be mandatory from 2010 onwards. This scheme will entail the use of a certain amount of the total wage bill to compensate for performance and, at the same time, improve the wage levels of low-paid workers and implement equal pay between men and women.

Examples of a more general kind of link between flexibility and security can be found in Spain, where, since the 1990s, forms of pay flexibilisation have been expanded. These have been

introduced by collective bargaining through, for instance, dual wage scales, whereby newly-recruited workers earn less than existing employees performing the same job, usually for an agreed period of time often ranging from three to five years ([ES0304204F](#), [ES0406207F](#)). These measures can include a commitment to preserving employment or converting temporary jobs into open-ended employment contracts; however, since they introduce new forms of workforce fragmentation – such as wage instead of contract differentiation – they do not seem to fall within the meaning of flexicurity as a (fully) mutually beneficial mechanism. In fact, such measures could be more aptly considered part of defensive concession bargaining.

## Working time flexibility

Working time flexibility can be fully regarded as contributing to flexicurity when it provides more possibilities to conciliate personal needs and obligations, and especially when it is linked to opportunities to engage in further education and therefore to improve individual employability. For example, in the Czech Republic, collective bargaining in the metalworking and chemicals sectors envisages the use of flexible working time to enable employees to enter further education, retraining and lifelong learning schemes. Furthermore, both sectors have introduced specific working time arrangements to enhance work–life balance for parents with small children.

In Malta, the collective agreement signed at the Central Bank of Malta for 2005–2007 includes a number of clauses to reconcile work and family life. For instance, certain clauses enable workers to demand reduced working hours – 25 hours a week – if they have to care for young children up to four years of age. They can also request a number of leave periods if they are attending further education or training, or for special occasions and situations such as childbirth leave for fathers, marriage, maternity and adoption leave, or leave to care for dependent relatives. The public sector agreement provides for unpaid parental leave of up to five years for the purpose of taking care of children aged under six years, which can be shared by both parents. As an alternative to parental leave, employees may ask to work reduced hours until the child reaches the age of 12 years. Other flexible arrangements include flexitime, job sharing and teleworking.

In the Netherlands, an interesting example of flexicurity is the system of life-course savings accounts introduced by legislation in 2006. This system enables workers to save income or time to be spent on leave periods for various reasons such as care, education and early retirement. Individuals can save up to 210% of their annual pay, for a maximum of three years of leave. Employers may contribute to such a scheme, which can be specified in collective agreements. In 2006, about 70% of collective agreements had regulated some aspects of the life-course savings account system. This scheme encounters a number of shortcomings, not least that it depends on the employer's permission, and only limited elements can be regulated by the social partners.

Another possibility is to trade working time flexibility for employment guarantees. In Germany, in 2007, the first 'social plan' agreement – an agreement required by legislation to address the social consequences of company restructuring – in the services sector was signed by the United Services Union ([Vereinte Dienstleistungsgewerkschaft](#), [ver.di](#)) and the information technology (IT) service provider [Sparkassen Informatik](#). This agreement included a set of flexibility measures, like reduced working hours and part-time work, flexible working hours, working time accounts and [telework](#).

In Finland, the annualisation of working time and the extension of reference periods, with the use of working time accounts, a relatively common solution in this country, proved particularly interesting in the trade–retail, tourism, hotel and catering sectors. The establishment of such working time accounts allowed for the strengthening of permanent jobs by avoiding the use of fixed-term employment contracts during seasonal peaks. In this way, workers on open-ended

employment contracts can use time off for long leave periods during a low season, thus enabling the employer to maintain a more stable and experienced workforce.

In Hungary, collective bargaining is reportedly rather weak and rarely succeeds in establishing a concrete balance between flexibility and security. However, the introduction by collective agreements of long reference periods to calculate weekly working time, made possible by the 2001 amendment of the Labour Code, resulted at most in a form of compensation for the overtime premiums lost. A specific review of these agreements found only one case that ensured increased security by substituting fixed-term contracts with open-end contracts, as illustrated in the Finnish case. The case concerned a road construction company where overtime accumulated during the summer could be used by workers to prolong annual leave periods and compensate for the quieter winter period. In this way, some seasonal workers could be hired on a permanent basis.

In Spain, the annualisation of working time is included in most collective agreements, and often entails an increase in annual leave days. Moreover, some 30% of agreements, covering almost 50% of the workforce involved, envisage the possibility to distribute working time irregularly during the year. However, the proposals to foster job creation by using working time flexibility and a reduction of working hours encountered limited support at company level, since such flexibilisation and the irregular distribution of working time is thought to contradict the commitment to work–life balance. Other typical cases of collective bargaining on working time flexibility, especially at company level, include the introduction of both individual and collective working time accounts as a tool to adjust working time schedules to variations in demand. In very few cases, agreements explicitly link working time flexibility and shorter working hours to maintain or create jobs.

Working time flexibility and namely annualised working hours have been included in collective bargaining in the Netherlands since the 1980s and contributed to increasing significantly the organisational flexibility of companies. After these early experiences in collective bargaining, new legislation in the mid 1990s further enhanced the scope for working time flexibility.

## **Training and job placement services**

Training is a crucial component of the flexicurity approach, as it improves the worker's position on the labour market and can contribute to career advancement through the enhancement of skills and competencies. At the same time, it can effectively contribute to increasing the productivity and effectiveness of work. Collective bargaining on training is well developed and reference to it is highly present in the national reports to this study. Among the measures devised to support training, those included in Austria in the private training organisation collective agreements can be mentioned. This provides for the possibility for a worker to request sabbatical leave of up to six months' duration, whereby the normal working hours can be spread across different years and a return to an equivalent job position is ensured, and a period of annual education leave of one week.

In Germany, despite controversies regarding the usefulness of collective agreements for continuous vocational training, a number of accords have been reached on this topic. For instance, the 2006 state-level agreement in the metalworking sector in North Rhine-Westphalia provides for an annual assessment of training requirements and individual talks with employees. This agreement also indicates that the company will pay the full cost of training if this is required for organisational needs, whereas the company will bear 50% of training costs if it pursued with the aim of increasing the employee's qualifications in view of possible career advancements. The assessment of a similar agreement reached in 2001 in Baden-Württemberg shows that, while the implementation of training measures has not always improved, almost all managers have indeed

carried out personal interviews with employees on an annual basis to assess training requirements. Moreover, training has gained importance at company level and both the number of works agreements and the involvement of works council members in planning training initiatives have increased.

In France, the special attention devoted to training has resulted in a number of collective agreements. For instance, the agreement reached at the environmental services company [Veolia Environnement](#) on developing skills and occupational advancement promotes access of all employees to training. Another example is the agreement at the semiconductor manufacturing company [Freescale](#) on the development of employability at the company's Toulouse site in southwest France. The agreement established a cooperation network that includes a number of actors in the company (management and trade unions) and outside the company (the long-term observatory on occupations, the regional office of labour, employment and vocational training, as well as the local public employment services), in order to make a number of opportunities available to workers, such as skills assessment, individual training leave, the validation/certification of work experience and personalised support.

In the Netherlands, the issue of continuous training has figured prominently in collective bargaining since the early 1990s, even if this was often with 'soft' regulations, such as recommendations and guidelines. However, in 2007, some 50% of employees covered by collective bargaining had some sort of obligation to take part in education, 40% had entitlements or rights to education, almost 60% had opportunities to combine work and learning, while some 70% could obtain individual plans for career development, career check-ups or training on mobility. Almost 90% of those covered by collective bargaining had the possibility to demand leave for training or education. In this regard, it may be worth mentioning that training and career development are an important element of the industry-wide agreement for temporary agency work. Training, in particular, is financed by the joint sectoral education fund that was introduced by collective bargaining. In the automotive sector, for example, after a reorganisation at the vehicle manufacturing company [NedCar](#), some 1,500 jobs were lost, including subcontractors. As a result, the regional job centres, local authorities and the social partners set up an initiative to facilitate the outplacement of redundant employees through training and specific employment services. The initiatives have been funded by the joint sectoral education funds – in metalworking and construction – and the public authorities.

In Bulgaria, despite the limited reach of collective bargaining at company level and problems of implementation, trade union sources show that a significant share of existing agreements provide for outplacement services and training for redundant workers in the case of restructuring. Other quite widespread collectively-agreed measures concern vocational training, with about 50% of agreements covering additional training, as well as supplementary social security schemes, with some 30% including pensions and 25% incorporating health insurance. In Romania, the construction sector has established an industry-wide social security system, which encompasses pension and welfare schemes, vocational training and [health and safety](#).

The main contribution of collective bargaining to flexicurity in Sweden is reflected in the eight redundancy programmes covering some 50% of employees. These programmes aim to reduce the social impact of collective layoffs by providing income support and outplacement services to redundant workers.

Training can also be designed to serve specific workforce groups. The national reports pointed to a number of interesting examples concerning older workers. For instance, in Germany, in 2006, an agreement on 'demographic change' was achieved in the metalworking sector in North Rhine-Westphalia, which provided for company-level reviews of the workforce 'age profile', in order to assess qualification levels, training requirements and working conditions. Such reviews should

then be used by the company management and works councils to evaluate possible measures, such as increasing apprenticeships, improving occupational health and safety, adapting working conditions, offering further training, reducing workloads at peak times and adjusting working time schedules. In Spain, a significant percentage of collective agreements include provisions aiming to enable a reorganisation of the workforce age profile by combining partial retirement with new recruitment through ‘hand-over contracts’. These provisions entail some economic incentives for companies and were included in 18% of agreements in 2006. In the Netherlands, collective bargaining significantly contributed to prolonging the careers of older workers through, for instance, flexible retirement arrangements, reduced working hours, adaptations in the work environment and reduction in workloads, training initiatives and job mobility to increase employability.

### **Regulation of contractual flexibility**

As previously underlined, a particularly sensitive issue in the field of flexicurity relates to contractual arrangements, since they often attract opposite demands from employers in the form of more flexibility and trade unions in the form of more security. Therefore, the collective agreements that are successful in striking a balance between these conflicting requests are certainly of interest. Contractual flexibility seems to be high on the social partners’ agenda in Belgium. For instance, the ‘Employment Plan for Brussels’ of 2006, which has been negotiated by the social partners, includes the use of temporary work as an effective means to tackle unemployment, coupled with the strengthening of training and the provision of coaching and counselling for job seekers. Moreover, part-time and fixed-term work are presently at the centre of negotiations in all economic sectors, together with working time and work–life balance issues.

In the Netherlands, a number of protections for temporary agency workers were effectively anticipated by collective agreement, before legislative intervention in the late 1990s. More recently, interventions in the field of contractual flexibility included the reduction in the maximum number and duration of fixed-term employment contracts, usually to two contracts and two years’ duration, instead of the legally binding three contracts and three years’ duration. As for temporary workers, training opportunities, career development and supplementary pension schemes were introduced. In addition, a number of protections accrue with seniority: for instance, after 26 weeks of service, the worker receives a higher wage, while after 1.5 years of service the worker acquires rights to education and training, as well as some employment guarantees.

In Spain, clauses on the limitation of temporary employment contracts have been introduced and can be found in 8% of multi-employer agreements covering 11% of the workers involved. Moreover, clauses on the conversion of temporary work contracts into permanent employment contracts were included in 13% of collective agreements in 2006 and involved 25% of the workers covered. At company level, these types of provisions are more common and they specify the number of workers involved in the stabilisation process.

## Commentary

Flexicurity is potentially a key concept in the modernisation of the protection of work. However, it encounters a number of difficulties in entering the debate on labour regulations and especially in becoming a shared reference for the social partners in social dialogue and industrial relations. In fact, it would probably be too optimistic to expect that a concept that affirms the possibility of finding solutions combining two opposite features of labour regulation could help to overcome contrasts and conflict. Indeed, the opposite could prove to be the case, since both sides of industry will aim to legitimise their respective demands regarding flexicurity (pro-flexibility and pro-security) and could try to make their interpretation prevail – this could exacerbate contrasts rather than reduce them.

In this sense, the broadening of the meaning of flexicurity, which has been realised within the European Employment Strategy, has probably increased the ambiguity of the concept and made it more ‘contestable’. While it allowed for the possibility to recognise different flexicurity models and different pathways to flexicurity, it has reduced the coherence of the reference framework. To a certain extent, the specification of the concept of flexicurity at European level seems to summon many different policies, which have been developed and strengthened at European level through different political processes. From this point of view, the establishment of a ‘single’ and coherent flexicurity approach represents a real challenge. Even in the often-praised Danish model, flexicurity is essentially a systemic, unintentional outcome of different institutions and policies, rather than an all-encompassing policy system.

In the field of industrial relations, this broad definition of flexicurity presents at least two problems. On the one hand, flexicurity loses its potential for clearly guiding the social partners: almost any possible topics of negotiation can be interpreted in the framework of flexicurity, from working time to wages or collective dismissals. As a consequence, it may have no real innovative impact on industrial relations and risks leading only to some new terminology. On the other hand, if taken seriously and being an inherently composite concept, flexicurity requires a great deal of mutual trust to become an effective reference for the two parties to the negotiations. Where such trust is not embedded in established relations, it is unlikely that it will be built through voluntary relations. It would most likely need to be supported with the crucial role of the public authorities, which should act as a guarantee that both dimensions of flexicurity will be implemented, thereby promoting and balancing the interests of both sides of industry.

The picture emerging from the various national reports shows an important and increasing engagement of the political authorities in the field of flexicurity, even when the results are, so far, limited or the contrasts between the social partners on the actual policies that should follow from the adoption of a flexicurity approach are remarkable. Therefore, it could be possible to identify one overarching ‘pathway to flexicurity’: this pathway would not support many different ways of implementing a single broadly-defined concept, but rather one main route in the form of social dialogue backed by significant guarantees in terms of balancing the different interests at stake. Achieving the latter would broaden the scope for combining all of the distinct dimensions of flexibility and security in a changing and challenging world.

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## Annex

**Table A1: Main recent flexicurity measures**

Country	Flexicurity measures
AT	<p><i>Contractual arrangements</i></p> <ul style="list-style-type: none"> <li>- Portability of severance pay and extension of severance pay to self-employed workers, including those on ‘free service contracts’</li> <li>- Introduction of special cheques, which include insurance coverage against accidents at work, to pay household workers, with a view to combating irregular employment</li> <li>- Possibility to switch temporarily to part-time work for parents with children under the age of seven years</li> <li>- Working time flexibility through collective and works agreements</li> </ul> <p><i>Lifelong learning</i></p> <ul style="list-style-type: none"> <li>- Unpaid study/training level between three months and one year supported by access to unemployment benefits</li> </ul> <p><i>Active labour market policies</i></p> <ul style="list-style-type: none"> <li>- Special programmes for vulnerable groups, such as young and older workers, women, unskilled workers and unemployed individuals</li> <li>- In the Autumn of 2007, the social partners presented a joint programme to foster the employment of young, unskilled and unemployed persons, which is expected to be implemented by the government by the end of 2008</li> </ul> <p><i>Social security</i></p> <ul style="list-style-type: none"> <li>- Extension of social security coverage to those on ‘free service contracts’</li> </ul>
BE	<p><i>Contractual arrangements</i></p> <ul style="list-style-type: none"> <li>- Support for part-time work, temporary agency work and fixed-term employment as important entry ports into the labour market and ‘stepping stones’ to permanent jobs</li> <li>- In certain sectors – for instance, chemicals or hairdressing – rules try to avoid abuse of the use of successive fixed-term employment contracts</li> <li>- Strengthening of the ‘time credit system’ to provide for more flexible (individual) working time was introduced by collective bargaining</li> </ul> <p><i>Lifelong learning</i></p> <ul style="list-style-type: none"> <li>- Establishment of ‘training centres’ at company level by collective bargaining to jointly manage training plans for employees</li> <li>- Individual coaching and training programmes for workers aged over 50 years provided by the employment services of the country’s regions and communities</li> </ul> <p><i>Active labour market policies</i></p> <ul style="list-style-type: none"> <li>- Individual coaching for the unemployed and sanctions if the latter do not participate in the activities proposed by the Employment Centres</li> <li>- Active management of company restructuring: outplacement services and limits to the use of early-retirement. Sanctions if the redundant workers do not take the opportunities provided by the outplacement service</li> </ul> <p><i>Social security</i></p> <ul style="list-style-type: none"> <li>- Measures to encourage labour market participation of workers aged over 60 years through incentives related to pensions</li> <li>- Reduction in the tax wedge over pay</li> </ul>

BG	<p><i>Contractual arrangements</i></p> <ul style="list-style-type: none"> <li>- In recent years, also in connection with the EU accession process, the Labour Code has been amended significantly to introduce more flexible employment contracts, more flexible rules on working time and to reduce firing costs</li> </ul> <p><i>Lifelong learning</i></p> <ul style="list-style-type: none"> <li>- The government has undertaken a significant reform of the education and training system, but lifelong learning has remained so far underdeveloped</li> </ul> <p><i>Active labour market policies</i></p> <ul style="list-style-type: none"> <li>- Activation policies and incentives to hire unemployed individuals</li> <li>- Measures supporting entrepreneurship</li> </ul> <p><i>Social security</i></p> <ul style="list-style-type: none"> <li>- Reduction in the level and duration of unemployment benefits, and more stringent eligibility criteria</li> </ul>
CY	<p><i>Contractual arrangements</i></p> <ul style="list-style-type: none"> <li>- Contractual arrangements are already regarded as quite flexible</li> <li>- Increased female participation through more flexible forms of employment</li> </ul> <p><i>Lifelong learning</i></p> <ul style="list-style-type: none"> <li>- Lifelong learning has been just addressed by the government through the definition of a new plan for continuous training over the period 2008–2013. This is a new initiative that aims to enhance employment opportunities for job seekers</li> </ul> <p><i>Active labour market policies</i></p> <ul style="list-style-type: none"> <li>- Individualised employment services</li> </ul> <p><i>Social security</i></p> <ul style="list-style-type: none"> <li>- Reform of the Social Insurance Fund through social concertation</li> </ul>
CZ	<p><i>Contractual arrangements</i></p> <ul style="list-style-type: none"> <li>- Extension of the possibilities to use fixed-term employment and limitations to consecutive fixed-term contracts with the same employer</li> <li>- Increased security for temporary agency employment</li> </ul> <p><i>Lifelong learning</i></p> <ul style="list-style-type: none"> <li>- The system of further education is relatively underdeveloped</li> </ul> <p><i>Active labour market policies</i></p> <ul style="list-style-type: none"> <li>- The labour market reform of 2004 has strengthened the role of active labour market policies and introduced new activation measures, including career advice services</li> </ul> <p><i>Social security</i></p> <ul style="list-style-type: none"> <li>- No significant changes, but a pension reform is under preparation</li> </ul>
DE	<p><i>Contractual arrangements</i></p> <ul style="list-style-type: none"> <li>- Restrictions on temporary agency work and fixed-term employment have been reduced</li> <li>- Requirements for dismissals in SMEs have been loosened</li> <li>- Unemployment benefits for long-term unemployed people were substantially reduced by the integration of unemployment assistance into the welfare system</li> <li>- Part-time and fixed-term work have been regulated and workplace guarantees have been introduced for parental leave</li> </ul> <p><i>Lifelong learning</i></p>

	<p>- A number of measures to support training have been introduced. However, the Fourth Law on modern services in the labour market reduced expenses on training and the Federal Employment Agency (<a href="#">Bundesagentur für Arbeit, BA</a>) introduced stricter eligibility criteria for training allowances</p> <p><i>Active labour market policies</i></p> <ul style="list-style-type: none"> <li>- Unemployment benefits for long-term unemployed people were substantially reduced by the integration of unemployment assistance into the welfare system</li> <li>- Financial support for older unemployed workers accepting a job offering a wage lower than the previous one was introduced</li> </ul> <p><i>Social security</i></p> <ul style="list-style-type: none"> <li>- Social security coverage has been extended to so-called ‘mini jobs’</li> <li>- Exemption from social contributions has been introduced for ‘mini jobs’ that pay up to €400 a month</li> <li>- Incentives to join supplementary pension schemes were introduced</li> <li>- Several agreements on minimum wages have been extended to the whole of the sectors involved through ministerial decree</li> </ul>
DK	<p><i>Contractual arrangements</i></p> <ul style="list-style-type: none"> <li>- In general, notice periods are short, severance pay hardly exists and administrative barriers are low. However, in the public sector, contractual arrangements are more rigid; and, in the private sector, white-collar workers are guaranteed by law a minimum three-month notice period</li> </ul> <p><i>Lifelong learning</i></p> <ul style="list-style-type: none"> <li>- The lifelong learning system is well developed. A high proportion of employees receive further education and training, and public spending on continuous vocational training is high</li> <li>- Collective agreements usually establish the employee’s right to further training of at least 14 days a year</li> </ul> <p><i>Active labour market policies</i></p> <ul style="list-style-type: none"> <li>- Since 2007, new job centres hosted by the municipalities have been set up</li> <li>- ALMP include subsidised jobs, continuous vocational training, career guidance and assistance in job-search activities</li> </ul> <p><i>Social security</i></p> <ul style="list-style-type: none"> <li>- Unemployment benefits are high (the replacement rate can be as high as almost 90% for lower incomes) and can last for four years, if the unemployed persons actively search for a new job and take part in ALMP. However, medium to higher incomes have much lower replacement rates and uninsured people receive lower benefits</li> </ul>
EE	<p><i>Contractual arrangements</i></p> <ul style="list-style-type: none"> <li>- Regulation of permanent employment and rules on collective dismissals are rather strict, while the use of temporary employment contracts is regulated to a low extent. The enforcement of regulations is believed to be relatively weak</li> </ul> <p><i>Lifelong learning</i></p> <ul style="list-style-type: none"> <li>- In November 2006, the government launched the Lifelong Learning Strategy 2005–2008 aiming to increase financing and develop the vocational training system, improve access to training by persons with a disability and ethnic minorities</li> <li>- A new project for adult vocational training has been set up for 2007–2008, which will involve some 9,500 people and will be financed by the government and the <a href="#">European Social Fund</a></li> </ul>

	<p><i>Active labour market policies</i></p> <ul style="list-style-type: none"> <li>- In January 2006, the Labour Market Services and Benefits Act entered into force. This piece of legislation introduced individualised employment services and targeted measures for disadvantaged groups of workers</li> </ul> <p><i>Social security</i></p> <ul style="list-style-type: none"> <li>- The new unemployment insurance was introduced in 2002. However, replacement rates are rather low and of limited duration. Unemployment insurance benefits are, on average, equal to 45% of the previous wage and can last up to 270 days. The flat rate unemployment assistance benefits corresponded in 2007 to 9% of the former wage</li> <li>- In 2006, eligibility criteria for unemployment insurance were relaxed, with a view to increasing coverage, which was previously particularly low – less than 50% of new registered unemployed people</li> <li>- Since 2007, registered unemployed people are guaranteed health insurance</li> </ul>
EL	<p><i>Contractual arrangements</i></p> <ul style="list-style-type: none"> <li>- Restrictions were introduced regarding the use of successive fixed-term employment contracts</li> </ul> <p><i>Lifelong learning</i></p> <ul style="list-style-type: none"> <li>- A National Scheme for the Certification of Job Qualifications is being discussed. The scheme aims to recognise all qualifications held by employees, irrespective of how they were acquired. This effort seeks to boost mobility in the labour market</li> </ul> <p><i>Active labour market policies</i></p> <ul style="list-style-type: none"> <li>- Economic incentives for recruitment</li> </ul> <p><i>Social security</i></p> <ul style="list-style-type: none"> <li>- No specific policies were reported</li> </ul>
ES	<p><i>Contractual arrangements</i></p> <ul style="list-style-type: none"> <li>- Law 43/2006 incorporated the measures included in the tripartite Agreement for the Improvement of Growth and Employment of 9 May 2006, which aims to reduce the use of temporary employment and promote the increase in permanent jobs</li> </ul> <p><i>Lifelong learning</i></p> <ul style="list-style-type: none"> <li>- Royal Decree 395/2007 incorporated the tripartite Agreement for Training and Employment of February 2006. The agreement provided for the creation of a single training system for lifelong learning. Workers can take individual training leave, while company training initiatives will receive subsidies and social security allowances</li> </ul> <p><i>Active labour market policies</i></p> <ul style="list-style-type: none"> <li>- In order to foster female labour market participation, Law 3/2007 on equality between men and women established the obligation to negotiate equality plans in companies with more than 250 workers. It provided the workers with the right to reduce and adapt their working time schedules according to family responsibilities. The Agreement for Collective Bargaining for 2008 includes a set of criteria and recommendations for the implementation of the law</li> </ul> <p><i>Social security</i></p> <ul style="list-style-type: none"> <li>- The Self-Employed Workers' Statute (Law 20/2007) extended social security coverage to more than three million workers</li> </ul>
FI	<p><i>Contractual arrangements</i></p> <ul style="list-style-type: none"> <li>- The possibility to use fixed-term employment contracts has been tightened by limiting the use of successive contracts</li> </ul>

	<ul style="list-style-type: none"> <li>- Stricter control regarding temporary work was introduced in 2008, requiring employers to provide all workers employed for more than one month with a written specification</li> <li>- According to draft legislation, more information disclosure rights on temporary employment will be granted to shop stewards</li> </ul> <p><i>Lifelong learning</i></p> <ul style="list-style-type: none"> <li>- The lifelong learning system is relatively well developed</li> </ul> <p><i>Active labour market policies</i></p> <ul style="list-style-type: none"> <li>- There has been a considerable amount of investment in new labour market policies. In 2005, a labour market reform introduced more individualised employment services and emphasised guidance and counselling; it also envisaged stricter eligibility criteria for unemployment benefits, with the encouraging long-term unemployed people to accept training and job offers. Experimentations are ongoing regarding new kinds of employment offices where employers and job seekers meet directly</li> </ul> <p><i>Social security</i></p> <ul style="list-style-type: none"> <li>- The 2004 income policy negotiations introduced a new system to assist workers involved in redundancy procedures. Such a system includes a number of measures, including collectively-agreed action plans, individualised employment services, training and enhanced unemployment benefits</li> <li>- More security was introduced for atypical jobs, such as paid sick leave, the right to study and annual holiday compensation for part-time workers</li> </ul>
FR	<p><i>Contractual arrangements</i></p> <ul style="list-style-type: none"> <li>- The national multi-industry agreement signed on 11 January 2008 on modernising the labour market creates a new way of terminating employment contracts by negotiated agreement, involving a procedure for ratification by the <i>département</i>-level director of labour, employment and vocational training and a specific payment for termination of employment</li> <li>- The agreement introduces, on an experimental basis, a new kind of employment contract that can be signed for carrying out a precise project and comes to an end when the project is completed</li> </ul> <p><i>Lifelong learning</i></p> <ul style="list-style-type: none"> <li>- The national multi-industry agreement, which was signed on 5 December 2003 by all of the trade unions, had notably created the individual right to training (<i>droit individuel à la formation</i>)</li> <li>- The national multi-industry agreement signed on 11 January 2008 on modernising the labour market deals with vocational guidance, forward-looking employment and skills management (<i>Gestion prévisionnelle des emplois et des compétences</i>, GPEC), training, geographical and occupational mobility</li> </ul> <p><i>Active labour market policies</i></p> <ul style="list-style-type: none"> <li>- There are personalised programmes for job seekers in place</li> <li>- The occupational transition contract is an experimental measure created by government decree in April 2006. It assists occupational transition and is aimed at those who have been made redundant by companies with fewer than a thousand employees</li> </ul> <p><i>Social security</i></p> <ul style="list-style-type: none"> <li>- No significant policies were reported</li> </ul>
HU	<p><i>Contractual arrangements</i></p>

	<p>- The 2001 Labour Code allows for the flexibilisation of work organisation through collective and individual agreements</p> <p><i>Lifelong learning</i></p> <p>- The lifelong learning system is poorly developed, in spite of the fact that employability and continuous training are highlighted in the New Hungary Development Plan 2007–2013</p> <p><i>Active labour market policies</i></p> <p>- In 2002, a number of new ALMP were introduced to decrease unemployment. Social contributions were reduced in the case of employers hiring women returning to work after maternity leave, young job seekers or unemployed people who are aged over 50 years</p> <p><i>Social security</i></p> <p>- The unemployment compensation system has been reformed and renamed a ‘job search benefit’. In 2006, a kind of ‘in-work benefit’ has been introduced, which allows certain types of job seekers to receive a minimum allowance while working</p>
IE	<p><i>Contractual arrangements</i></p> <p>- The present partnership agreement envisages the introduction of two new bills that will, respectively, improve compliance with employment law and set more stringent rules for employment agencies</p> <p><i>Lifelong learning</i></p> <p>- The present partnership agreement provides for a reform of the system of lifelong learning with a view to making it more responsive to skills shortages and requirements, more easily accessible and geared towards employability and competitiveness. An important element of such a system will be workplace upskilling initiatives, to be implemented with the involvement of employers and trade unions. Special attention has been focused on vulnerable situations, older workers and low-skilled workers</p> <p><i>Active labour market policies</i></p> <p>- Within the approach of the ‘developmental welfare state’ (see under ‘social security’ below) a crucial objective is to provide adequate support for all people of working age in taking up employment opportunities. This can be done by addressing the financial and non-financial barriers to employment, in particular those that lead to poverty traps and encourage dependency on social assistance</p> <p><i>Social security</i></p> <p>- The present partnership agreement includes reference to the creation of a ‘developmental welfare state’ meant to support and facilitate the development of each person, enabling people to reach their full potential. In practice, this system should be centred around the specific risks people face at different stages in their life cycle, including children, people of working age, older people and people with disabilities. Translating this life cycle framework into specific policies is considered by the social partners to be a very ambitious exercise.</p>
IT	<p><i>Contractual arrangements</i></p> <p>- In July 2007, the social partners and the government signed the Agreement on Welfare, Labour Market and Pensions for Equity and Sustainable Growth, which contains measures and provisions that fall within the various components of ‘flexicurity’. The agreement provides guidelines and promotes measures in six areas: pensions, labour market, competitiveness, young people, women and ‘social shock</p>

	<p>absorbers'. In particular, the agreement has established measures that define ways to stabilise 'atypical' employment and forms of income support for the most disadvantaged labour market actors – such as young people and women</p> <p><i>Lifelong learning</i></p> <ul style="list-style-type: none"> <li>- The tripartite agreement on continuing vocational training, signed in April 2007 by the social partners and the government, is concerned with the promotion and realisation of lifelong training schemes. In particular, the agreement constitutes a unitary planning and coordination instrument that supersedes the current continuing training system characterised by numerous, often piecemeal, initiatives</li> </ul> <p><i>Active labour market policies</i></p> <ul style="list-style-type: none"> <li>- Besides the 'regulated liberalisation' of job placement services, since the 1990s competences in the area of active labour market policies have been devolved to regions. Law 30/2003 further regulated and promoted the creation of employment agencies, that is accredited private companies authorised to engage in such activities as staff leasing and job placement services, personnel recruitment and selection, and to support worker redeployment and outplacement</li> </ul> <p><i>Social security</i></p> <ul style="list-style-type: none"> <li>- The Agreement on Welfare, Labour Market and Pensions for Equity and Sustainable Growth, signed in July 2007, contains a series of measures mostly intended to improve protection in the event of unemployment, but leaving the unemployment eligibility criteria unchanged. Building on this agreement, Law 244/2007 (Finance Act of 2008) has extended the duration of the benefits associated with ordinary unemployment to eight months (12 months for workers aged 50 years and over) and increased the amount to 60% of the previous average daily wage for the first six months of unemployment, graduated for the months thereafter. Also, the unemployment benefit with reduced eligibility (<i>indennità a requisiti ridotti</i>) has undergone a series of changes. The Finance Act of 2008 extended its maximum duration (equal to the days worked in the previous year up to a maximum of 180 days) and the replacement rate (now between 35% and 40%). It should be noted that, workers on 'atypical' employment contracts have more chances of accessing this type of benefit rather than the ordinary benefit, due to lower eligibility criteria.</li> </ul>
LT	<p><i>Contractual arrangements</i></p> <ul style="list-style-type: none"> <li>- The conditions for the termination of employment relationships have been liberalised in 2003</li> </ul> <p><i>Lifelong learning</i></p> <ul style="list-style-type: none"> <li>- Lifelong learning is a national priority and a specific Strategy for Lifelong Learning was approved in 2004. Special bodies were set up for the development of adult training. A new law on vocational education and training came into force in 2008</li> </ul> <p><i>Active labour market policies</i></p> <ul style="list-style-type: none"> <li>- The relevance of ALMP has increased in recent years. A form of individualisation of employment services has occurred, especially aimed at activating long-term unemployed people, older people and low-skilled workers, with a view to overcoming labour shortages</li> <li>- The social security reform of 2005 introduced stricter controls on the eligibility for unemployment benefits and introduced some activation measures</li> </ul> <p><i>Social security</i></p> <ul style="list-style-type: none"> <li>- A reform of unemployment insurance was introduced in 2005, which increased</li> </ul>

	unemployment benefits
LU	<p><i>Contractual arrangements</i></p> <ul style="list-style-type: none"> <li>- The government has proposed to introduce a working time account, whereby individual employees may accumulate overtime in exchange for paid leave to meet their personal needs</li> </ul> <p><i>Lifelong learning</i></p> <ul style="list-style-type: none"> <li>- In October 2007, a law was passed that entitles any employee in the private sector to eight annual days of paid leave for training purposes</li> </ul> <p><i>Active labour market policies</i></p> <ul style="list-style-type: none"> <li>- Registered unemployed people sign an ‘activation agreement’ with the Employment Administration (<a href="#">Administration de l’Emploi, ADEM</a>), which states the rights and obligations of the two parties. The aim of this agreement is to make the services clear and transparent and stress the importance of personal efforts on the part of the job seeker</li> <li>- In the case of company restructuring, a job retention plan must be defined, so that all efforts are made to avoid dismissals and unemployment. Measures used in job retention plans include partial unemployment, reduced working hours, voluntary part-time work, training initiatives to support redeployment or outplacement, outplacement and temporary workforce loans</li> <li>- Specific economic incentives are available for private employers if they recruit older workers</li> <li>- Unemployed people who accept offers of jobs paying less than those formerly held can benefit from income support measures</li> </ul> <p><i>Social security</i></p> <ul style="list-style-type: none"> <li>- No specific policies were reported</li> </ul>
LV	<p><i>Contractual arrangements</i></p> <ul style="list-style-type: none"> <li>- The possible total duration of fixed-term employment was extended from two to three years</li> <li>- Notice of dismissals in certain circumstances was shortened</li> </ul> <p><i>Lifelong learning</i></p> <ul style="list-style-type: none"> <li>- Lifelong learning is one of the priorities of the National Development Plan</li> </ul> <p><i>Active labour market policies</i></p> <ul style="list-style-type: none"> <li>- ALMP include: training; paid public work; measures to increase competitiveness; the promotion of employment of disadvantaged groups of workers; the promotion of self-employment</li> </ul> <p><i>Social security</i></p> <ul style="list-style-type: none"> <li>- The elimination of illegal and unregistered employment</li> </ul>
MT	<p><i>Contractual arrangements</i></p> <ul style="list-style-type: none"> <li>- Part-time workers are guaranteed equality of treatment</li> <li>- Fixed-term employment contracts cannot cover a period exceeding four years or they are converted into open-ended contracts</li> <li>- In 2003, new rules were introduced for urgent family leave and parental leave</li> </ul> <p><i>Lifelong learning</i></p> <ul style="list-style-type: none"> <li>- The Training and Exposure Scheme aims to facilitate retraining of unemployed workers over 40 years of age</li> </ul>



	<p><i>Active labour market policies</i></p> <ul style="list-style-type: none"> <li>- The Employment Training Placement Scheme provides employers with incentives to support training for new recruits</li> <li>- The Job Experience Scheme is targeted at school leavers who lack work experience</li> <li>- Job Clubs provide the opportunity to experience diverse work environments</li> <li>- Specific schemes are present for persons with a disability</li> </ul> <p><i>Social security</i></p> <ul style="list-style-type: none"> <li>- Government aims to bring social protection and employment training systems in line with active labour policies</li> <li>- The Employment and Industrial Relations Act (EIRA) provides for family-friendly measures such as maternity and parental leave, emergency leave and reduced hours, provides protection for part-time workers in the form of pro rata leave entitlement, and changes fixed-term work contracts exceeding four years to indefinite contracts</li> </ul>
NL	<p><i>Contractual arrangements</i></p> <ul style="list-style-type: none"> <li>- This is the dominant component of the Dutch flexicurity model</li> <li>- The Flexibility and Security Act is the main illustration of the efforts to balance the demand by companies for workforce numerical flexibility and the request by employees for income and employment security: it promoted the establishment of temporary work agencies and simultaneously introduced more protections for temporary agency workers; it introduced limits to successive fixed-term employment contracts at not more than three contracts and three years' total duration</li> <li>- The Equal Treatment Working Hours Act of 1996 guaranteed equal treatment to part-time workers in conditions of employment</li> <li>- The Act on Adjustment of Working Time of 2000 granted employees the right to request an adjustment of working time, both by an increase or a decrease of personal working hours</li> </ul> <p><i>Lifelong learning</i></p> <ul style="list-style-type: none"> <li>- In 2005, a joint initiative of the Ministry of Education, Culture and Science (<a href="#">Ministerie van Onderwijs, Cultuur en Wetenschap, OCW</a>) and the Ministry of Social Affairs and Employment (SZW) launched a public agency on work and education programmes. The main objectives of this public agency are developing and implementing: individual projects, which combine learning and work and are jointly organised by employment agencies, employers and education institutions; education projects for the weakest groups of unemployed people; to provide young workers with a certification of competencies and experience acquired</li> </ul> <p><i>Active labour market policies</i></p> <ul style="list-style-type: none"> <li>- A large number of measures have been devised for the needs of the different groups of job seekers. Such provisions include child day-care centres, help in job-searching activities and negative sanctions if the commitment to find a new job is weak, economic incentives to recruit long-term unemployed people, support in the transition from school to work, abolition of incentives for early retirement and the obligation for older unemployed workers to look for a new job</li> </ul> <p><i>Social security</i></p> <ul style="list-style-type: none"> <li>- In order to reduce the costs of passive policies, more stringent eligibility criteria for unemployment and disability benefits were introduced. Disability benefits were reduced, but more guarantees were introduced in terms of long periods of paid sick leave and efforts to enable workers to return to work after sick leave.</li> </ul>

NO	<p><i>Contractual arrangements</i></p> <ul style="list-style-type: none"> <li>- In 2002, a substantial deregulation of the use of temporary agency work has been implemented</li> </ul> <p><i>Lifelong learning</i></p> <ul style="list-style-type: none"> <li>- The ‘Competence reform’ introduced the right of adults to upper secondary education (2000) and to primary and lower secondary education (2002) and, in particular, the right to up to three years of unpaid educational leave</li> <li>- The Competence reform also supported on-the-job training and the certification of skills acquired by experience</li> <li>- Specific funds were made available to the social partners to develop training arrangements, for example for adults with reading and writing difficulties and ethnic minorities</li> <li>- The provision of apprenticeships and job training for young people has been strengthened</li> </ul> <p><i>Active labour market policies</i></p> <ul style="list-style-type: none"> <li>- A shift to active labour market policies occurred in the latest 10–15 years. The concession of permanent disability pensions was made more difficult and periodical reassessment was introduced. Services to assist job seekers were strengthened and started to include the provision of training</li> <li>- Employment services have been reorganised and integrated with welfare services</li> <li>- The tripartite Inclusive Working Life Agreement drew attention to the workplace level and how to adapt working conditions to the situation of persons with long sick leave periods, older workers and employees with special needs</li> </ul> <p><i>Social security</i></p> <ul style="list-style-type: none"> <li>- From 2006, occupational pension schemes are obligatory for all workers</li> <li>- The current debate focuses on early retirement schemes, which are based on collective agreements. While the trade unions are determined to maintain the current system, employers and the government would prefer a system that encourages retirement at the normal retirement age of 67 years.</li> </ul>
PL	<p><i>Contractual arrangements</i></p> <ul style="list-style-type: none"> <li>- In 2003, the law governing temporary agency work was passed</li> </ul> <p><i>Lifelong learning</i></p> <ul style="list-style-type: none"> <li>- The development of a lifelong learning system is at an initial stage, following a government document issued in 2003 on the strategy to improve continuous training by 2010</li> </ul> <p><i>Active labour market policies</i></p> <ul style="list-style-type: none"> <li>- Employment services were reformed by the Employment Promotion and Labour Market Institutions Act of 20 April 2004, which regulates the contribution of a broad range of actors: public employment services, employment agencies, voluntary labour squads, vocational training organisations, social dialogue and local partnership bodies</li> <li>- Non-governmental organisations (NGOs) can perform public tasks such as employment promotion and activation of unemployed people</li> </ul> <p><i>Social security</i></p> <ul style="list-style-type: none"> <li>- The Social Employment Act of 13 June 2003 enables local governments and NGOs to set up social integration centres to assist the social reintegration of certain groups of people. The act does not provide for any specific activity of trade unions and employer associations in this area</li> </ul>

PT	<p><i>Contractual arrangements</i></p> <ul style="list-style-type: none"> <li>- The government has issued in 2007 a White Paper on Labour Relations that proposes a simplification of procedures and a relaxation of constraints for individual dismissals</li> </ul> <p><i>Lifelong learning</i></p> <ul style="list-style-type: none"> <li>- The latest national tripartite agreement on vocational training was reached in 2006</li> </ul> <p><i>Active labour market policies</i></p> <ul style="list-style-type: none"> <li>- In recent years, active labour market policies have gained importance and evolved towards a comprehensive system that includes unemployment protection, social insertion income and social security</li> <li>- In 2006, access to unemployment benefits was made conditional on some obligations, including, for instance, acceptance of a ‘convenient’ job, social work, vocational training, an active labour search and attendance at job centres every two weeks. Two instances of non-compliance result in the loss of unemployment benefits</li> <li>- The duration of unemployment benefits was decreased for those under 30 years of age and increased for older workers above 45 years of age</li> </ul> <p><i>Social security</i></p> <ul style="list-style-type: none"> <li>- In 2005, the Social Insertion Income was reformed and extended, while the eligibility criteria, in terms of household income, were partly made more stringent</li> </ul>
RO	<p><i>Contractual arrangements</i></p> <ul style="list-style-type: none"> <li>- The harmonisation of national legislation with the European Union <b>acquis communautaire</b> led to a number of changes in legislation that reduced administrative burdens and made regulations more flexible. These related to hiring procedures, part-time work, fixed-term work, temporary agency work, individual and collective dismissals, as well as health and safety</li> </ul> <p><i>Lifelong learning</i></p> <ul style="list-style-type: none"> <li>- The development of lifelong learning is one of the objectives of the present government.</li> </ul> <p><i>Active labour market policies</i></p> <ul style="list-style-type: none"> <li>- Specific programmes are in place for workers made redundant during collective layoffs, young and older persons, rural inhabitants, Roma people, and persons with a disability</li> </ul> <p><i>Social security</i></p> <ul style="list-style-type: none"> <li>- The government aims to reduce social contributions to the social security and unemployment funds</li> <li>- A recent pension reform made private pension schemes mandatory for workers aged up to 35 years</li> </ul>
SE	<p><i>Contractual arrangements</i></p> <ul style="list-style-type: none"> <li>- No recent significant changes were reported</li> </ul> <p><i>Lifelong learning</i></p> <ul style="list-style-type: none"> <li>- No recent significant changes were reported</li> </ul> <p><i>Active labour market policies</i></p> <ul style="list-style-type: none"> <li>- Sweden has a well-developed and long-established system of active labour market policies</li> </ul> <p><i>Social security</i></p> <ul style="list-style-type: none"> <li>- The social contributions to the unemployment funds have been raised and the ceiling</li> </ul>

	for benefits has been reduced
SI	<p><i>Contractual arrangements</i></p> <ul style="list-style-type: none"> <li>- In 2007, the amendments to the Labour Relations Act extended the possibility to use flexible employment contracts</li> <li>- The new law also made job assignments more flexible and made functional flexibility easier to implement</li> <li>- The law introduced the possibility to hire workers on fixed-term employment contracts for project work for periods of longer than two years, if the project demands it, a simpler regulation of dismissals, the reduction of notice periods in the case of dismissals, more flexible working time regulations, protections in the case of discrimination or <b>mobbing</b>, and it extended the possibility to work overtime</li> </ul> <p><i>Lifelong learning</i></p> <ul style="list-style-type: none"> <li>- In recent years, a number of initiatives have been launched in the field of lifelong learning, like state incentives to invest in training persons with low levels of education and those holding jobs that are likely to be involved in reorganisation processes, and the obligation of local authorities to prepare annual adult education plans. The implementation of such initiatives is, so far, rather limited</li> <li>- Initial training programmes were changed to accommodate the reduction in manufacturing jobs and the increase in services jobs</li> <li>- Regional Development Agencies were established over the last decade and one of their main tasks is to support training and requalification programmes, especially for the those who are less well qualified and poorly educated workers</li> </ul> <p><i>Active labour market policies</i></p> <ul style="list-style-type: none"> <li>- In 2006, the new Employment and Insurance Against Unemployment Act promoted greater activation of unemployed people through guidance and training and introduced the termination of benefits in the case of refusal of job offers</li> <li>- The promotion of part-time work was introduced, with limited success</li> </ul> <p><i>Social security</i></p> <ul style="list-style-type: none"> <li>- No specific policies were reported</li> </ul>
SK	<p><i>Contractual arrangements</i></p> <ul style="list-style-type: none"> <li>- Recent changes in the Labour Code have varied the balance between flexibility and security and were prompted by the employers (more flexibility, in 2003) and the trade unions (more security, in 2007)</li> </ul> <p><i>Lifelong learning</i></p> <ul style="list-style-type: none"> <li>- Lifelong learning has been included in the National Action Plans for employment since 2003</li> </ul> <p><i>Active labour market policies</i></p> <ul style="list-style-type: none"> <li>- ALMP were developed in particular since 2004. They include counselling and guidance for unemployed people, specific programmes for the most disadvantaged groups of workers, training and activation measures</li> </ul> <p><i>Social security</i></p> <ul style="list-style-type: none"> <li>- No specific policies were reported</li> </ul>
UK	<p><i>Contractual arrangements</i></p> <ul style="list-style-type: none"> <li>- The UK has one of the most flexible and lightly regulated labour markets in the EU</li> <li>- In the past decade, employee rights to flexible working have been enhanced. For instance, parents of young children and carers of dependent adults can request flexible</li> </ul>

working. Maternity and adoption pay have been improved and paternity leave provisions have been strengthened (even though no proper right to paid paternity leave has been introduced)

*Lifelong learning*

- In recent times, the emphasis on lifelong learning has been greatly increased, following the Leitch Review of Skills in England 2005 that has highlighted the limited diffusion of adult learning and the scarcity of investment in training by employers
- The government is likely to adopt a number of the proposals included in the Leitch Review to strengthen initial vocational initial and continuous training and support investment by employers in workers' skills
- Education and training policy have been devolved to regions

*Active labour market policies*

- The main distinctive feature of labour policy is the emphasis on labour market participation, which made allowances – such as job seeker allowance – dependent on an active search for full-time work and the availability to accept job offers. Limited scope for alternatives are present in the case of training and education, voluntary or environmental work for fixed periods
- Specific job search support programmes are available depending on the length of the unemployment period and for different groups of workers. The aim is to provide individualised support such as job search assistance, training, subsidised employment and work placements
- A tax credit system aims to support the employment of specific groups of job seekers

*Social security*

- Recent initiatives aim to support people who receive incapacity benefits and would like to return to work by offering rehabilitation advice, in-work support and financial credit.

**Table A2: Recent trends in flexicurity policies**

Country	Flexibility	Activation	Security
AT		Recent legislation has strengthened access to training and career breaks and improved work–life balance through temporary part-time work options. Special employment programmes for vulnerable groups were introduced, also with the significant contribution of the social partners	Social security coverage and severance pay was extended to some forms of ‘economically dependent work’
BE	Labour market measures encourage the use of atypical employment contracts, such as fixed-term and part-time work, as a suitable means to enter the labour market and as ‘stepping stones’ to more stable jobs	Other policies aim to improve employment services and activation mechanisms were introduced that link unemployment benefits to participation to outplacement schemes, including for older workers	
BG	As part of the preparation for accession to the European Union, labour law legislation in Bulgaria has been modified with a view to reforming the former highly centralised and strict employment protection legislation	Employment benefits have been reduced and their duration limited	
CY	While the labour market is already regarded as quite flexible, new initiatives include the promotion of flexible employment contracts to support the participation of women and the individualisation of employment services	Other measures concern the provision of care services to enhance labour market participation of prospective workers caring for other people and training opportunities to increase employability of persons on public assistance	
CZ	The possibility to use fixed-term employment contracts has been	The labour market reform of 2004 has strengthened and widened the use of active labour market	Security of temporary agency work and fixed-term work has been increased. For instance, the

	extended	policies	use of successive fixed-term employment contracts has been regulated and restricted
DE	Restrictions on temporary agency work and fixed-term employment have been reduced. Requirements for dismissals in SMEs have been slackened. The unemployment benefits for long-term unemployed people were substantially reduced by the integration of unemployment assistance into the welfare system	A number of measures to support training have been introduced. However, the Fourth Law on modern services in the labour market reduced expenses on training and the Federal Employment Agency introduced stricter eligibility criteria for training allowances. Financial support for older unemployed workers accepting a job offering a wage lower than the previous one was introduced	Part-time and fixed-term work have been regulated and workplace guarantees have been introduced for parental leave. Social security coverage has been extended to so-called 'mini jobs'. Exemption from social contributions has been introduced for 'mini jobs' paying up to €400 a month. Incentives to join supplementary pension schemes were introduced. Several agreements on minimum wages have been extended to the whole of the sectors involved through ministerial decree
DK	Unemployment benefits for some groups of uninsured people have been reduced in the framework of recent 'make-work-pay' policies	In 2006, a joint tripartite statement called for a greater role for the social partners in financing further education and training	The 2007 bargaining round in some economic sectors, including construction, has extended some of the existing contractual benefits to migrant workers
EE	Tighter monitoring and sanctions were introduced in January 2006 to reduce dependence on unemployment benefits	The government adopted a Lifelong Learning Strategy for 2005–2008. A new project for adult vocational training was launched for 2007–2008, which is meant to cover some 9,500 persons. The January 2006 Labour Market Services and Benefits Act provided for individualised employment services. Specific measures aimed at disadvantaged groups were introduced	In 2002, a new scheme of unemployment insurance was introduced. In 2006, eligibility criteria for unemployment benefits were relaxed. As of 2007, registered unemployed people are guaranteed health insurance
EL		A system for the certification of skills is being introduced with a view to boosting labour	Some restriction on successive fixed-term employment contracts were

		market mobility	introduced
ES		In order to foster female labour market participation, Law 3/2007 on equality between men and women established the obligation to negotiate equality plans in companies with more than 250 workers. It provided the workers with the right to reduce and adapt their working time schedules according to family responsibilities. Royal Decree 395/2007 incorporated the tripartite Agreement for Training and Employment of February 2006. The Agreement provided for the creation of a single training system for lifelong learning. Workers can take individual training leave, while company training initiatives will receive subsidies and social contribution reductions	The tripartite Agreement for the Improvement of Growth and Employment of 9 May 2006 envisaged measures to reduce the use of temporary employment and promote the increase in permanent jobs that were later included in Law 43/2006. In particular, incentives to transform temporary work in permanent employment (with lower statutory severance pay) as well as for hiring on open-ended contracts were introduced. Moreover, the law provided for limits on successive temporary contracts and a rise of unemployment benefits for certain groups of disadvantaged workers. The Self-Employed Workers' Statute of 2007 extended social security coverage to over three million workers, granting paid sick leave, accidents insurance, paternity leave, annual holidays and vocational training
FI	In 2005, economic incentives to support the recruitment of older low-wage workers were introduced as a temporary measure expected to last until 2010	In 2005, the labour market introduced more individualised employment services and emphasised guidance and counselling. Moreover, stricter eligibility criteria for unemployment benefits were introduced to encourage long-term unemployed people to take up training and job offers	Increased security for redundant workers was introduced through the 2004 income policy negotiation. In the event of redundancies, the company management and employee representatives must negotiate a plan of action to address the social consequences of reorganisation. Redundant workers benefit from paid job seeking leave of up to 20 days and are entitled to individual re-employment



			<p>programmes devised by the state employment offices. The assistance is voluntary, but it entails enhanced allowances and therefore there is a strong incentive to join. This new protection system covers fixed-term workers with at least 36 months of seniority over the last 42 months</p> <p>More security was introduced for atypical jobs including paid sick leave, study leave and annual holiday compensation for part-time workers. The use of successive fixed-term employment contracts was restricted</p>
FR	<p>The national multi-industry agreement signed on 11 January 2008 on modernising the labour market introduced a new way of terminating work contracts. This involved negotiated agreements involving a procedure for ratification by the <i>département</i>-level director of labour, employment and vocational training and a specific payment for termination of employment. The agreement introduces, on an experimental basis, a new kind of employment contract, which can be signed for carrying out a precise project and comes to an end on completion of the project</p>	<p>The national multi-industry agreement, which was signed on 5 December 2003 by all of the trade unions, had notably created the Individual Right to Training. The national multi-industry agreement signed on 11 January 2008 on modernising the labour market deals with vocational guidance, forward-looking employment and skills management (<i>Gestion prévisionnelle des emplois et des compétences</i>, GPEC), training, geographical and occupational mobility. Personalised programmes are available for job seekers. The occupational transition contract is an experimental measure created by government decree in April 2006. It helps occupational transition and is for those</p>	

		who have been made redundant by companies with fewer than a thousand employees	
HU	The 2001 Labour Code allows for the flexibilisation of work organisation through collective and individual agreements	In 2002, social contributions were reduced in the case of hiring women returning to work after maternity leave, young job seekers or unemployed people aged over 50 years. In 2006, a sort of ‘in-work benefit’ was introduced, which provides certain types of job seekers with a minimum allowance to supplement their income if they take up a job offer	The unemployment compensation system has been reformed and renamed ‘job search benefit’
IE		The current social partnership agreement Towards 2016 includes specific provisions on improving the continuous training system, focusing specific attention on workplace learning, with the involvement of employers and trade unions, upskilling of lower skilled and vulnerable workers, as well as migrant workers. The main objectives are to develop a system that anticipates requirements, is easily accessible and is geared towards employability and competitiveness	In the framework of the current social partnership agreement Towards 2016, the government is committed to pass in 2008 two major employment rights laws covering compliance with employment law, including the establishment of a specific statutory office to oversee compliance, and a new bill on employment agencies, meant to introduce stricter rules  Support for atypical work and low incomes are to be introduced, according to the framework set by the Towards 2016 partnership agreement
IT	Flexibility has been pursued, since the second half of the 1990s, through the introduction of a wide range of ‘non-standard’ flexible work contracts, with the twofold aim of favouring the employment of disadvantaged	Besides the ‘regulated liberalisation’ of job placement services, since the 1990s, competences in the area of active labour market policies have been devolved to regions. Law 30/2003 further regulated and promoted the creation	Since 2005, unemployment benefits have become more generous, in terms of both duration and amount, but eligibility requirements have remained unchanged. The gap between typical and ‘atypical’ workers

	categories of workers – such as older workers, young people and women – and combating irregular work.	of employment agencies, namely accredited private companies authorised to engage in such activities as staff leasing and job placement services, personnel recruitment and selection, and to support worker redeployment and outplacement	remains wide
LT	The conditions for the termination of employment relationships were liberalised in 2003	In 2005, a stricter control over qualification criteria for unemployment benefits and some activation measures were introduced	In 2005, the amount of unemployment benefits was significantly increased
LU		In October 2007, a law was passed that entitles any employee in the private sector to eight days of paid leave annually for training purposes. Registered unemployed people sign an ‘activation agreement’ with the employment services (ADEM) stating the rights and obligations of the two parties. This is meant to both make the services clear and transparent and stress the importance of personal efforts on the part of the job seeker. Specific economic incentives are in place for private employers if they recruit older workers. Unemployed people who accept offers of jobs paying less than those formerly held can benefit from income support measures	In the case of company restructuring, a job retention plan must be defined, so that all efforts are made to avoid dismissals and unemployment. Measures used in job retention plans include partial unemployment, reduced working hours, voluntary part-time working, training initiatives to support redeployment or outplacement, outplacement and temporary workforce loans
LV	The possible total duration of fixed-term employment was extended from two to three years. Notice of dismissals in certain circumstances was	Some initiatives promote the employment of disadvantaged groups of workers and encourage self-employment	Some initiatives to combat irregular work

	shortened		
MT	Part-time workers are guaranteed equality of treatment. Fixed-term employment contracts cannot cover a period exceeding four years or they are converted into open-ended contracts	In 2003, new rules were introduced for urgent family leave and parental leave. The Training and Exposure Scheme aims to facilitate retraining of unemployed workers over 40 years of age. The Employment Training Placement Scheme provides employers with incentives to support training for new recruits. The Job Experience Scheme targets school leavers who lack work experience. Job Clubs provide the opportunity to experience diverse work environments. Specific schemes are present for persons with disabilities	
NL	Since the mid 1990s, a number of measures have been introduced to increase the flexibility of the labour market. These include the promotion of the establishment of temporary work agencies, the introduction of ‘activation policies’ that sanctions unemployed persons who do not actively search for a new job, the abolition of incentives for early retirement and the obligation for older unemployed workers to look for a new job, as well as the reduction of the duration of unemployment benefits from five to three years. Stricter eligibility criteria for unemployment benefits were introduced and disability benefits	Activation measures include the provision of child day-care centres, the investment in work-education projects, the support of the transition from school to work for young job seekers, the provision of job-search services. Employers must do their best to ensure the return to work of workers eligible for disability benefits who are on sick leave	Security was enhanced through more protections for temporary agency workers, the limitation to successive fixed-term employment contracts, equal treatment for part-time workers, and the right to demand adaptation of individual working hours

	were decreased		
PT	<p>In 2006, access to unemployment benefits was made conditional on a number of requirements. Moreover, the duration of unemployment benefits was reduced for younger unemployed people (aged below 30 years) and increased for older unemployed (aged above 45 years)</p> <p>The government has proposed in its 2007 White Paper on Labour Regulations the simplification and relaxation of rules on individual dismissals</p>	In 2006, a new tripartite agreement on vocational training was reached	In 2005, the eligibility criteria to receive the Social Insertion Income was extended, even if the calculation of the household income was made more stringent
RO		Specific programmes are available for workers made redundant during collective layoffs, young and older persons, rural inhabitants, Roma people and persons with disabilities	A recent pension reform made private pension schemes mandatory for workers aged up to 35 years
SE		Sweden has a well-developed and long-established system of active labour market policies. The social contributions to the unemployment funds have been raised and the ceiling for benefits has been reduced	
SI	In 2007, the amendments to the Labour Relations Act extended the possibility to use flexible work contracts. The law introduced the possibility to hire workers on fixed-term contracts for project work lasting longer than two years, if the project	In recent years, a number of initiatives have been launched in the field of lifelong learning, like state incentives to invest in training persons with low levels of education and those holding jobs that are likely to be involved in reorganisation processes,	

	requires it, a simpler regulation of dismissals, the reduction of notice periods in the case of dismissals, more flexible working time regulations, and it extended the possibility to work overtime. The promotion of part-time work was introduced, with limited success	and the obligation of local authorities to prepare annual adult education plans. The implementation of such initiatives is, so far, rather limited. Initial training programmes were changed to accommodate the reduction in manufacturing jobs and the increase in services jobs. Regional Development Agencies were set up in the last decade and one of their main tasks is supporting training and requalification programmes, especially for those who are the least qualified and poorly educated workers. In 2006, the new Employment and Insurance Against Unemployment Act promoted greater activation through guidance and training and introduced the termination of benefits in the case of refusal of job offers	
SK		ALMP were developed in particular since 2004. They include counselling and guidance for unemployed people, specific programmes for the most disadvantaged groups of workers, training and activation measures	Recent changes in the Labour Code have shifted the balance between flexibility and security and were prompted by the employers (more flexibility, in 2003) and the trade unions (more security, in 2007)
UK		In the past decade, employee rights to flexible working have been enhanced. For instance, parents of young children and carers of dependent adults can request flexible working. Maternity and adoption pay have been	

		<p>improved and paternity leave provisions have been strengthened (even though no proper right to paid paternity leave has been introduced). In recent times, the emphasis on lifelong learning has been greatly increased, following the Leitch Review of Skills in England 2005 that has highlighted the limited diffusion of adult learning and the scarcity of investment in training by employers. The main distinctive feature of labour policy is the emphasis on labour market participation that made allowances – such as job seeker allowance – dependent on an active search for full-time work and the availability to accept job offers. Limited scope for alternatives is present in the case of training and education, voluntary or environmental work for fixed periods. Specific job search support programmes are available depending on the length of the unemployment period and for different groups of workers. The aim is to provide individualised support such as job search assistance, training, subsidised employment and work placements. A tax credit system aims to support the employment of specific groups of job seekers. Recent initiatives aim to support people who receive incapacity benefits and would like to return to</p>	
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		work by offering rehabilitation advice, in- work support and financial credit	
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**Table A3: Role of social partners in flexicurity**

Country	Social dialogue (Political)	Collective bargaining (Regulatory)	Service provision (Unilateral)	Notes
AT	High	High	Low	Due to the established role and importance of social dialogue, the introduction of flexicurity policies is usually characterised by a quite significant involvement of the social partners, both in the drafting and the implementation phases.
BE	High	High	Low	The social partners are formally involved in the definition and management of the social security system. Moreover, most working conditions are regulated through collective agreements at central level.
BG	High	Low	High	Social dialogue is quite developed thanks to the system of national tripartite bodies and the involvement of social partner representatives in many consultative and managing bodies within the employment services and the social security system. While collective bargaining seems to be rather weak, due to the low presence of trade unions at company level and the limited bargaining coverage, significant initiatives have been undertaken by the social partners in the fields of training, job placement abroad, and a joint programme to fight the extreme flexibility of employment relationships in the informal economy ( <a href="#">BG07111039I</a> ).
CY	Low	Low	Low	Despite the development of tripartism, flexicurity has not yet entered social dialogue. So far, the government has prepared a document to address the issue of flexicurity, but no proper consultations or negotiations have been developed. However, the committee that has drafted this document has requested the input of the social partners and their separate positions have been integrated into the text and included in a separate annex to the

				document.
CZ	Low	Low	Low	In spite of the presence of the Council of Economic and Social Agreement ( <a href="#">Rada hospodářské a sociální dohody, RHSD</a> ), a tripartite national body with a consultative role, and the right to comment on draft bills on social and economic issues, the role of social partners in the definition of flexicurity policies has been significant only as far as contractual arrangements are concerned. The trade union confederation ČMKOS has in recent years started to monitor collective bargaining by its member trade unions with a view to avoiding the diffusion of flexible work practices and longer hours without the involvement of collective bargaining and setting clear guidelines for negotiations. However, even if some significant results have been achieved in certain sectors and notably in the metalworking and chemicals sector, the contribution of collective bargaining to flexicurity has remained marginal.
DE	Low	High	High	Social partners are consulted on policy matters at both federal and state levels and they can exert substantial influence also through their representation in the governing bodies of the social security system and of the dual vocational training system. Despite this, flexicurity policies have not been introduced with significant social partner involvement and both parties are rather dissatisfied with the implemented measures. Trade union influence has been decreasing as the focus of reforms has been progressively centred on flexibility and cost-reduction initiatives. Trade unions have put a new emphasis on services and counselling for atypical workers, including on social security and labour market matters and most notably training. Employer organisations have developed initiatives in the field of professional training and, more recently, on the employment of older

				workers. Examples of joint industry pension schemes are present, like in the metalworking sector.
DK	High	High	Low	Social dialogue and the involvement of the social partners in policymaking are relatively well developed. The role of the social partners is remarkable across all dimensions of flexicurity, including lifelong learning and active labour market policies through specific tripartite bodies. The trade unions administer the local unemployment benefit funds. Collective bargaining is the main source of labour regulation.
EE	High	Low	Low	Tripartite relations are rather developed but industrial relations are weak. Social partners are involved in the policymaking process at national level and are represented, for instance, in the Adult Education Council, an advisory body to the government, as well as in the sectoral professional councils that set professional standards and try to synchronise educational outcomes with the competencies demanded on the labour market. Social partners are represented in the tripartite Unemployment Insurance Fund and actively participated in the introduction of the unemployment insurance scheme in the early 1990s. Some examples exist of supplementary unemployment benefit schemes provided by some large trade unions. Employers have tried to promote the diffusion of flexible work contracts through specific initiatives.
EL	Low	Low	Low	Except for the Local Employment Pacts (Law 2639/1998), which are special collective agreements covering areas of the country affected by high rates of unemployment and aim to foster employment creation, the involvement of the social partners in all dimensions of flexicurity is marginal, not least because of the weakness of social dialogue.
ES	High	Low	Low	All of the main flexicurity policies were introduced following specific

				tripartite agreements. Moreover, flexicurity measures can be further developed through collective bargaining. However, the fragmentation of collective bargaining leads to a very unequal use of such an opportunity.
FI	High	High	Low	Centralised income policy based on tripartite cooperation has been the main tool of the Finnish employment strategy, so as to foster economic growth and employment creation. In general, social dialogue and collective bargaining have been important sources of flexicurity measures.
FR	High	High	Low	The key topic is making career paths secure rather than flexicurity in the broader sense. Social dialogue and notably intersectoral bargaining have contributed considerably to policymaking in the fields that can be regarded as pertaining to flexicurity. A special emphasis has been put on skills formation and training, with a significant role of collective bargaining, including at territorial and company levels.
HU	High	Low	Low	Since the transition, a complex system of tripartite consultations has been set up, which covers also specific areas of relevance in case of flexicurity, such as the Labour Market Committee, the Labour Law Committee and the National Council on Training. Collective agreements rarely ensure a balance between flexibility and security. They tend to be very general frameworks that leave substantial room for manoeuvre for an employer's unilateral decision at company level.
IE	High	High	High	The social partnership system is a substantial source of input into all dimensions of the flexicurity approach. The social partners are also involved in monitoring and reviewing policies in the areas of flexicurity.  The <a href="#">National Centre for Partnership and Performance (NCP)</a> is a state-

				<p>funded agency whose mission includes the diffusion of the flexicurity approach at the workplace and beyond. Despite this and the growing presence of flexicurity in central bargaining, there is less evidence of the development of this type of policy at company level. However, a few examples can be found of decentralised bargaining on flexicurity.</p> <p>In recent times, a growing number of trade unions have engaged in the provision of training programmes, usually (partly or wholly) funded by employers. The <a href="#">Irish Business and Employers' Confederation</a> (IBEC) set up a High Level Education and Training Group that, among other things, assists in the development of policies in this area.</p>
IT	High	High	Low	<p>Social concertation led to several important agreements, whose contents have generally been taken up and implemented by subsequent legislative measures.</p> <p>Collective bargaining significantly contributes to both flexibility and security at the workplace.</p> <p>The provision of services is relatively weak, even if, after the pension reform of the mid 1990s, the role of joint occupational pension funds has increased and could be developed further in the future.</p>
LT	Low	Low	Low	<p>Despite the presence of a tripartite system for consultation, social dialogue is rather weak and no significant results were achieved in the field of flexicurity.</p> <p>Company-level collective bargaining covers only about 10% of the workforce and usually concerns only basic guarantees. The contribution to flexicurity is very limited.</p> <p>No significant examples can be found of service provision by the social partners that could support flexicurity,</p>

				apart from a number of training initiatives most notably funded by the European Social Fund.
LU	High	High	High	<p>The tripartite system set up in the 1970s contributes significantly to policymaking. In 2006, a number of measures connected with flexicurity were agreed, including the improvement of active labour market policies, especially for the most disadvantaged groups of workers, and more apprenticeships and internships.</p> <p>The most recent contribution of collective bargaining to flexicurity is the new job retention plans. According to the 2004 collective agreements law, collective bargaining should cover flexible working hours, the reduction of overtime, the development of part-time work, the introduction of career breaks, training policies and job retention plans.</p> <p>A number of initiatives have been initiated by the social partners that can fall into the domain of flexicurity. For instance, the Luxembourg Confederation of Christian Trade Unions (<a href="#">Lëtzebuenger Chrëschtliche Gewerkschafts-Bond, LCGB</a>) set up a 'job coaching' service to help people find a new job.</p>
LV	High	High	Low	<p>Social partnership is strictly observed during the policymaking process, even if the impact on the final political decision is not always significant.</p> <p>The contribution of collective bargaining to the implementation of flexicurity is relevant at sectoral level, while it is only marginal at company level. The Latvian Free Trade Union Confederation (<a href="#">Latvijas Brīvo Arodbiedrību savienība, LBAS</a>) and the Latvian Employers' Confederation (<a href="#">Latvijas Darba Devēju konfederācija, LDDK</a>) have jointly proposed to reduce the threshold for making sectoral agreements generally binding from the present 60% of sectoral</p>

				<p>employment to 50%. This strengthening of collective bargaining is considered by the social partners as an important prerequisite for effectively implementing flexicurity.</p> <p>The social partners are jointly engaged in initiatives to combat irregular employment. Some trade unions have set up supplementary social security schemes.</p>
MT	High	Low	High	<p>The new Employment and Industrial Relations Act (EIRA) of 2002 was passed after long consultations with the social partners. Most of these talks were held within the <a href="#">Malta Council for Economic and Social Development (MCESD)</a>, the main national tripartite body. The EIRA established a tripartite Employment Relations Board that must be consulted prior to any modification of the act.</p> <p>Collective bargaining contributes to flexicurity mainly through work–life balance measures that are more widespread in the public sector. According to the social partners, company-level collective bargaining intrinsically fosters flexicurity as it allows for the definition of measures and regulations that are adapted to the specific enterprise situations and conditions. However, not many explicit flexicurity measures are introduced, nor does flexicurity represent a goal of bilateral relations.</p> <p>Trade unions have a number of initiatives in the field of continuous training of members and work–life balance.</p>
NL	High	High	Low	<p>Tripartite relations most notably contributed to flexicurity through the substantial contribution to the definition of the Flexibility and Security Act of 1999, which represents the most noteworthy component of the flexicurity approach in the Netherlands. On this occasion, the social partners effectively solved a political deadlock</p>

				<p>in the discussion on new measures on work flexibility.</p> <p>Collective bargaining integrated and supplemented remarkably the flexicurity balance, taking advantage of the possibilities granted to the social partners to introduce further regulations by collective agreements. The social partners in the temporary agency work sector had autonomously introduced a number of protections before the legislative provisions were passed. Collective bargaining also contributed to prolonging the careers of older workers through, for instance, flexible retirement, reduced working hours and adaptations in the work environment.</p> <p>In comparison with the other dimensions, the provision of 'flexicurity services' is relatively weak.</p>
NO	High	High	Low	<p>Social partnership is quite developed and all measures in the domain of flexicurity were extensively discussed with the social partners.</p> <p>Collective bargaining contributes to flexicurity first of all at central level, by setting guidelines for lower level regulation, as in the case of the Inclusive Working Life Agreement.</p> <p>Flexicurity remains essentially a responsibility of public authorities. However, within this framework, an important contribution also comes from the social partners, as, for instance, in the case of occupational pension schemes, which are compulsory since 2006.</p>
PL	Low	Low	Low	<p>Despite the existence of a tripartite system of social dialogue, the issue of flexicurity has not been significantly addressed so far. The recent reform of employment services has established a system of social dialogue and local partnership bodies, but no relevant activities were reported.</p> <p>Collective bargaining does not seemingly contribute significantly to</p>



				<p>flexicurity.</p> <p>No service provisions by the social partners were reported in the domain of flexicurity.</p>
PT	High	High	High	<p>Changes in labour law are usually discussed within the tripartite Standing Commission for Social Concertation, but no agreements have been achieved on such issues due to the very different positions held by the social partners. On the contrary, many agreements were achieved in the field of initial and continuous vocational training and the role of the social partners is relevant both in active labour market policies and in the discussion of social security measures.</p> <p>Collective bargaining gained importance as far as the implementation of flexicurity is concerned. In particular, collective agreements covered training, working time, work–life balance issues and the promotion of migrants, workers with a disability and women, as well as supplementary social security schemes.</p> <p>Trade unions and employer organisations are highly involved in the provision of vocational training.</p>
RO	High	Low	Low	<p>The social partners have contributed substantively to the policymaking process in the different dimensions of flexicurity in the framework of the existing social dialogue system.</p>
SE	High	High	High	<p>The involvement of the social partners in the policymaking process and their role in administering parts of the social security system, like the unemployment funds, are relevant.</p> <p>Collective bargaining contributes significantly to flexicurity through the agreements on redundancy programmes.</p> <p>Social partners also actively support the provision of services, notably through the unemployment funds and within the implementation of the</p>

				redundancy programmes.
SI	High	Low	Low	Flexicurity is essentially addressed within the social partnership framework.
SK	High	High	Low	Social dialogue and consultation during the policymaking process is well developed.  The contribution of collective bargaining is significant in certain sectors of the economy.
UK	Low	Low	High	Social dialogue is weak in the UK and collective bargaining has a limited role in promoting flexicurity.  The trade unions are particularly engaged in learning activities through the Union Learning Fund ( <a href="#">ULF</a> ).

**Table A4: Country codes**

AT	Austria
BE	Belgium
BG	Bulgaria
CY	Cyprus
CZ	Czech Republic
DK	Denmark
EE	Estonia
FI	Finland
FR	France
DE	Germany
EL	Greece
HU	Hungary
IE	Ireland
IT	Italy
LV	Latvia
LT	Lithuania
LU	Luxembourg
MT	Malta
NL	Netherlands
NO	Norway
PL	Poland
PT	Portugal
RO	Romania
SK	Slovakia
SI	Slovenia
ES	Spain
SE	Sweden
UK	United Kingdom

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