From Flexicurity to mobication
The changes of employment policies at European level

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Sofia Demetrula Rosati
ISFOL – Struttura Lavoro e Professioni
s.rosati@isfol.it
Debate on flexicurity in times of crisis

As the most severe economic recession since the post-World War II period hit Europe towards the end of 2008, the debate on flexicurity was revitalised, this time driven by a lack of demand for workers.

Despite continuing support from the EU for flexicurity, opposition to the strategy from scholars and social partners – for different reasons – can be observed.

There is still agreement that flexicurity could contribute to a win-win situation – also in times of crisis – if adapted to the altered framework conditions.
(1) Council Conclusions on Flexicurity in times of crisis (2009)

- **Retain employment** through alternatives to redundancy such as flexible working hours, temporary adjustment of working time and other forms of internal flexibility.

- **Create a better entrepreneurial environment** through a labour market where necessary flexibility and security is balanced; better regulation; new benefit systems; adjusted non-wage labour costs; less administrative burden.

- **Enhance activation measures** through active support policies and income support for those who are hit by the recession while maintaining the incentives to return to the labour market.

- **Increase investment in human capital** through retraining, skills upgrading and skills matching not only but especially for the low-skilled and those under atypical contracts.

- **Upgrade the effectiveness of public employment services** through a proactive approach to facilitate transitions, more human resources focused services, early identification of skill needs, job search assistance, guidance and training, cooperation with other employment agencies, training service providers and social partners.
(2) Council Conclusions on Flexicurity in times of crisis (2009)

- Remain within the gender mainstreaming framework.
- Facilitate free movement of workers within the European Single Market in accordance with treaties.
- Implement adequate responses to changing circumstances within the framework of the flexicurity approach through promoting flexible and secure transitions from unemployment to employment and from one job to the other while supporting reliable contractual arrangements for those at work.
- Integrate all flexicurity pillars through focusing on reducing segmentation and improving the functioning of the labour market.
- Enhance quality of working life and increase productivity.
Flexicurity in time of crisis

- 2007: Common Principles of Flexicurity
- 2008: Economic Recession
- 2009: Council Conclusion Flexicurity in Time of Crisis
- 2010: Europe2020 The Second Face of Flexicurity

Flagship Initiative: «An agenda for new skills and jobs»

- At EU Level the Commission will work:
  to define and implement the second phase of the flexicurity agenda, together with European social partners, to identify ways to better manage economic transitions and to fight unemployment and raise activity rates.

- At national level, Member States will need:
  to implement their nationals pathways for flexicurity, to reduce labour market segmentation and facilitate transitions as well as facilitating the reconciliation of work and family life.
(1) The Dublin Foundation’s Report

“The second phase of flexicurity: an analysis of practices and policies in the Member States” (2012)

- The research project investigates the second phase of flexicurity by identifying a large number of public and social partner-based individual instruments.

- In order to be considered for the project, instruments or regulations at Member State level had to include at least one flexibility dimension and at least one security dimension according to the flexicurity matrix and had to be initiated either by public administrative bodies (national or regional) or social partners.

- The measures had to be operationally available at the time of investigation (second quarter of 2011), irrespective of being a permanent (pre-crisis) or temporary (crisis) instrument.

- In total more than 230 instruments were collected.
## Flexicurity matrix

<table>
<thead>
<tr>
<th>Flexibility/security</th>
<th>Job security</th>
<th>Employment security</th>
<th>Income security</th>
<th>Combination security</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Numerical-external</strong></td>
<td>Types of employment contracts</td>
<td>Employment services/active labour market policies (ALMP)</td>
<td>Unemployment compensation</td>
<td>Protection against dismissal during various leave schemes</td>
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<tr>
<td></td>
<td>Employment protection legislation (EPL)</td>
<td>Training/lifelong learning</td>
<td>Other social benefits</td>
<td></td>
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<tr>
<td></td>
<td>Early retirement</td>
<td></td>
<td>Minimum wages</td>
<td></td>
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<tr>
<td><strong>Numerical-internal</strong></td>
<td>Shortened work weeks/part-time working arrangements</td>
<td>EPL</td>
<td>Part-time supplementary benefit</td>
<td>Different types of leaves schemes</td>
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<tr>
<td></td>
<td></td>
<td>Training/lifelong learning</td>
<td>Study grants</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>Sickness benefit</td>
<td>Part-time pension</td>
</tr>
<tr>
<td><strong>Functional</strong></td>
<td>Job enrichment</td>
<td>Training/lifelong learning</td>
<td>Performance-related pay system</td>
<td>Voluntary working arrangements</td>
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<tr>
<td></td>
<td>Training</td>
<td>Job rotation</td>
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<td></td>
<td>Labour leasing</td>
<td>Teamwork</td>
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<td></td>
<td>Subcontracting</td>
<td>Multiskilling</td>
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<td>Outsourcing</td>
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<tr>
<td><strong>Variable pay</strong></td>
<td>Local adjustments in labour costs</td>
<td>Changes in social security payments</td>
<td>Collective wage agreements</td>
<td>Voluntary working arrangements</td>
</tr>
<tr>
<td></td>
<td>Scaling or reductions in social security payments</td>
<td>Employment subsidies</td>
<td>Adjusted benefit for shortened working week</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>In-working benefits</td>
<td></td>
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</tr>
</tbody>
</table>
(2) The Dublin Foundation’s Report
“*The second phase of flexicurity: an analysis of practices and policies in the Member States*” (2012)

- **Flexibility measures:**
  - Labour cost flexibility (employment subsidies or support; training costs).
  - External flexibility (outplacement and reintegration support for dismissed workers).

- **Security instruments:**
  - Income security (wage, short time working scheme income support, redundancy payments, study grants, fringe benefits).
  - Employment security (referring to a high probability of retaining work not necessary with the same employer).
According to some empirical studies some of the ‘flexicure’ countries have not been performing best in terms of output gap, public debt, size of bail-out packages and unemployment rates during and in the aftermath of the economic crisis.

The relative success in tackling the economic downturn of some continental European countries, characterized by relatively rigid controlled market economies like France and Germany, has led scholars to suggest adjusting the flexicurity approach by focusing on work income on the security side.

As a natural outcome during times of crisis, workers tend to insist more on job security while the public deficits limit resources for distribution.
The new definition of European labour market policies

A new report, *The competitiveness of the Nordic countries – from flexicurity to mobication*, commissioned by the Nordic Council that takes a critical view of the effectiveness of ‘flexicurity’ during a period of economic crisis.

The report’s authors argue that high labour mobility and a flexible education system directly supported by government policies may be crucial for the competitiveness and future prosperity of the Nordic countries.
More emphasis on preventing unemployment by creating incentives for further education and training, and for workers to seek employment where it exists.

Attention is directed towards what measures are needed to support the ability of wage earners to adapt to the dynamic development of the labour market. Labour-related policies are based on what is termed ‘investment in the future’.

Developing competences through education and training begins to be seen as the key tool to promote labour supply.
Mobigation suggests that **security** primarily comes from continuous education and training, meaning that individual employees will have access to further training and/or reskilling in all stages of their working life.

Is an **attempt** to further develop the Danish flexicurity model, a model where flexible dismissal rules have been combined with relatively high unemployment benefit and active labour market policies.
The Mobication stresses the coordination between

Labour market

Education policies
Thanks for your attention!