

Bernadette Ségol

Panel discussion about Flexicurity ITC 1-3 July 2008

Flexicurity exists in a “mature” form mainly in the Nordic countries, especially in Denmark.

Denmark and the other Nordic countries have a highly developed social dialogue, about 90 percent of the labour market is covered by collective agreements (these are not made universally binding through legislation).

The system is very flexible since the collective agreements negotiated at central level only gives the basic terms and conditions, the floor.

Derogations are possible at local/company level, which makes it possible to adapt the collective agreements to the local situation. The high coverage of collective agreement also brings security to the workers. All the basic terms and conditions of employment can be found in the collective agreements.

The Nordic model has been promoted by the EU institutions, all but one, namely the European Court of Justice. In the much talked about Laval and Viking line cases the Swedish and the Finnish systems are given, if not a red card, at least a yellow one.

For Flexicurity to work in a good way the importance of a well-functioning social dialogue cannot be stressed enough. For that we need the recognition of independent social partners and support for the social dialogue from governments and EU institutions. It is not acceptable that we have a legal framework in Europe (posting of workers directive and the Treaty), which is possible to interpret in the way the Court has. Not if we are serious about Flexicurity.

There is a serious risk that governments use the Flexicurity agenda as a way to make the workforce even more flexible. That is the easy part of the Flexicurity concept, it does not cost the Member States anything to simply make it easier to “hire and fire”. At least not on a short term basis. Lets face it, a functioning Flexicurity policy/system is expensive. Life-long learning schemes and benefits during transitions periods are not free. Are Member States really willing to invest as much as they are willing to deregulate?

Trade unions and their federations at European level take social dialogue seriously. We regard the social dialogue at European level as one of the pillars of the European social model. But for it to work we need employers that are equally serious and that are willing to negotiate.

Security is good. It is good for workers and it is good for employers. Let's stop making it such a negative concept. Security is necessary both in economic and in social terms. Employers also need to have some security of the workforce. Problems often arise when the rotation of staff is too important. Eg commerce sector, cleaning etc...

We have observed a regular drop in public spending in the EU member states. And we know that flexicurity needs public spending. We have a sort of downwards competition in public spending and this should be stopped. Some solutions are proposed: like the « corridor model ».

What to do?

Agree on an analysis: where are really the rigidities?

Sort out what is a real barrier to growth and find solutions.

Stop attacking the flexicurity systems that work.

The recent cases in the court of justice are a blow to the « positive » flexicurity systems and are no encouragement to us to believe that it flexicurity can create win-win situations.

Stop attacking labour law and employment protection legislation:

The objective of labour law is to create a balance of power between workers and employers in order to protect the weaker party within the relationship. Adequate protection against unfair dismissal and collective rights are indispensable for workers. According to the OECD and other studies, there is no evidence to support the assertion that dismantling job protection and lowering standards leads to employment growth.

Stop using labour law as a scapegoat for the creation of “insiders” and “outsiders”:

The increase in precarious employment has been exacerbated by new management methods. The quality of contracts must be improved in order to avoid further segmentation of the labour market. A high degree of flexibility is already available. The over-flexible workforce must be made more secure. A core of labour rights for all workers, regardless of contract, including the right to organise, negotiate collective agreements and the right to take industrial action should be created.

Address the real causes of segmentation :

Labour law should cover all the workers, particularly atypical, temporary agency, economically dependant and freelance workers. Individual rights to training and life-long learning should be available for all workers regardless of their type of contract. Genuine gender equality could be achieved in part by policies that support work-life balance and more readily available public childcare services.

Use labour market policies to create more and better jobs:

Simply increasing managers’ “hire and fire” capacities will not lead to sustainable job creation. Job creation should come through special labour market policy actions to encourage the so-called “outsiders” back into employment. Disadvantaged and vulnerable groups require a broad tool-kit of policies, from training to anti-discrimination policies.

Design accessible lifelong learning strategies for all workers:

Readiness for and confidence in change is created through welfare systems where workers have opportunities to education and adjustment. Investment in training and the upgrading of the labour force is an integrated part of the Flexicurity model.

Recognise that social dialogue is an integral part of the flexicurity model

Employment security will not be obtained by appealing to the goodwill or good sense of employers. Trust between the social partners themselves and between social partners and public authorities is a precondition for flexicurity. The social partners are best placed to address the needs of workers.

Recognise that flexicurity has serious financial implications:

Income security and a high-level of social protection are preconditions to successful negotiations on flexicurity. Negotiated solutions can only exist if there is a strong and reliable system to secure income and social protection. This has implications in terms of macroeconomic policy and public spending constraints.