Common principles on flexicurity

2007/2209(INI) - 09/10/2007

The Council adopted the following conclusions on flexicurity. Faced with a rapidly changing global economy, structural change and ageing population, the Council believes that policy makers need to find the right responses to achieve both flexibility and security, which in the right policy environment can be mutually reinforcing and can become a useful tool to increase a country’s international competitiveness.

The flexicurity approach provides a good platform to develop comprehensive strategies that enhance overall labour market flexibility and support workers’ mobility, while also enhancing workers' security through the promotion of job creation, comprehensive lifelong learning strategies, assistance in transitions, and adequate support by social systems. Moreover, higher employment and better opportunities for all can be delivered together with flexibility and security.

The Council makes the following observations:

- it considers that other factors outside the labour market, notably educational systems, macroeconomic stability and growth, reforms in goods, services and capital markets, and an appropriate business environment are also key for creating appropriate conditions for successful social policy reforms;
- it considers that the implementation of flexicurity strategies must remain fully compatible with sound and financially sustainable budgetary policies and complementary spending priorities. Great attention should be paid to the cost-effectiveness of measures;
- it takes note that integrated reform efforts have better overall effects. When implementing flexicurity strategies policy makers should avoid creating disincentive effects and long-term welfare dependence, by creating appropriate overall work incentives and making work pay;

- the national evaluation of flexicurity strategies has to be developed, based upon comprehensive and more comparable data on costs and benefits. More systematic and independent evaluation of policies at national level could help to strengthen the cost-effectiveness and efficiency of flexicurity strategies as well as identify which policies should be phased out.

The Council invites the Economic Policy Committee and the Commission to closely follow the implementation of flexicurity strategies within the framework of the Growth and Jobs strategy, in particular by monitoring its budgetary impact and deepening the analysis of the cost-effectiveness and efficiency of measures in the context of the flexicurity strategy of each country as a whole.