Common principles on flexicurity

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The European Parliament adopted a resolution based on the own-initiative report drafted by Ole **CHRISTENSEN** (PES, DK) in response to the Commission communication entitled, 'Towards Common Principles of Flexicurity: More and better jobs through flexibility and security'. The report was adopted by 496 votes in favour to 92 against with 49 abstentions. It pointed out that the term "flexicurity" arouses strong concerns among some European workers, who fear increased job insecurity, and therefore that term and the firm principles it covers, should be defined as precisely as possible.

The rationale for an integrated approach to flexicurity is the need to achieve the objectives of the renewed Lisbon Strategy, in particular more and better jobs, and at the same time to modernise the European social models, which requires policies that address the flexibility of labour markets, work organisation and labour relations, and employment and social security.

Parliament recognised that, in order to succeed in the 21st century, Europe needs a well- educated workforce as well as companies that are quick to seize opportunities that arise in a fast-moving world to increase productivity and enhance innovation. It strongly endorsed the conclusion that **flexibility can be in the interests of the employee as well as the employer**, and that this can be achieved through promoting adaptable and reliable contractual arrangements. It emphasises, however, that flexicurity can be a policy strategy for the reform of the labour market and, as such, must be comprehensive by including all the existing facets of employment and social policy at both national and EU level.

Members felt that, in view of the changes in national social security systems and labour law, the interpretation of the Commission's flexicurity options is too one-sided, since it takes no account of the costs the measures involve. The Commission was asked to carry out a **cost-benefit analysis** on those options. They also noted with deep concern that the Commission communication completely disregards the obligations and responsibilities set out in the Commission communication entitled, 'A Roadmap for equality between women and men". The implementation of a set of common principles for flexicurity needs to be **gender-mainstreamed** and take into account a variety of factors, such as : the over-representation of women in non-standard employment (non-standard, fixed-term, part-time contracts) and the need to implement gender-mainstreamed labour policies; frequent switching between work and care activities among women and the need for proper protection and social benefits during transitional periods (care, family responsibilities, education, training and re-training); and the specific situation of single parents, the vast majority of whom are women.

Parliament believed that one of the problems in the EU concerns the supply of a skilled and adaptable workforce in competitive and innovative companies. Priority should be given to the creation of a flexible labour market by **raising educational levels and expanding apprenticeship** opportunities, training and retraining programmes; implementing effective policies against discrimination and breaking down barriers to the integration into the labour force of women, migrants, older or younger workers and other discriminated disadvantaged groups; removing obstacles to occupational and geographic mobility; and active labour market policies that support the transition from an old job to a new job. Parliament proposed that the Council examine, by the end of 2007, the possibility of bringing forward the date for lifting the transitional measures obstructing the freedom of movement for workers from eight of the new Member States to 1 January 2009. Removing obstacles to mobility by the end of 2008 would send an important political message confirming the EU's commitment to doing its utmost to improving workers" geographic and occupational mobility;

The report proposed that the European Council in December 2007 adopt a more balanced set of **common principles of flexicurity**, which should include:

- promoting stable employment relationships and sustainable labour market practices;

- action for adaptable and reliable contractual arrangements and action against abusive labour practices especially in certain non-standard contracts;

- breaking down labour market segmentation by promoting employment security and improving job security; all workers should have a core of rights regardless of their employment status;

- reconciling employment and private life, and promoting the concept of 'decent work';

- partnership between government (at local, regional and national level), social partners and civil society in managing change;

- gender equality and promoting equal opportunities for all;

- designing and implementing national pathways in close consultation with social partners, in accordance with national customs and practices;

- enhancing companies' and workers' adaptability by strengthening transition security by better mobilising active labour market policies;

- a skilled and adaptable labour force, combining active labour market policies with investment in lifelong learning to enhance employability;

- a macro-economic framework for balanced and sustainable growth and more and better jobs;

Parliament called for a renewed **fight against undeclared work and the black economy**, which damages the economy, leaves workers unprotected, is detrimental to consumers, reduces tax revenues and leads to unfair competition between firms. The Commission was asked to combat undeclared work through more efficient administrative cooperation between national labour inspectorates and/or social partners.

Parliament stressed that all models of flexicurity should be based on common values that underpin the **European Social Model**. It believed that flexibility and security requirements reinforce one another and that flexicurity allows firms and workers to adapt appropriately to the new international situation, with strong competition from the emerging economies, while maintaining a high level of social protection. It highlighted, moreover, the success of effective collective bargaining that **strong and representative social partners** can provide and also emphasised the need for broad welfare provisions and universal access to good quality services, such as childcare and care for other dependants. Guaranteeing those levels of social protection could support labour mobility and structural change by increasing the willingness to take risks. Well-designed job protection systems provide business with the incentives to invest in workers' skills and look for innovative ways to restructure, thereby enhancing internal flexibility and adaptability of business.

The report emphasised that the fight against labour market segmentation should include the provision of a **core of rights for all employees regardless of their specific employment status**, which should include: equal treatment, protection of workers' health and safety and provisions on working and rest time, freedom of association and representation, protection against unfair dismissal, collective bargaining and collective action. It emphasised the importance of access to training as well as the continued protection of acquired rights by covering periods of education and training, improved care opportunities, maintaining essential

social rights such as pension rights, training rights and right to unemployment benefits during changes in occupational situation between employment contracts and from dependent to autonomous employment. It also called for every Community employment policy to continue to keep the traditional model of the open-ended employment contract, which forms the basis of the social security systems in Member States.

Parliament also called for the following :

- the creation of comprehensive **lifelong learning systems**, also applicable to workers with non-standard contracts;

- strengthening systems of industrial relations at EU and national level as a key to reaching and implementing flexicurity policies that are balanced ;

- measures to promote equal access to quality employment for women and men that comply with the European Pact for Gender Equality and the Communication on the Demographic Future of Europe. Member States must also close the existing gender pay gap;

- Member States and social partners to reduce their policies of putting workers into early retirement and to introduce arrangements that support the flexible retirement of older workers through part-time employment, job-sharing and similar schemes that promote active ageing and may increase the integration of older workers into the labour market;

- revision of the Employment Guidelines to allow flexicurity to be taken into account;

- the inclusion of a specific chapter regarding the quality and strength of social dialogue in the annual Joint Employment Report.

Lastly, Parliament called on the European Council and the Commission to set an ambitious reform agenda both at EU and national level. Together with Parliament, the institutions must draw up a **vision for the future of social Europe**. In order to strengthen growth and increase levels of employment, social rights and protection, which are firmly anchored in European tradition, must be ensured. The European Social Model, together with ambitious national reforms to promote more employment, will offer real added value for working people using all the tools at its disposal. Parliament believed that only an internal market which balances economic freedom with social rights can obtain the support of its citizens.