



# 8th European Regional Meeting

## FACTS ON *flexicurity*



International  
Labour  
Organization

Policymakers all over Europe are facing the crucial challenge of regulating a rapidly evolving labour market in the context of the globalized economy. Will they listen to calls made for greater flexibility or can they place their trust in a “flexicurity” model: new ways of balancing flexibility and security in relation to employment, income and social protection?

Without competitive enterprises, which are able to adjust their workforces to market conditions, employment performance will be poor. However, high levels of labour market flexibility per se cannot solve the unemployment problem, unless workers enjoy sufficient employment and income security, through intensive re-employment assistance, active labour market programs and income support, to motivate them to accept higher mobility and flexibility, and facilitate their adaptation. Dialogue between governments, workers and employers on policy choices is the foundation of the flexicurity approach.

In the EU-15, increased emphasis has been placed on seeking a better combination of flexibility and security as an indispensable means of improving competitiveness, while maintaining the European social model. ILO analysis has proven the good labour market performance of those countries, which have gone the flexicurity way. It has also confirmed the relevance of the flexicurity approach for the new EU Member States and non-EU countries, where high levels of flexibility are currently combined with low employment and income security.

Over the period 1995-2006, there was a continuous trend to the flexibilization of employment relations in the region leading to a spectacular growth in part-time and temporary employment, often not matched by adequate security. The appropriate combination of flexibility and security is unique to each country, depending on the national legal and collective bargaining tradition, the strength and experience of the social partners, the development of labour market institutions and the political will to allocate funds for policy measures. In the present crisis with massive job losses, the flexicurity approach calls for strengthening security for workers, in particular those in atypical forms of employment and those made redundant or threatened by redundancy.

### FACTS

- There are remarkable differences in the share of part-time in total employment in the EU 15, ranging from 5.7 per cent in Greece to 46.2 per cent in the Netherlands in 2006.
- Many women have to accept part-time employment due to a lack of alternative job opportunities. While only one in ten women work part-time in Greece, three quarters do so in the Netherlands.
- Temporary employment has tended to increase in 16 countries of the EU-27, as well as in the Western Balkan and CIS countries. The fastest growth was in Poland, where levels increased more than five-fold between 2000 and 2006.
- In contrast, the rate of temporary employment fell in seven EU countries over that period, particularly in Denmark, Ireland and the United Kingdom.
- Temporary contracts are often considered as a stepping stone to permanent contracts. In Luxembourg and Austria, for example, over 50 per cent of temporary contract holders obtained permanent contracts, compared with just 20 per cent in France.
- Self-employment has fallen in the great majority of countries in the region.
- In 2006, average job tenure\* in the EU-15 was 11 years, compared with only 9.8 in the new Central and Eastern European EU Member States (excluding Bulgaria and Romania).

\* Defined as the length of time currently employed individuals have spent with their present employer.

## The role of the ILO

Governments, together with employers and unions, should agree on the pursuit of a broad, inclusive strategy of social and economic development along the lines of the EU Lisbon Strategy and the ILO Decent Work Agenda. This is particularly important at a time of increasing uncertainty in the financial markets, which brings the fears of economic recession to the shop-floor. As in the financial sector, loosening employment regulations is good only up to a point. Beyond this point, increasing flexibility has detrimental effects not only for people but for the whole economy. This shows that a sound balance between flexibility and security may be required not only in the labour market, but also beyond.

## Key ILO standards relating to flexicurity

Specification and regulation of the employment relationship remains central to the flexicurity debate. The recent **Employment Relationship Recommendation, 2006 (No. 198)**, calls on member States to adopt a national policy of protection for workers in an employment relationship. The Recommendation also provides guidance on rules for determining the existence of an employment relationship, as well as on monitoring and implementation.

Important international norm is also the **Private Employment Agencies Convention, 1997 (No. 181)**, which requests member States, in accordance with national law and practice, to take the necessary measures to ensure adequate protection for the workers employed by private employment agencies, in relation to freedom of association and collective bargaining, minimum wages, working conditions, social benefits and access to training.

Other important instruments are the **Employment Service Convention, 1948 (No. 88)**, **Employment Policy Convention, 1964 (No. 122)**, **Collective Bargaining Convention, 1981 (No. 154)**, **Termination of Employment Convention, 1982 (No. 158)**,

**Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168)** and the **Part-Time Work Convention, 1994 (No. 175)**.

### PUTTING FLEXICURITY INTO PRACTICE

The ILO «flexicurity» project covering Bulgaria, Croatia, Hungary, Lithuania and Poland, puts this approach into practice and illustrates the different policy responses of the Central and Eastern European countries to employment challenges. The ILO also published a book\* which contains comparative studies on flexicurity and wage flexibility in the region, and five country studies on Bulgaria, Croatia, Hungary, Poland and Lithuania.

ILO research and discussions at ILO meetings have resulted in flexicurity being placed higher on the region's agenda and increased awareness of the flexicurity approach. There is growing discussion in the region of flexicurity as a relevant policy option and new requests for ILO policy advice and technical assistance in this area.

\* Cazes, S.; Nešporová, A. 2007. *Flexicurity: A relevant approach in Central and Eastern Europe*, International Labour Office, Geneva 2007.

*For more information, please read:*

1. «Report of the Director-General to the 8th European Regional Meeting: Delivering decent work in Europe and Central Asia»  
- Volume I, Part 1, ISBN 978-92-2-121867-8  
- Volume I, Part 2, ISBN 978-92-2-121869-2
2. «Policy responses to the economic crisis: A decent work approach in Europe and Central Asia».  
ISBN 978-92-2-122080-0



International Labour Office  
4 route des Morillons  
CH-1211 Geneva 22  
Switzerland

Tel. +4122/799-7912  
Fax +4122/799-8577  
February 2009