

Joint paper on the flexicurity concept prepared by the Danish Confederation of Trade Unions, the Confederation of Danish Employers and the Danish Ministry of Employment

Background

The main challenges for European labour markets are globalisation and demographic developments. Each individual European country must carry out the necessary structural changes in its own labour market in order to increase the supply of labour and ensure increased adaptability to new production and market conditions. Only by doing so will it be possible to ensure sustainable economic growth, employment and social security.

The revised Lisbon strategy

The committing objectives and recommendations of the Lisbon strategy must be maintained with a view to increasing the competitiveness of the EU Member States. Appropriate labour law regulation to ensure flexible labour markets as well as extensive social protection is crucial in this respect. Labour law regulation in the European Union must support the Lisbon objective of more and better jobs. The Green Paper on labour law is part of this process, and so is the Commission's forthcoming communication about flexicurity.

The flexicurity concept

The flexicurity philosophy combines the need to increase the adaptability of enterprises and workers with the need to provide extensive social protection. Flexicurity thus contributes to strengthening the competitiveness of enterprises, growth, employment and social cohesion in Europe.

Flexible labour market regulation

- Flexible labour law regulation is all-important to ensure the necessary adaptation to changing production and market conditions.
- Strict constraints on hiring and firing are not the right strategy to ensure permanent employment of individual workers. Better qualifications and greater adaptability will give each individual worker better chances of obtaining employment security.
- Government and social partners must work to ensure a lifecycle approach to work, including a better, more flexible relationship between work and family life.
- Internal flexibility in individual workplaces must be fostered through open collaboration between employers and employees based on mutual trust and with a focus on the development of job quality and competitive enterprises.
- Flexicurity requires good interaction between the parties on the labour market and public authorities.

Active labour market policy

- To avoid social exclusion and to maintain the supply of labour it is very important to maintain and improve workers' employability in the event of unemployment. The unemployed person must be entitled to active offers and have an obligation to accept them.
- Special initiatives in relation to people at the edge of the labour market combined with flexible rules on the hiring and firing of workers will reduce segmentation in the labour market.
- There must be an optimum correlation between social protection of the unemployed and incentives to seek employment.
- Experience-sharing between the EU Member States on matters relating to result-oriented, active labour market policy must be increased.

Lifelong learning

- The qualifications and adaptability of workers, and consequently their employability, must be improved through lifelong learning. For this reason there must be a massive focus on continued and supplementary education and training organised in consultation with the social partners.

Social security in case of unemployment and well-functioning welfare societies

- Workers must in case of unemployment be entitled to adequate financial compensation through unemployment insurance systems.
- Well-functioning welfare societies providing good service in the fields of childcare, healthcare and eldercare are essential in ensuring a good supply of labour and the necessary flexibility in the labour market.

Social dialogue

- The flexicurity approach must be promoted among workers and employers through enhanced equal and result-oriented social dialogue both on the individual enterprise, the national and the European level.
- Collective agreements between the social partners have proved to be an effective, flexible mode of regulation in Denmark, ensuring extensive protection of workers while at the same time taking changing production and market conditions into consideration. The prerequisites for ensuring regulation through collective agreements must therefore be maintained and strengthened.

Different pathways to flexicurity

- There is no one-size-fits-all approach to flexicurity. Each country must compose the elements of the flexicurity concept on the basis of its own situation and national traditions. However, the basic elements must be the same: flexibility, social security, an active labour market policy, lifelong learning and involvement of the social partners.
- The various steps towards flexicurity must be taken on the basis of thorough fact-finding activities. The social partners and other relevant stakeholders must be involved in discussions of possible approaches to increased flexibility and social security.