

**Opinion of the Committee of the Regions on 'Flexicurity'**

(2008/C 105/04)

## THE COMMITTEE OF THE REGIONS

- calls for the role of local and regional authorities in delivering flexicurity within the Lisbon context to be considered henceforth in future discussions, to reflect its true importance both at an EU and Member State level. As key deliverers of flexicurity policies, local and regional authorities create dynamic labour markets, help citizens into work, and provide protection for those outside the labour market, and should be involved at the outset of policy formulation;
- urges the European Commission to use wherever possible the Community method and reiterates that the open method of coordination process, which is becoming more prominent in EU policy development, should become more inclusive and involve a variety of stakeholders including local and regional government, which is the level at which such policy is usually implemented;
- requests that the EU Lisbon peer review process, existing for Member State governments, be extended to enable local and regional authorities and other stakeholders to benefit from peer exchanges across the EU to explore different forms of flexicurity;
- recommends annual 'summits' to improve participative interaction at European level between EU institutions and the CoR to facilitate agenda setting, consultation, and information sharing on issues relating to flexicurity and the wider Lisbon agenda, which would further build on the CoR-Commission Structured Dialogue meetings and the CoR Lisbon Monitoring Platform.

**Rapporteur:** Councillor Dave QUAYLE (UK/PES), Trafford Metropolitan Borough Council

**Reference documents**

Communication from the European Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions — 'Towards Common Principles of Flexicurity: More and better jobs through flexibility and security'

COM(2007) 359 final

**Policy recommendations**

THE COMMITTEE OF THE REGIONS

*General remarks on the role of local and regional authorities*

1. calls for the role of local and regional authorities in delivering flexicurity within the Lisbon context to be considered henceforth in future discussions, to reflect its true importance both at an EU and Member State level. As key deliverers of flexicurity policies, local and regional authorities create dynamic labour markets, help citizens into work, and provide protection for those outside the labour market, and should be involved at the outset of policy formulation;

2. urges the European Commission to use wherever possible the Community method and reiterates that the open method of coordination process, which is becoming more prominent in EU policy development, should become more inclusive and involve a variety of stakeholders including local and regional government, which is the level at which such policy is usually implemented;

3. requests that the EU Lisbon peer review process, existing for Member State governments, be extended to enable local and regional authorities and other stakeholders to benefit from peer exchanges across the EU to explore different forms of flexicurity;

4. recommends annual 'summits' to improve participative interaction at European level between EU institutions and the CoR to facilitate agenda setting, consultation, and information sharing on issues relating to flexicurity and the wider Lisbon agenda, which would further build on the CoR-Commission Structured Dialogue meetings and the CoR Lisbon Monitoring Platform;

5. calls on the European Commission to provide information on the outcome of the debates on flexicurity;

6. recommends decentralised debates be held between local and regional authorities, social partners, non governmental organisations and the wider community on flexicurity and its delivery;

7. believes that local and regional authorities should be equipped with the power and financial resources to intervene at their respective levels. Promoting flexicurity must not lead to higher costs or increased burdens for local and regional authorities, or the erosion of labour rights;

8. considers that only a comprehensive, permanent infrastructure of public services, decided on, organised and funded by local and regional authorities, such as transport infrastructure, affordable housing, and affordable, accessible and timely childcare and care for people with disabilities and the elderly, can provide a solid basis for achieving the objectives set under the Lisbon strategy;

9. therefore would point out that existing European legal provisions governing competition, state aids and the internal market must support the delivery and funding of essential social services;

*The flexicurity concept*

10. considers that flexicurity, as a concept, should not be a standardised model that can be applied in the same way across all Member States, but a concept that has to be defined as part of an ongoing process, given its wide ranging consequences for some Member States, and little impact for others;

11. believes that the flexicurity concept should coordinate strong flexible labour markets with secure social security systems to better achieve the Lisbon goals of growth, more and better jobs, thereby strengthening the European social model and stronger social cohesion;

12. supports the creation of an accessible, inclusive and flexible labour market, recognising and encouraging ICT, and enabling varied work patterns (i.e. homeworking and teleworking);

13. considers that there should be better acknowledgement of demographic change and intergenerational issues. Measures for older workers such as flexible working, pensions and retirement ages, and better training should be promoted. There is also a need to encourage lifelong learning, better training, and mentoring schemes for young people;

14. considers that greater reference should be made to issues of equality for women and for all. There is still severe underemployment among women with reference to the Lisbon Strategy target and many people with disabilities have a lot to contribute and a full role to play in the labour market. Measures must therefore be taken within the flexicurity concept to allow them to find sustainable solutions where gaps still exist;

15. considers that flexicurity concerns both workers in stable employment and the unemployed, together with those at risk of social exclusion. Flexicurity policy should create new opportunities for access to employment to those on the fringes of the labour market. This will also help to boost occupational mobility and the circulation of jobs among those in stable employment. It notes, in this regard, the European Commission's reference to a shift away from 'job security' to 'employment security' (implying that keeping the same job for life can no longer be considered to be the rule);

16. believes that mutual trust and dialogue between the social partners, and their strong involvement at the European, national, regional and local level is necessary if flexicurity is to be achieved; it is very difficult to devise generally applicable indicators to assess the application of flexicurity. Delivery of flexicurity in the Member States should be evaluated on the basis of national factors, taking political, legal, institutional and labour market conditions into account. These issues should be borne in mind when developing European cooperation;

17. on mobility, considers that internal flexicurity is an important component of the concept as it offers employers advancement in productivity and competitiveness, and employees a longer period within a particular workplace. Local and regional authorities should join with the social partners at the local level to identify and tackle barriers to internal flexicurity (i.e. need for workers to learn new skills), thus minimising redundancy, and unnecessary movement;

#### *The four flexicurity components*

18. believes that a lack of social protection can threaten labour market flexibility. To minimise this risk, the four principles of flexicurity should be established and upheld in equal measure;

— flexible contractual arrangements for the employer and employee:

19. whilst welcoming the European Commission's intention to reduce the divide between 'insiders' (those in a job) and 'outsiders' (those without a job), urges that 'insiders' rights and protection, (which in some cases are fairly basic), are not compromised as a result of reducing the divide;

20. Supports the view that there should be fair and just labour laws in the Member States:

— these laws should not only include, but also ensure the application of equal treatment, health and safety protection, freedom of association and representation, collective bargaining and collective action, and fair access to training;

— undeclared labour should be tackled through better enforcement of labour law;

— the Committee of the Regions believes it is important for the EU and the Member States to be actively involved, for instance, in the practical efforts of the International Labour Organisation (ILO) to promote and implement international labour standards;

21. draws attention to the fact that a flexible European labour policy must address and take account of the living conditions and needs of the respective populations. Promotion of the catchword 'flexicurity' must not result in a one-sided watering-down of regional social standards, where applicable;

22. suggests that a phrase such as '*flexible and reliable contractual arrangements*' gives reason for concern, since this would also allow for extensive deregulation of normal working conditions so as to increase precarious employment;

— active labour market policies (ALMP):

23. strongly believes that the Lisbon Strategy is about both the quality and quantity of jobs, and jobs should pay more than benefits. To this end, the EU and Member States should encourage 'quality' jobs by promoting the creation of inclusive, sustainable labour markets, and address the regrettable challenges of in-work poverty and discrimination, as well as focus on the 'quantity' by promoting active labour market policies (ALMP) to tackle worklessness. A job is the best safeguard against social exclusion: unemployment/inactivity can lead to inequality and divisions in society;

24. presumes that the promotion of ALMP and flexicurity could place further pressures on local and regional authorities to help those furthest from the labour market;

25. believes that real progress can only be made by devolving, localising and incentivising national and European active labour market policies, employment and skills programmes since many programmes and systems impose rules and criteria which can act as a barrier to progression from worklessness to work for key groups. Where applicable local and regional authorities should have the discretion to flex national rules such as the time a jobseeker has to spend claiming benefit before they

are eligible to receive ALMP support, the kind of support and mentoring regular repeat claimants should get, or the kinds of training it is possible to receive while remaining on benefit;

26. believes that labour markets are sub-national in nature. For instance labour markets have local or regional employment and wage variations, local industries with specific skills needs, local pockets of benefit claimants, low skills, and worklessness, and providers which support disadvantaged groups in local communities. The reasons for worklessness need to be understood and focused on; some groups have higher levels of worklessness including children leaving care, older workers, lone parents, those with disabilities, ex-offenders, some ethnic minorities, and those with drug, alcohol or mental health problems;

27. recognises that local and regional authorities engage, advise, and help those furthest from the labour market by tailoring and personalising Member States' ALMPs to individual and local need. They coordinate partnerships with the private and voluntary sector and across the public sector to help bring various services and organisations together needed to help someone gain entry into employment. They should be encouraged to exploit new and innovative approaches and methods to bring employment and skills policy together. Partnerships facilitate shared priorities working to joint targets, often enabling resources to be pooled to avoid duplication of activity and leads to more focused outcomes;

28. believes that support in the form of outreach, (often carried out by community organisations), is required to provide support before and after entry into employment to ensure new workers retain their place in the labour market;

29. believes that there is a need for effective and targeted job match services, capable of matching jobseekers with the right type of job that makes best use of their interests and skills. There is always more opportunity to enhance one's employment profile from within the labour market than from the outside;

— reliable and responsive lifelong learning systems to ensure continual adaptability and employability of workers:

30. emphasises that local and regional authorities play a crucial role in influencing skills levels through the provision of training and education. They are also major employers, thereby have a duty to upgrade skills of their workforce and wider community;

31. believes that lifelong learning should be real and accessible for people throughout their lives. Everyone should be encouraged to reach their full potential, which should be recog-

nised and supported by employers and society. The quality of training and further training provided both before and after entry into employment should be promoted;

32. considers that it is vital that people are encouraged to learn entrepreneurial skills to enable them to set up their own businesses, thus fostering SME growth, which are local in nature as they recruit local people, use local services, and invest in the local area;

33. believes that trainers should better identify those in need of assisted learning since high levels of innumerate/illiterate people continue to work in low paid jobs without their needs ever being identified;

34. recommends that training and further training and, in particular cases, also retraining courses should in part be offered by employers since they benefit from their employees' knowledge and should therefore invest in skills development. Adequate resources are required for local and regional authorities if they take on additional responsibility for safeguarding life-long learning if increased worker mobility reduces employers' willingness to train staff;

35. believes that local and regional authorities respond quickly and effectively to the impact of restructuring in employment such as redundancies which result from manufacturing plant closures. They have the knowledge and experience to develop projects funded by European Social Fund etc to retrain, advice, and upgrade skills of affected workers so that skills can be linked to new jobs being created. Similarly the EU Globalisation Adjustment Fund should also be available to local and regional authorities to react and provide re-training and re-skilling. The loss of a major employer has long term effects on the local community including young peoples' skills and employment prospects, a resulting derelict site, and impact on local suppliers of goods and services. Partnership working is key to responding to these challenges so that all organisations including local and regional authorities, public employment and skills agencies, trade unions, community groups and industry bodies can coordinate their activity to ensure that resources are being targeted effectively;

36. whilst believing that it is right that people should be equipped with skills so that they become adaptable to new challenges, considers that a cultural change is required for people to be able to offset risks in the labour market but this attitudinal change will only be exercised if all four of the flexicurity components do not cause the erosion of labour rights, and if the mechanisms for implementing them are robust and delivered to equal importance;

— modern social security systems should combine adequate income support with the need to facilitate labour market mobility

37. urges better linkage at EU level between the flexicurity debate and the EU Active Inclusion agenda. The EU should not lose sight of its broader social inclusion aims and the European Social Model. Weak social welfare programmes are a barrier to flexible labour markets and will ultimately slow economic growth. Economic security is a prerequisite for all workers whether they hold positions of low, medium or high responsibility, and adequate social security systems should support people as they move between jobs and into the labour market;

38. calls for national debates between Member State governments, local and regional authorities, and social partners on the level of social security required to achieve flexicurity. The effectiveness of transitions is determined by the strength of Member States' social security systems;

39. believes that alongside non governmental organisations, local and regional authorities offer a strong voice to outsiders. The most vulnerable should continue to be protected;

40. recognises that levels of worklessness remain stubbornly high across the EU with people trapped on benefit dependency, many of whom are repeat claimants. Believes that real progress can only be made by devolving, localising and incentivising national and European employment and skills programmes;

41. even in those EU Member States in which national governments set the total budget for social security benefits and labour market interventions, local and regional authorities should have the discretion to manage these funds as they see fit within a national framework, thus allowing them to use the money as efficiently as possible to drive down the numbers of people claiming benefit.

Brussels, 7 February 2008.

The President  
of the Committee of the Regions  
Luc VAN DEN BRANDE

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