

## Varieties of Flexicurity in Continental Europe

Impacts of the Flexicurity paradigm and the European Employment Strategy on employment regimes in Germany, Italy and France

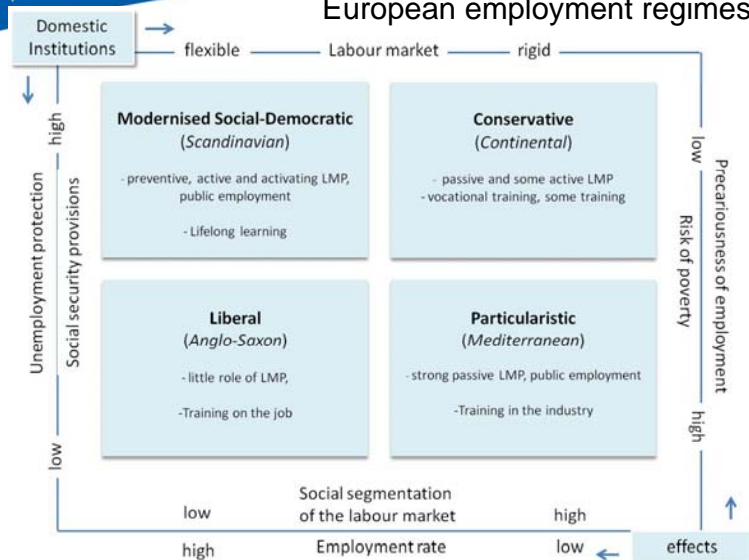
Sascha Zirra  
University of Oldenburg

ESPAnet Young Researchers Workshop  
"The European Social Model and Beyond"

Göttingen, December 6-8 2007

- One part of the results from a research project on OMC/Inclusion and EES in Germany, France and Italy at University of Bamberg
  - Funded by the German Research Foundation
  - Over 100 interviews with representatives
    - European Commission, European Parliament, Social Partners
    - Ministries on the federal and regional level
    - Social Partners, NGOs
 In Germany, France, Italy
- Main question of the project
  - To what extent can the OMC/Inclusion and the EES contribute to modernize domestic institutions in Germany, France and Italy?
- New challenges for European employment regimes and the EES
- Varieties of European employment regimes: The flexicurity paradigm as all-in-one device to answer the new challenges?
- Theoretical framework and hypothesis
- Analysis in the three states
- Conclusion

## Varieties of European employment regimes



## Challenges of European Employment Regimes

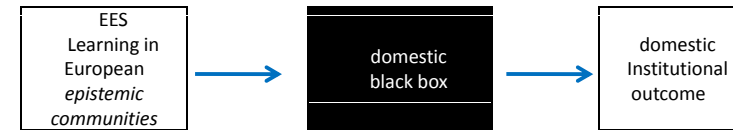
- endogenous change
  - demographic
    - structure of employment an population
  - 'knowledge society'
    - new modes of production
    - flexible work organization
    - new skills
  - values
    - workplace for personal fulfilment
    - new family models
    - new life courses
  - new social risks
- exogenous change
  - increasing global competition
  - new challenges can no longer be met by classical instruments of domestic employment regimes

## EES: Need for Modernization

- necessary modernizations
  - make labour markets more adaptable (flexible)
  - Include all citizens into the labour market on an equal basis
  - Improve PES mediation
  - Prepare Social Systems for discontinuous life courses
- Reduce the gender, age and education specific as well as the ethnic and regional segmentation of the labour market
- Flexicurity
  - as the paradigmatic mean to reach these goals
  - reduce all rigidities that hinder from a better transition between unemployment regular employment
  - cease the discrimination between regular and atypical work

The Open Method of Co-ordination  
A way to modernize National Employment and Social Policies?  
Funded by the German Research Foundation  
Mai 2005-October 2007

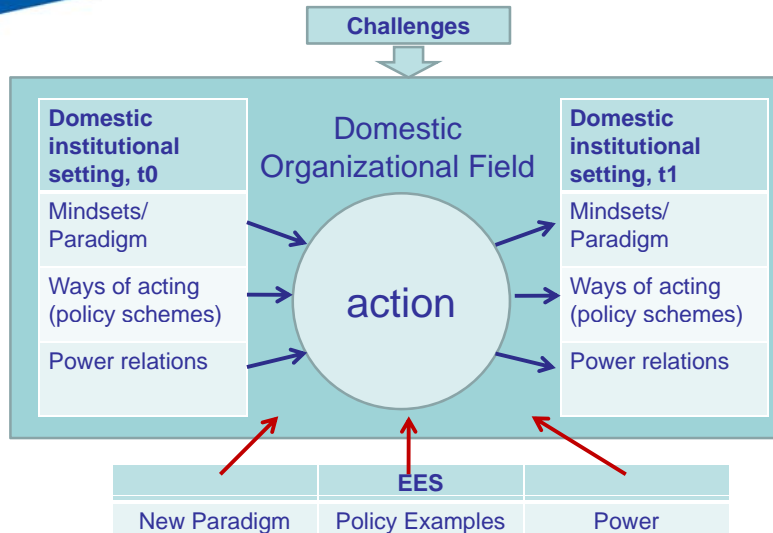
## Institutional change within Domestic Regimes



- so far predominantly individualistic explanations of transnational learning (cf. Jacobsson/Vifell 2007)
- but domestic bargaining processes
- effect analysis focus on description of changed policy (cf. Zeitlin 2005, Trubek/Mosher 2001)
- need to focus on domestic appropriation of EES
  - including non- and sub-state actors instead “focussing narrowly on the role of the state” (Goul Andersen 2007: 27)

The Open Method of Co-ordination  
A way to modernize National Employment and Social Policies?  
Funded by the German Research Foundation  
Mai 2005-October 2007

## EES and Domestic Organizational Fields



The Open Method of Co-ordination  
A way to modernize National Employment and Social Policies?  
Funded by the German Research Foundation  
Mai 2005-October 2007

## Hypothesis

- Implications for EES
  - Employment regimes as domestic organizational fields
  - EES cannot have any direct influence
  - National actors interpret EES according to the present institutional setting
- Hypothesis
  - *The flexicurity paradigm has to be actively appropriated by domestic actors according to existing domestic beliefs, policy instruments and the governance system.*
  - *The EES and the flexicurity paradigm may incrementally change domestic mindsets, policy instruments and power relations.*
  - *The basic axes of the social distribution of the in- and exclusion into/from the labour market persist.*

The Open Method of Co-ordination  
A way to modernize National Employment and Social Policies?  
Funded by the German Research Foundation  
Mai 2005-October 2007

Dimension	Germany	France	Italy
Paradigm	Comprehensive reorientation of LMP	Little comprehensive reorientation	Little perception of exigency to reform
Ways of acting (Policy schemes)	Many failures	Improve policy toolkit of administration	Cherry picking, strengthening segmentation
Governance	little	Better coordination within government	Empower regions and PES by ESF

- biggest challenge
  - exclusion of women (Full-time/ Part-time employment)
  - exclusion of ill-educated (long-term unemployment)
- focus on the 'activation' pillar
  - Hartz-Reforms
    - increasing labour supply
    - improve counselling by Public Employment Agency (PES)
    - 'activating' the formally inactive social benefit recipients by reform of unemployment benefit system
- use of EES
  - individual guidelines have been used in the domestic field to legitimize individual reforms within the field of labour market policy
    - mentioned in interviews and report of the Hartz commission
    - obligation to offer child care facilities introduced by labour ministry
  - responsibility of job-seekers as central hub for introducing activation paradigm in Germany (cf. Ludwig-Mayerhofer 2005)

- biggest challenge
  - strong exclusion of women, young and old people
  - precarious life courses for ill-educated
  - strong regional segmentation of the labour market
- explicit 'flexicurity' approach in Biagi-Reforms
  - aim to combine flexible labour market with
  - better employment services
  - no reference to security pillar
- use of EES
  - reference to low employment rate to stress necessity of intended reforms
  - use of European Social Fund to finance modernisation and regionalisation of Public Employment Agencies

- biggest challenge
  - exclusion of young people
  - exclusion of people with migrational background
  - state reliant life courses
- 'flexicurity à la française'
  - better security by making work pay (French active employment policy)
  - make work contracts more flexible
  - reform of PES to strengthen activation approach
- Use of EES
  - legitimizing reforms by EES not possible as reference to EU not legitimate
  - use of good practice examples in other countries to improve own policy schemes, changed mindsets within administration

## Effects of EES on labour market reforms in Germany

**The Open Method of Co-ordination**  
 A way to modernize National Employment and Social Policies?  
 Funded by the German Research Foundation  
 Mai 2005-October 2007

Dimension	Conditions in Germany	Mechanism	Main effects
Paradigm	In search for orientation 'window of opportunity'	Strong orientation on guidelines	Reorienting paradigm from passive to active LMP <b>But still strong segmentation, little flexibilisation</b>
Policy	Dynamic reform process "window of opportunity"	Many attempts to use best practice examples as 'blueprint'	Many failures in implementation
Governance	Strong role of labour market ministry, Close cooperation with social partners, Resistance from regions and municipalities	Strengthening strong programmatic role of labour market ministry (department IIa)	Threat of decoupling in domestic field

## Effects of EES on labour market reforms in Italy

**The Open Method of Co-ordination**  
 A way to modernize National Employment and Social Policies?  
 Funded by the German Research Foundation  
 Mai 2005-October 2007

Dimension	Conditions in Italy	Mechanism	Main effects
Paradigm	Little realisation of comprehensiveness of reform pressures	Strong orientation on Lisbon policy goals, little orientation on guidelines	Little effects, flexibilisation attempts failed due to strong public resistance
Policy	Split between administration and government	Little, and if so incoherent use of good practices	e.g. New work contracts for marginal labour force lead to persisting segmentation
Governance	<b>Split between administration and government, regions and social partners, strong regionalisation</b>	<b>Strengthening regional PES by ESF</b>	<b>Strengthening local and regional capacities</b>

## Effects of EES on labour market reforms in France

**The Open Method of Co-ordination**  
 A way to modernize National Employment and Social Policies?  
 Funded by the German Research Foundation  
 Mai 2005-October 2007

Dimension	Conditions in France	Mechanism	Main effects
Paradigm	Strong reliance on 'French flexicurity' European dimension not legitimate in domestic field	Only formal orientation on guidelines, 'don't mention Europe!'	Little effects, flexibilisation attempts failed due to strong public resistance
ways of acting	<b>Administration in search for improving policy instruments</b>	<b>Many attempts to use best practice examples within administration</b>	<b>Many small reforms orient on good practices</b>
Governance	Strong role of centralist administration, Little role of social partners and regions	Strengthening strong role of coordinative body (SAGE) within administration	Threat of further decoupling in domestic field

## Reform Outcomes in Germany

**The Open Method of Co-ordination**  
 A way to modernize National Employment and Social Policies?  
 Funded by the German Research Foundation  
 Mai 2005-October 2007

- broad discussion on gender equality on the labour market
    - need of child care facilities, now law
  - 'one-stop-shop' for long-term unemployed failed due to opposition of municipalities and 'Länder' (Schmid 2006)
    - better service for short-term than for long term unemployed
  - transition for short-term unemployed has improved, but not for long-term unemployed (Konle-Seidl 2007)
  - Many new instruments had little effects on transition or even prolong the period of unemployment (Mosley 2006)
  - Mini and Midi Jobs as well as Temporary Work Agencies have increased labour participation but do not work as bridge into regular employment, but tend to be new poverty traps
- particularly the educational segmentation of the labour market was not reduced



## Reform Outcomes in Italy

**The Open Method of Co-ordination**  
 A way to modernize National Employment and Social Policies?  
 Funded by the German Research Foundation  
 Mai 2005-October 2007

- first aim was to reduce high level of employment security for regular employment
  - failed due to strong resistance by trade unions
  - thus aim was reduce undeclared work by more 'flexible employment at the margins of the labour market'
  - little to no social security provisions for atypical work makes these life courses particularly parlous
- persisting, steady precarious life courses for the outsiders
- second aim was to improve mediation by employment services
  - but the regionalisation of PES and all competences in labour market policy, accomplished at the same time, reduced capacity of the state to do so
  - low organisational capacity of PES in the south and high unemployment rate makes the PES in the north to profit more from ESF
- persisting regional segmentation of the labour market

## Reform Outcomes in France

**The Open Method of Co-ordination**  
 A way to modernize National Employment and Social Policies?  
 Funded by the German Research Foundation  
 Mai 2005-October 2007

- active employment policy schemes
  - state subsidies for insertion jobs
  - rather than insertion into regular employment the main target is to prevent young people from precariousness
  - do not work as a bridge into regular employment (Barbier/Fargion 2004)
  - reproduce state dependent life courses
  - ten percent of the active population have been employed in subsidised work contracts in 2000 (Barbier/Fargion 2004)
- 'Pare' reform of the PES
  - to strengthen activation approach
  - work of PES did hardly change
- Flexibility
  - no change of employment protection for regular employment
  - flexibility of the labour market is provided by atypical, mostly state subsidised, work contracts

## Conclusion

**The Open Method of Co-ordination**  
 A way to modernize National Employment and Social Policies?  
 Funded by the German Research Foundation  
 Mai 2005-October 2007

- crucial reforms of Continental employment regimes
- many links to EES and flexicurity paradigm
- but domestic re-interpretations
- paradox implementation of reforms
- segmentation of the labour market persists in new shape
  - outsiders may participate on labour market instead of being unemployed but still not on an equal basis

**The Open Method of Co-ordination**  
 A way to modernize National Employment and Social Policies?  
 Funded by the German Research Foundation  
 Mai 2005-October 2007

Thank you for your attention and your contributions in the discussion!