



Social Policy Strategies, Between Flexisecurity and Mobication on the European Union Labour Market

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Abstract: Objectives: Flexicurity should reduce the difference between employed people and people belonging to excluded categories. An essential objective is represented by the transition from the concept of flexicurity to the new strategy of mobication. Not least, EU needs to find the tools to implement this new strategy **Prior Work:** This change of perspective at the national level makes the object of this article. Currently employed people need assistance in order to be prepared and protected during the transition from one workplace to another. **Results:** Those who belong to currently excluded categories – including those who are unemployed, among which women, young people and immigrants predominate – need readily accessible ways to a workplace and starting grounds in order to allow for the progress towards stable contractual provisions. **Value:** We think this article is an important step in the disclosure of the problem raised by this two concepts – both parts of the social policy made by the EU.

Keywords: modern labour; flexibility; technological progress; security; models

1. The Evolution of the Concept of Flexisecurity

In year 2006, the European Union Commission launched for public debate the Green Paper called “*Modernizing labour law to meet the challenges of the 21st century*”. Subsequently, it subjected to debate a *document associated* to the Green Paper, referring to the notion of flexisecurity².

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²The concept emerged initially in the Netherlands, being accepted for use in Denmark and Austria, with remarkable results. In reality, we are speaking of a strategy that combines a *flexible labour market*, characterized by relatively low social protection in case of dismissal, *with a solid social protection*, with generous unemployment allowances, in order to reduce as much as possible the negative impact of changing from one job to the other, together with a *pro-active training policy* which to cover this period between two jobs.

The debate, due to the Commission's initial orientation, took place over the *individual labour law* and did not concern – under any aspect – the collective labour law.

In the Commission's Communication on the completion of the debates on the basis of the Green Paper is noted that certain member states, the trade unions and the majority of the university experts indicated that it would have been preferable that the debate be centered on collective employment contracts, also, and not only on the individual labour relations. Only the approach of the two components of labour law –individual contracts and collective contracts – would have been able to outline the complex interaction between the global legislative framework of each state and the community framework.

Even though the Green Paper on the modernization of labour law, as the Commission's Communication on labour flexisecurity also refer to certain aspects pertaining to *social security law*, the debate was focused with priority on issues related to *labour law*, respectively to the law of the individual labour contract.

In the Commission's Communication on flexisecurity it is stated that “it can be defined as being *an integrating strategy* for the simultaneous consolidation of flexibility and security on the labour force market”. The enforcement of the flexisecurity policies can be achieved through four components:

- flexible and secure contractual provisions;
- systematic life-long learning strategies;
- policies in the field of the active and efficient labour force;
- modern social security systems.

Beyond this main framework, *labour flexibility* can be achieved by means of increasing the elasticity of the dismissal cases and procedures, the reduction of the costs of dismissal (individual or collective), the restricting of the area of dismissals considered abusive, the promotion of other types of employment contracts than the “classical” ones, respectively the limited term contracts, contracts through temporary labour agent, with partial work time etc.

If through *flexibility* the aim is – essentially – to gain greater freedom of action for the employers, by means of *security* the target is the gain of individual security, throughout the entire life of tot active person, regardless of the professional position he/she is in (employee, unemployed person, independent worker, in an independent profession, during the professional training period etc.).

In conclusion, *flexisecurity represents a strategy, a social compromise*, by means of which the European enterprises that wish to be competitive on the global scale reduce the quantity or the cost of the labour force and the employees accept this situation, on condition of a certain social protection. (Dima, 2012, pp. 17-20)

In December 2007, the European Council in Lisbon adopted the *Common principles of flexisecurity* (Popescu, 2008), which are the following:

- flexisecurity is a means to strengthen the strategy enforcement, to create more jobs, of better quality, to modernize the labour markets and to promote a superior quality labour, due to the new forms of flexibility and security in order to improve the capacity of adaptation, occupation and social cohesion;
- flexisecurity presupposes the deliberate combining of the suppleness and security of the contractual provisions, of the global strategies for life-long training, of the active and efficient policies of the labour markets and of the modern social security systems;
- flexisecurity must promote the more open, suppler labour markets accessible to everyone, ending the labour market segmenting; flexisecurity targets both the workers and the persons who do not work; the workers must benefit of aid which to allow them to remain apt for work, to progress and to succeed in passing from one labour to another or from one job to another;
- both the internal and the external flexisecurity are equally important and must be promoted; the sufficient contractual suppleness must be accompanied by secure transitions between jobs; vertical mobility must be facilitated, as well as the mobility between the phases of unemployment or inactivity and, respectively, work;
- flexisecurity must support equality between men and women, promoting equality regarding access to jobs and, respectively, establishing measures which to allow the conciliation of the professional life with the family and private life;
- flexisecurity requires a climate of trust and a vast dialogue between the interested parties;
- flexisecurity requires an efficient assignment of resources and it must remain compatible with the health and financially viable public budgets. (Ștefănescu, 2014, pp. 50-54)

In the Summit of Prague, of May 2009, the issue of diminishing the social and

occupational consequences of the crisis was raised. Thus, there were identified three directions that require increased attention:

- preservation of the labour force occupation and the creation, as much as possible, of new jobs;
- competence improvement;
- access increase to jobs.

Subsequently, in June 2009, in the European Summit was established that the fight against unemployment is a major priority and that “flexisecurity is an important means to modernize and foster the adaptability of labour markets. Priority should be given to preparing labour markets for future recovery: creating a friendly environment for entrepreneurship and job creation, investing in a skilled, adaptable and motivated labour force and transforming Europe into a competitive, knowledge-based, inclusive, innovative and eco-efficient economy. Social protection systems and social inclusion policies play their role as automatic economic stabilizers and as effective mechanisms for cushioning the social impact of the downturn and for helping people back to the labour market. Particular attention must also be given to the most vulnerable and to new risks of exclusion”¹.

In the European Council of Brussels in December 2009, the elaboration of a new strategy, *EU 2020*, was proposed, because the time had come for the evaluation of the impact of the Lisbon Strategy. (Dima, 2012, p. 20)

Thus, “*Europa 2020: A European strategy for smart, sustainable and inclusive growth*” was analyzed by the European Council in Brussels in March 2010. With this occasion, it was established that the new strategy will focus on key-areas, respectively: knowledge and innovation, viable economy, higher level of labour force occupation and social inclusion.

In the Summit of June 2010 *Europa 2020: A European strategy for smart, sustainable and inclusive growth* was adopted. According to this strategy, the European Union had five main objectives: promotion and occupation of the work force; improvement of condition for innovation, research and developments; reaching the objectives referring to climate change and energy; improvement of the education level and promotion of social inclusion, especially by reducing poverty.

The European Council of March 2011 adopted a series of measures destined to maintain the European Union’s financial stability and put the basis of an intelligent

¹ See https://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/108622.pdf.

growth, favourable to social inclusion and to the increase of jobs. Thus, the Council adopted the *Euro Plus Pact – stronger economic policy coordination for competitiveness and convergence*. It is noticed that one of the main objectives of this pact is the work force employment policy, by means of labour market reforms, in order to promote flexisecurity and to reduce undeclared labour. (Popescu, 2014, pp. 11-15)

2. The Main Flexisecurity Models at the European Level

The two components of flexisecurity – the flexibility of the labour relation and the security of the employee can be combined, theoretically, in different ways, depending on the specific options of the employment policy. Thus, flexibility and security can be seen in opposition when the employment policy is based only on one of the concepts or the two concepts can consolidate each other.

The complexity of this strategy together with the economic, legal and cultural differences existing between the EU member states have led to the emergence of distinct models, out of which we mention the northern model, the continental model, the Mediterranean model and the Anglo-Saxon model.

The northern model is characterized both by a high flexibility of the labour relation and an increased security for the employee. This model (originally, Danish) combines flexible regulations on the labour market, respectively the employer's possibility to dismiss the employee quite easily, with an ample protection system for the unemployed persons (based on vocational training measures). The principle applied is that according to which the labour market works better of all parties (employer, authorities, individuals) focus on the idea to invest in persons throughout their careers.

Thus are guaranteed both an increase of the chances to obtain employment and a higher flexibility for the employers. The employee's security targets his/her entire career and not only security in a certain job or work place. Stability does not refer to a certain job or work place, but to the possibility of passing from one job to another, in the shortest time, in case of dismissal. Thus, company flexibility is seen as an opportunity of employers to permanently improve and renew the work force. The main disadvantage of this model is the high cost it implies; still, it is called *the golden triangle* because it presupposes, on the one hand, the high mobility between jobs, on the other hand, increased social protection and active measures

for the unemployed persons.

In Denmark, annually, approximately one quarter of the employees are affected by unemployment, receiving substantial unemployment aid (75% of the average incomes obtained in the previous six months). The majority of them rapidly re-enter the labour market. The rest will receive professional training, in order to protect or increase their chances of being employed.

Still, we consider that, in order to be able to successfully apply the Danish model in other states, a series of pre-conditions must be fulfilled. Thus:

- on the one hand, there must be substantial economic growth, doubled by the creation of new jobs;
- on the other hand, there must be an extremely well-designed system regarding the implementation of active measures for training and education;
- good collaboration between the social partners, respectively the existence of the social dialogue which to lead to the existence of a social peace climate.

The continental model is characterized by low flexibility and high security. In most European states this combination is preferred by the trade unions. Thus, this model presupposes (in states such as France, Belgium, Romania) a rigid regulation of the labour market, but an ample protection system for the unemployed persons and an emphasis on the implementation of the training measures.

The main advantage of such a policy is the greater security for employees.

The disadvantages are, however, multiple: on the one hand, for the employers, because they cannot quickly adapt to the economic conditions on the market by dismissing employees, and therefore, the company's recovery period will be relatively long; on the other hand, for the employees - due to work force segmentation the employees already on the labour market are favoured, but there is no real chance given to those without a job, either by losing a previous one or attempting to enter the labour market for the first time.

The Mediterranean model distinguishes itself through both low flexibility and low security and is seen especially in countries such as: Greece, Cyprus, Italy, Spain or Portugal.

This model is based on a certain economic growth, in certain sectors of activity, respectively tourism, agriculture and constructions, with the existence of a certain

work force segment with limited access and the work force mobility is relatively low. This approach is considered a situation in which both parties are at loss because both companies' flexibility and employees' mobility are relatively low.

The Anglo-Saxon model presupposes high flexibility, but on the basis of low security. Thus, the labour legislation is extremely flexible regarding the work force and in the absence of a well-functioning protection system for the unemployed persons, very little attention is paid to the professional training active measures.

In this case, the number of persons who will become unemployed is increasing and, at the same time, barriers emerge on the path to (re)enter the labour market. (Chenic, 2013)

3. The Implementation of the Strategy Regarding Flexisecurity in Romania

Although, initially, in 2007, the Romanian state had stated (before the Commission) that it cannot undertake, on short-term, the strategy regarding the implementation of the flexisecurity concept, for reasons of economic nature, in year 2011, with the declared goal of increasing labour market flexibility, the Romanian law-maker substantially changed, as vision, the entire labour legislation, by adopting Law no. 40/2011 for the modification of the Labour Code and through the Law on social dialogue no. 62/2011. Thus, this change of perspective in the labour legislation targeted:

- giving priority to the economic reasons to the detriment of the social ones;
- the precariousness of certain labour relations accentuated instead of being attenuated according to the provisions of the EU Directives in the matter;
- the concept of flexisecurity was applied only in what concerns the first thesis, namely the *increased flexibility of the labour relations*, measure in favour of the employers, without also following-up on the increased security of the labour relations, by means of social protection measures established for the employees;
- the employers' right to unilaterally dispose in the area of executing labour relations expanded;
- the rights of employees/trade unions were restricted in what concerns collective negotiations.

We believe that the Romanian law-maker decided correctly with respect to the

increased flexibility of the labour relations in the current context of the dynamics of the labour market and of the relation to the existing regulations at the European level (in this matter), but was wrong when he did not take into consideration the preservation of a relative balance by instituting also social protection measures.

4. The Concept of Mobication

The evolution of the labour market, the non-acceptance by the social partners within the EU of the strategy regarding flexisecurity, the impossibility of its implementation, in its entirety, in certain states, have led within the European Commission to the outlining of a new strategy, in the perspective of years 2020-2030, which to focus on labour force mobility and, at the same time, on the long-term professional training (education) of workers at a much higher level. This new concept is called *mobication* (mobility and education of workers).

This new concept aims to reach at least three aspects:

- combating the situations in which the worker remains unemployed, by continuing his/her education and professional training and, at the same time, through the support offered in view of finding a new job, compatible with his/her training, in the shortest possible time;
 - attention must be focused on what those measures meant to support the ability of workers to adapt, on the way, to the labour market dynamic actually mean; this social policy strategy is based on what is called *investment in the future*;
 - the development of competences through education and training must be seen as a key-instrument in promoting workers.

The term *mobication* suggests the fact that labour security must originate, mainly, from education and continuous professional training, which means that the workers will have access to more professional training and/or requalification programs in all stages of their professional life.

This strategy represents a step forward in perfecting the Danish model of flexisecurity, by changing the perspective, as follows:

- on the one hand, at present, unemployment is seen as a systemic error and the person in this situation should be compensated accordingly; in the new vision, it is, to a much higher extent, the worker's duty to not lose his/her

job; therefore, accent will be placed less on compensating unemployment and more on, especially, preventing it, by means of education and continuous training;

- on the other hand, traditionally, focus is placed on what happens in the months following the worker's dismissal, while the new strategy emphasizes what is going to happen in the next 5-10 years;
- not lastly, at present, the most frequently seen method to avoid losing a job is connected to the salary policy (in the sense of diminishing it), while the new strategy takes into account the worker's abilities and the need for a flexible development, adaptable to the labour market demands.

In conclusion, this new strategy underlines the fact that the coordination between the education policies and the labour market is essential for the competitiveness of enterprises.

5. Conclusions

Regardless of the concepts, social policy strategies adopted at the international or national level, the labour (social) legislation must remain a legislation oriented towards the protection of the employee, of course, with the observance of the interests of the other party, respectively of the employer.

In this sense, the European Commission considered that in the matter of the labour relations, the conclusion of the individual employment contract for undetermined time must be the rule (as employees' protection measure) and the individual employment contracts with determined time to be possible to be concluded only in certain cases, expressly indicated by law.

We consider that this social policy strategy – flexisecurity, proposed by the European Commission since 2003, which can be seen in the majority of the European countries, did not have the result expected, in spite of the economic and legislative efforts made for its implementation, such as it will have to be remodeled by means of introducing a new concept, mobication, which is part of the EU Strategy on social matters for the next ten years.

We appreciate that it will be very difficult for EU member states to implement this new concept given that the flexicurity strategy can be considered partly a failure.

Although the concept of mobication is part of a long term strategy in EU, member states wishing to implement this concept must find the means to ensure the transition from flexicurity to mobication.

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