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from : The Employment and the Social Protection Committees  
to : Permanent Representatives Committee (Part I) / Council EPSCO  
Subject : **Joint opinion by EMCO and SPC on the common principles of flexicurity**

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Delegations will find attached a joint opinion by the Employment and the Social Protection Committees, presented with a view to the session of the Council (EPSCO) on 5/6 December 2007.



# The Employment Committee The Social Protection Committee

November 2007

## **Joint opinion on the common principles of flexicurity**

### **Introduction**

Flexicurity is an integrated approach aiming to enhance at the same time flexibility and security in the labour market. Within the Lisbon Strategy, it is a means to successfully manage change and progress employment and welfare reform to meet the challenges of globalisation, technological innovation and an ageing population.

The Commission Communication "Towards common principles of flexicurity" is a most welcome contribution that should inspire Member States in the establishment of their priorities and measures in this reform process while taking into account their initial conditions and their own socio-economic and institutional set-up.

Flexicurity is not an end in itself. Nor does it require new processes. The common principles on flexicurity should, however, help achieve the Lisbon objectives. The Union should support and complement the flexicurity-oriented reforms in the Member States through the European Employment Strategy, the Open Method of Coordination in Social Protection and Social Inclusion, an appropriate legal framework, and a co-financing of programmes, in particular by the European Social Fund.

Effective flexicurity approaches require a balance between increased flexible working relations and conditions, and the consistent protection of workers' social rights. In order to address labour market segmentation, counter precarious employment, and promote quality jobs, flexicurity approaches should ensure adequate rights and obligations for employees and employers in all types of contracts. Flexicurity approaches should also help to fight discrimination, poverty and social exclusion, while making work pay.

Flexicurity is part of a wider policy framework. Dynamic and successful labour markets are built on a comprehensive set of policies, including those ensuring macroeconomic stability and growth, competitive goods, services and capital markets, increasing the efficiency and effectiveness of public spending, and an appropriate business environment.

While the national situations differ, all Member States face the same challenge of adaptation to structural change. Therefore, the EU should adopt a set of common principles to support Member States in the establishment and implementation of their own flexicurity policies. These common principles should be spelled-out as follows.

### **The common principles of flexicurity:**

- (1) Flexicurity is a means to reinforce the implementation of the Lisbon Strategy, create more and better jobs, modernise labour markets, and promote good work through new forms of flexibility and security to increase adaptability, employment and social cohesion.
- (2) Flexicurity involves the deliberate combination of flexible and reliable contractual arrangements, comprehensive lifelong learning strategies, effective active labour market policies, and modern, adequate and sustainable social protection systems.
- (3) Flexicurity approaches are not about one single labour market or working life model, nor about a single policy strategy: they should be tailored to the specific circumstances of each Member State. Flexicurity implies a balance between rights and responsibilities of all concerned. Based on the common principles, each Member State should develop its own flexicurity arrangements. Progress should be effectively monitored.
- (4) Flexicurity should promote more open, responsive and inclusive labour markets overcoming segmentation. It concerns both those in work and those out of work. The inactive, the unemployed, those in undeclared work, in unstable employment, or at the margins of the labour market need to be provided with better opportunities, economic incentives and supportive measures for easier access to work or stepping-stones to assist progress into stable and legally secure employment. Support should be available to all those in employment to remain employable, progress and manage transitions both in work and between jobs.
- (5) Internal (within the enterprise) as well as external flexicurity are equally important and should be promoted. Sufficient contractual flexibility must be accompanied by secure transitions from job to job. Upward mobility needs to be facilitated, as well as between unemployment or inactivity and work. High-quality and productive workplaces, good organisation of work, and continuous upgrading of skills are also essential. Social protection should provide incentives and support for job transitions and for access to new employment.
- (6) Flexicurity should support gender equality, by promoting equal access to quality employment for women and men and offering measures to reconcile work, family and private life.
- (7) Flexicurity requires a climate of trust and broadly-based dialogue among all stakeholders, where all are prepared to take the responsibility for change with a view to socially balanced policies. While public authorities retain an overall responsibility, the involvement of social partners in the design and implementation of flexicurity policies through social dialogue and collective bargaining is of crucial importance.
- (8) Flexicurity requires a cost effective allocation of resources and should remain fully compatible with sound and financially sustainable public budgets. It should also aim at a fair distribution of costs and benefits, especially between businesses, public authorities and individuals, with particular attention to the specific situation of SMEs.

### **Next steps**

Once the Common Principles are agreed, they should constitute an essential instrument for the implementation of the Lisbon strategy, and the Integrated Guidelines in particular. Member States will be invited to take the Common Principles into account in shaping and implementing their national policies, and to report accordingly in the National Reform Programmes.

The social partners, at all levels, will also be encouraged to contribute to the definition and implementation of flexicurity policy measures as well as to consider the Common Principles as a reference for their collective bargaining in the light of their recent Joint Labour Market Analysis.

In the framework of the 2008-2011 cycle of the Lisbon strategy, mutual learning programmes should be developed to ensure that Member States benefit from one another's experience and especially from successful flexicurity approaches. The illustrative pathways are a useful reference in this process. Efforts should be deployed at the national and European level to increase the understanding and ownership of flexicurity by all stakeholders and the public at large.

It is advised that the Council and the Commission review and assess Member States' achievements in adopting and implementing flexicurity-oriented policies in the context of the Lisbon strategy evaluation, using a comprehensive set of robust indicators based on high-quality statistics. In this perspective, the indicators considering input, process and output of flexicurity approaches should be further developed to cover all flexicurity components.

The Employment Committee and the Social Protection Committee will continue to be active in the process.

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