Flexicurity

IMPLICATIONS FOR LIFELONG CAREER GUIDANCE
Flexicurity: Implications for Lifelong Career Guidance

Concept note commissioned by ELGPN

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Flexicurity: Implications for Lifelong Career Guidance

This concept note addresses 4 questions:

[1] What is flexicurity?
[2] Why is flexicurity increasingly attractive to policy makers across Europe?
[3] What are some of the issues and debates around flexicurity?
[4] What are the policy implications of flexicurity for career guidance?

1 What is flexicurity?

1.1 Flexicurity is a joining together of two words, ‘flexibility’ and ‘security’, to coin a new word. The term became fashionable in the 1990s, reflecting an increasing trend for employers to favour relaxed employment protection legislation. The latter would allow enough flexibility to swiftly hire or fire employees, or to make internal adjustment to the organisation of work in their firms (e.g. shortening hours of work, thus lowering wage costs) depending on the variations of demand in the business cycle. However, increased flexibility for employers can result in increased insecurity for employees. A policy of flexicurity strives to reduce and manage that insecurity through:

[a] measures external to the firm – i.e. external flexicurity (e.g. through income protection for unemployed people, and high levels of spending on active labour market policies, such as extra training in in-between periods, and information, advice and guidance services that help to match supply to demand in the labour market); and through

[b] measures internal to the firm – i.e. internal flexicurity (e.g. through guarantees to employees of a minimum salary that
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ensures an acceptable standard of living, in return for work sharing, for instance, or for accepting to take on tasks within the firm that were not included in the employment contract).

1.2 Flexicurity tries to ensure that whereas employees might more easily lose their job, they are less likely to lose their livelihood. The latter is safeguarded during the consequent period of unemployment, where benefits are paid out at sufficiently high levels, subject to conditions being met (e.g. engagement with re-training). Furthermore, flexicurity redefines ‘security’ as being based on employment security, not job security. Its raison d’être is to protect workers, not jobs. Other terms that are sometimes used to cover much the same meaning as flexicurity are: ‘labour market security’, ‘protected mobility’, and ‘transitional labour markets’.

1.3 Flexicurity is not about flexibility working out exclusively in the interests of employers, with the only trade-off for employees being security. Rather, flexibility in work organisation has implications for employees as well, some of which may be perceived as beneficial. Increased elbow room for firms to adopt atypical work arrangements may be welcomed by some categories of workers, who find that flexible work hours (flexitime), job rotation and job sharing, opportunities to shift from full-time to part-time work without losing security of tenure, or time off to study or to enjoy rest or leisure pursuits, can help them find more satisfaction at work, and to keep work, family and life commitments in balance, as well as to open up increased spaces for self-development and fulfilment.

1.4 While there is no country that can be held up as ‘personifying’ a flexicurity regime, Denmark and the Netherlands are often acknowledged as the lead EU countries that, in their own ways, have best implemented flexicurity arrangements respecting the ‘golden triangle’ of [a] relatively loose employment protection, [b] generous unemployment benefits and [c] ample active labour market policies. There are similarities but also important differences between the Danish and Dutch flexicurity models, as summarised in Table 1.

**Table 1: Flexicurity in the Netherlands and in Denmark**

<table>
<thead>
<tr>
<th>Dutch approach to flexicurity</th>
<th>Danish approach to flexicurity</th>
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<tr>
<td>- Promotion of the use of atypical, flexible types of employment (by giving access to benefits to those on fixed-term, temporary, and part-time work contracts);</td>
<td>- Less concerned with atypical types of employment, and rather builds on:</td>
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<td>- while at the same time providing such flexible types of employment with similar rights concerning working conditions and social security as standard employment.</td>
<td>[i] more flexibility for all workers through new ways of organising work, or through more diverse and flexible working-time arrangements, accompanied by relaxed employment protection legislation;</td>
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<td>Such an approach is more likely to be attractive to those countries where there are large numbers of ‘non-standard’ (e.g. part-time, fixed-term, temporary) workers.</td>
<td>[ii] extensive unemployment benefits providing income security to the unemployed; and</td>
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<td></td>
<td>[iii] active labour market policies aimed at skill upgrading and activation of the unemployed.</td>
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In both approaches, social dialogue is a central feature of any effort to design and legitimise flexicurity policies.
1.5 Most of the literature suggests that, in searching for their own context-specific pathways to flexicurity, countries need to consider four kinds of flexibility, as follows:

1.5.1 Numerical/contractual flexibility – referring to employment status, and hence to the types of contract that can increase flexibility, such as fixed-term contracts, temporary employment, work on call, and so on.

1.5.2 Temporal/financial flexibility – referring to atypical working hours and time account schemes, and hence to overtime, part-time, weekend working, irregular and/or variable hours, as well as to the variation in base and additional pay according to the individual or firm performance.

1.5.3 Productive/geographical flexibility – referring to production systems, and hence to subcontracting, use of freelance labour, and so on.

1.5.4 Functional/organisational flexibility – organising flexibility within the firm by means of training, job-rotation, worker involvement, multi-tasking, and so on, based on the ability of employees to perform various tasks and activities. This calls for continuous updating of skills which makes workers more flexible with regard to their own skills.

1.6 These different types of flexibility arrangements are counterbalanced by different forms of security arrangements, namely:

1.6.1 Job security, i.e. security that is based on employment protection legislation, which constrains employers from easily dismissing workers.

1.6.2 Employment security (also referred to as ‘transitional employment security’), i.e. adequate employment opportunities through high levels of employability ensured by education and training, for instance.

1.6.3 Income security, i.e. the protection of adequate and stable levels of income.

1.6.4 Combination security, i.e. the security that comes from a worker being able to combine his or her job with other responsibilities or commitments than paid work.

1.7 The relations between different types of flexibility and of security are often represented as a matrix which suggests possible combinations. Each country combines the different elements of this matrix in ways that are most meaningful to it, with the pathway to flexicurity that is chosen depending on such factors as the nation’s specific history of industrial relations, the nature of its welfare state, the performance of its economy, and its place in the regional and international division of labour. Flexicurity therefore acquires different meanings in national labour markets characterised, for instance, by instability and low wages. There can accordingly be no ‘one size fits all’ strategy in relation to flexicurity, and the outcome of its implementation is difficult to predict, in terms of its impact on security and equity.

2 Why is flexicurity increasingly attractive to policy makers across Europe?

2.1 The trade-off between flexibility for employers, and security for employees, is a constant preoccupation for the social and economic systems of industrially developed societies. At least two factors are having an impact on the nature of employment policies, with both rendering the notion of flexicurity increasingly attractive to policy-makers across Europe, whether at Member State or EU level:
2.1.1 The first is *globalisation*, which signals deepened competition and erratic business cycles that intensify pressures to lay off and take on workers in response to demands and opportunities as they arise. Flexicurity is also thought to enhance performance in a globally competitive environment since, as a policy, it transforms transition periods into opportunities for upskilling and re-skilling.

2.1.2 The second relates to *demographic pressures*, particularly the realities of a workforce that is increasingly ageing, and increasingly feminised. More flexible work arrangements incentivise older workers and parents to remain active in the labour market, adjusting their input in ways that permits them to maintain a balance with other roles that they want to fulfil.

2.2 In response to the dual impact of globalisation and demography, the European Commission has increasingly seen the value of flexicurity, and has adopted the term in its institutional language. It has included it in its European Employment Strategy (EES), as well as in its implementation, monitoring and dissemination instruments. The term flexicurity was already mentioned in 1996 in the Green Paper on *Partnership for a New Organisation of Work*. In 2006, the Commission published its Green Paper on *Modernising Labour Law to Meet the Challenges of the 21st Century*, which was followed up by an expert group that produced a report on ‘flexicurity pathways’ titled *Turning Hurdles into Stepping Stones*. This in turn informed a Commission Communication, *Towards Common Principles of Flexicurity: More and Better Jobs through Flexibility and Security*. Since then, flexicurity has been addressed in various EU summits, including the Lisbon Agenda, with provisions being found in the European Treaty. The term was officially adopted by the European Council of Ministers of Labour and Social Affairs in December 2007 in Brussels, and research and policies on flexicurity have been increasingly funded under financial instruments of the Commission. In June 2009, the European Commission issued a communication endorsing flexicurity as a commendable approach to follow in times of crisis. Similar endorsement has come from the European Parliament, the European Social Partners, and the Council of Europe, to the extent that a European flexicurity consensus seems to have emerged, resulting in mounting pressure to adopt flexicurity in national-level employment policy, and to crystallise it in labour laws.

2.3 The attempt to strike a balance between flexibility and security – thus giving the market a human face – is probably best seen within the context and tradition of the European Social Model (ESM), which is underpinned by a commitment to such values as respect for the dignity of the individual, solidarity, social cohesion, equality and social justice. The welfare state has historically been the answer that Europe has given to the negative consequences of industrialisation, with flexicurity being seen by some as the most recent policy development in the evolution of new forms of work organisation, in line with that tradition, and in an effort to temper the negative effects of globalisation. Flexicurity is also seen as a way to modernise the ESM in the face of new challenges. Trade unions are encouraged to support the policy of flexicurity, which is presented as standing in marked contrast to US-type neo-liberalism.

2.4 It is nevertheless important to highlight the fact that the attractiveness of flexicurity as a policy option is not always equally strong for all the social partners, and the latter in fact do not necessarily share the same understanding of ‘flexibility’ and its benefits. While employers
see flexibility as a way of increasing their competitiveness, worker movements tend to also see it as a new form of social risk, even if, as noted earlier, employees can benefit from flexibility in employment contracts, such as in having better opportunities to manage a work-life balance. The response by social partners in the different EU member states has been varied. Austria, Denmark, Finland, the Netherlands, and Sweden have supported flexicurity – with Austria, for instance, creating a severance pay fund, which is transferable and not linked to only one employer. Belgium, France, Germany and all southern European countries have been more cautious, while Ireland and the UK have tended to opt for US-style flexibility rather than for flexicurity. Such caution or outright rejection is due to a range of different reasons, including: [a] the costs that are incurred to guarantee employment security – costs that can only be met by high levels of taxation and such forms of ‘redistributive solidarity’; [b] the historical balance of power between the social partners, which can undermine the trust and co-operation that is needed to avoid exploitative scenarios; and [c] the nature of the labour market, and the extent to which those with atypical work contracts (e.g. part-time, temporary, work on call) are exposed to ‘precarity’ (a term that is increasingly used in the context of intermittent employment leading to a precarious existence without predictability or security, a state that can seriously affect one’s material and psychological well-being).

2.5 There is some evidence that the cluster of 5 flexicurity countries performed better than the 10 non-flexicurity countries on several economic indicators before the recent global financial crisis, leading to strong incentives to re-think the balance between the employment and social protection policies in the latter group, even though causality is difficult to establish. In 2005, the highest employment rates were to be found in Denmark and the Netherlands, leading the Commission as well as other observers to see a connection between flexicurity and a key indicator of successful economic performance. However, if one considers the full economic cycle and integrates data from 2008 and 2009, the picture changes, suggesting that countries that adopted stricter employment protection together with protected internal adjustment have done better than flexicurity countries that adopted looser employment protection together with protected external adjustment. During the recent crisis, some flexicurity countries have experienced worse unemployment increases than non-flexicurity countries.

3 What are some of the issues and debates around flexicurity?

3.1 While some of the less radical trade unions have been cautiously open to the notion of flexicurity, the crisis has increased fears that flexibility becomes the monopoly of employers, and that flexicurity becomes in fact nothing but flexibility in disguise. The European Trade Union Council (ETUC) expressed concerns that flexicurity would become ‘flexploitation’, with inappropriate trade-offs between flexibility and security, leading to an erosion of workers’ rights. As the crisis deepens, so do labour movement concerns, with enthusiasm for the concept being expressed by employers in the main. This in turn feeds suspicions among militant unionists, concerned about capital’s ingenuity in drawing benefit from economic crises.

3.2 These suspicions are also rooted in concerns about the way flexicurity feeds into the European Commission’s preference for ‘competitive’ and ‘productive’ solidarity (through politics – not against markets, but within and with them) rather than ‘redistributive’ solidarity (protec-
tion and redistribution of resources through taxation and welfare). Labour movements tend to challenge the Commission, which is seen to promote a style of flexicurity that accommodates capital, where increased flexibility is not matched by increased security.

3.3 There is also a concern that the ‘security’ that is on offer is of the ‘new’ type: the ‘old’ security was about protection against risk; the ‘new’ security is about developing the capacity to adapt to change. Another way of saying this is that there is a slide towards an emphasis on employability security rather than on employment security. The Commission presents the former as a ‘new’ form of security, which is understood not as protection against risk as much as the capacity to adapt to change by means of constant learning. In contrast, employment security refers to a situation of ‘internal flexibility’, where workers are protected from redundancy through redeployment to other work with their current employer (hence ‘employment’ rather than ‘job’ security). Employability security raises concerns for trade unions, who want to defend employment, not the more vague potentiality of holding jobs in the economy. Compared to ‘old-style’ job protection and income security, the benefits accruing from the ‘new’ security based on lifelong learning are somewhat intangible, for while the better qualified are indeed less likely to be unemployed, more education and training do not necessarily provide any guarantees to individuals.

3.4 Those representing workers’ rights also tend to highlight the dangers of the creation – or reinforcement – of a dual labour market, with a core of workers on permanent contracts (hence enjoying security and strong protection from dismissal), which encourages employers to make increasing use of atypical workers in order to increase their flexibility. As a result, security is concentrated in one section of the labour market, and flexibility in another section (‘flexibility at the margin’) – reinforcing the differences between those with permanent and non-permanent employment status, with some speaking of the dangers of ‘flexicurity traps’ that result in more in-work poverty. There are serious implications here for women, and for ethnic and minority groups.

3.5 Flexicurity has also been criticised for being ‘gender blind’ as a model and a policy concept. While, as noted earlier, flexibility with security can be attractive to employees, opening up opportunities to reconcile work and family life, it is also true that it does not attend directly to several inequality issues. There are in fact gender-based inequalities associated with flexible working and in shaping flexible working patterns, where it is often women who have to reconcile care commitments with work demands, and to bear the consequences of extended working hours or unsocial work schedules.

4 What are the policy implications of flexicurity for career guidance?

4.1 A consideration of the implications of flexicurity for career guidance in part overlaps with the broader discussion about the impact of globalisation and the changing nature of work in the ‘new economy’. Several of these discussions are relevant, including the consideration of the way career paths are dynamically ‘constructed’ rather than ‘chosen’ with any degree of finality; the fact that, consequently, one invests in fitting work into one’s life, rather than fitting oneself into a ‘job’; and that lifelong career development requires the ability to manage a series of transitions, within and between different forms of employment contracts (full-time, part-time, temporary), education and training, as well
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as outside the labour market, either as unemployed, or in pursuit of other interests. Some of the terms that have been generated with the guidance research community that are relevant to a discussion of flexicurity include ‘portfolio’, ‘boundaryless’ and ‘protean’ careers, ‘life projects’, ‘career self-management’ and ‘career management skills’. Strategically, however, and particularly in view of the appeal of flexicurity with European policy makers, it is important for the ELGPN to ‘insert’ career guidance in the flexicurity policy discourse, and to articulate the field’s important insights and concerns within that discourse.

4.2 Normative considerations: The notion of flexicurity frames the discussion of careers and of career guidance in particular ways. It is important therefore to consider whether the frame or lens that flexicurity assumes is compatible with fundamental values underpinning the career guidance profession, and with the relationship that career guidance workers – whether policy developers, service providers, or researchers – would like to have with those we serve. Notions of flexicurity tend to represent competitive ‘globalisation’ and its impact on the new economy as inevitable, and to imply that the best citizens can do is to adapt to the new reality. Flexicurity, as we have seen, tends to redefine the notion of ‘security’ in particular ways, shifting the focus away from notions of redistributive solidarity towards an emphasis on the ‘responsibilisation’ of individuals whose enjoyment of security is not guaranteed qua citizens, but in terms of their willingness to internalise a set of dispositions, including that of adapting to change. This change – i.e. the changing of jobs within the same employment sector; the change of employment sector; the change from full-time to part-time work, or from indeterminate to time-bound employment contract; the change from work to study, training, or an extended leisure periods – is, within the flexicurity discourse, often presented as enabling and life-enhancing, an antidote to the tiresome routine and predictability of a one-track life... and indeed it may very well be when freely chosen. It may be, however, that such change may be experienced as a non-negotiable requirement by the ‘realities’ of the new economy, resulting in all sorts of hardships.

4.3 Flexicurity in specific contexts: Within the context of Europe-wide discussions, it is important to keep in mind that the trade-off between flexibility and security is bound to work in different ways in relation to different national and regional contexts, and to different groups and categories of people, so that any consideration of career guidance and its interplay with flexicurity cannot be generalised in an abstract, de-territorialised and depersonalised way. Flexicurity can only operate effectively within social policy regimes that inspire trust on the part of citizens, who accept job insecurity in return for security of livelihood. Within that context, where social spending on support of the out-of-work or of those on the margins of gainful employment is sufficiently generous, career guidance can be seen as a complementary social measure, delivered in an overall environment that is enabling rather than coercive. It bears keeping in mind, however, that there are diverse welfare regimes across Europe, each with its own way of managing the tensions between capital and labour. The concept of flexicurity will inevitably play itself out differently in these different contexts, with consequences for the roles that career guidance can play.

4.4 Flexicurity and guidance as an entitlement: Flexicurity requires that lifelong learning becomes part of contractual obligations within individual contracts of employment, with the responsibility for continued training often being shared,
in varying ways and to varying degrees, by the employer, and by the state, as well as by the individual. This, in a way, constitutes a new social contract, whereby job insecurity is tolerated on condition that the employability of the individual is enhanced through employer and state investment in education and training. This opens up an important formal space for citizens to also make a claim for the provision of career guidance services, when and where needed, as an entitlement. Security is meant to make mobility more acceptable to workers, in a situation where transitions between different jobs and different labour market statuses (employed, unemployed, and inactive) are likely to become more frequent. The role of information, advice and guidance, as well as the right to all three, are inextricable from the notion of ‘security’, to which they contribute.

4.5 Life-course perspectives: Life-course approaches to career guidance are of particular relevance within the context of discussions of the flexicurity concept. Employers might require employees to be more flexible at particular phases during the business cycle, or during economic downturns or upswings. Conversely, some classes of employees might be more keen or willing to reduce, increase, or change their engagement with work and with other life activities during specific phases of their life, such as when they become parents, or when their children have left home, or when they feel the need (and can afford) to invest more in leisure pursuits, for instance. Within a life-course perspective, therefore, different needs at different phases of the life course may result in a variety of career trajectories, with fluctuations in the volume of working hours or with career breaks. Within a regime of flexicurity, one can expect more frequent changes and transitions over the life course, whether freely chosen or induced. Guidance can smooth these transitions, and help deal more effectively with ‘new social risks’. Career guidance has an important role to play in supporting citizens not only in managing transitions, but also in maintaining openness to change lifelong. Career guidance services delivered from within a life-course perspective would need to draw on an arsenal of relevant tools, and bring them from the periphery to the heart of guidance. Chief among these would be the Accreditation of Prior (and Experiential) Learning, in ways that ensure progress and purpose in career planning.

4.6 Social location of citizens: Flexicurity does not play itself out in the same way with people in different occupational categories: some groups of workers (e.g. women, youth, the low-skilled) are often more vulnerable than others in a segmented labour market, and a case could be made that a generic emphasis on employment flexibility, when seen in relation to categories of workers who suffer multiple forms of livelihood insecurities, is less likely to get the balance between flexibility and security right. Career guidance policy, therefore, needs to be alert to, and to mobilise resources in favour of, those who are most likely to suffer precarity, and the vulnerability ensuing from ‘new social risks’. It also needs to be aware of the interplay between flexicurity and specific groups of workers, given that, as we have seen, women, for instance, are less likely to benefit from flexicurity arrangements unless a care system is added to the mainstream model. Migrant workers are also more likely to find themselves in situations where the balance between flexibility and security is dramatically tilted towards the former. The advocacy role of CG practitioners in such contexts becomes even more pronounced.

4.7 Flexicurity traps: The increased opportunities for flexible management of one’s engagement with employment can generate new challenges
for individuals and groups, requiring career guidance to respond creatively by generating new forms of engagement with citizens. Some of these new challenges are captured by the term ‘flexicurity traps’. A case in point would be parents, for instance, who withdraw from full employment in order to devote themselves to child-rearing, but who then find it difficult to re-enter employment, for a whole host of reasons that include, among others, outdated skills, decreased self-confidence, lack of networks, and so on. Such ‘traps’ – which could involve young people who constantly move from one training path to another, without breaking into employment, or adults who scale down their work commitments and find it difficult to re-engage with it on a full-time basis later on – can evoke new career guidance responses, specifically tailored to cater for the consequences of new behaviour patterns that are encouraged by flexicurity arrangements.

4.8 The meaning of work: Aspects of flexicurity arrangements require a different engagement of individuals with the notion of ‘career’ – which etymologically signals the embarking on a ‘track’ that is both linear and cumulative in scope, and around which one constructs an identity/life project. Much of career guidance theory feeds into such notions of career development, and is informed by imageries related to stability, when contemporary life is often represented as a ‘universe of instability’. Career guidance is therefore increasingly challenged to reconceptualise a number of its founding principles and theories, an interdisciplinary endeavour that requires both intense conceptual work, and extensive empirical research. What does ‘self-efficacy’ mean in the context of flexicurity? Do individuals experience their protean careers within the context of flexicurity as enabling, or as a source of constant stress, despite the promise of security, limited as this may be by conditionalities? How much do individuals identify with – and invest themselves in – ‘jobs’ (as opposed to ‘careers’), when they know that both they and their work are, in many ways, ‘disposable’? Does the imperative of flexible utilisation of labour power intensify the trend to design work tasks in ways that deskill people, given that constant turnover and short-term contracting make intensive training unviable? What implications does this have on career guidance, rooted as it is in notions of Homo Faber, whereby ‘self’ finds its most fulfilling expression through work?


**FLEXICURITY** seeks to reconcile flexibility for employers with security for individuals. This concept note, commissioned by ELGPN, outlines the concept, examines why it is increasingly attractive to policy-makers across Europe, and explores some of the issues and debates related to the concept. It also analyses in detail the policy implications of flexicurity for lifelong guidance.

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