Social Quality and the Policy Domain of Employment
Joint Report

European Foundation on Social Quality

By Dr. D. Gordon
Drs. J. Hamilton
Dr. T. Korver
Dr. L.J.G. van der Maesen
Dr. M. Threlfall
Dr. R. Vlek
Prof.dr. G. Vobruba

VS/ 2000/ 0777

Amsterdam, 29 April 2002
Contents

Introduction 4

1.1 Background
1.2 Partnership for a new organisation
1.3 Application
1.4 Objectives
1.5 The project’s specific rationale
1.6 Work method and methodology
1.7 Content of the report

Chapter 2: Social Quality, Employment and its Flexicurity 13

2.1 Introduction
2.2 The nature of the Social Quality Initiative
2.3 The project’s main purpose
2.4 The preliminary outcomes of the Network Indicators Social Quality
2.5 The Social Policy Agenda and the Diamantopoulou triangle
2.6 The Project’s indicators for measuring flexicurity

Chapter 3: Employment Relations and Social Quality 31

3.1 Introduction
3.2 Indicators of Employment Relations and Social Quality in Europe
3.3 Type of Contract
3.4 Temporary Employment
3.5 Unemployment Dynamics
3.6 Accidents at Work
3.7 Other Indicators of the Quality of Employment Relations
3.8 Conclusion

Chapter 4: Working Time in Europe 44

4.1 Introduction
4.2 Working hours in Europe
4.3 Flexible work patterns in Europe
4.4 Adaptability compared. Degrees of flexicurity
Introduction

1.1 Background

In 1997 during the Dutch Presidency, the social quality initiative, i.e. the European Foundation on Social Quality, was launched to develop a new approach to understanding the daily circumstances of citizens in Europe. One of the main driving forces behind this initiative was the need to integrate social and economic policies. By reassessing the concept of ‘the social’ the Foundation tries to contribute to new visions about how to approach coming (European) challenges with regard to economic policies, ecological questions, growing inequalities and far-reaching demographic changes. Social quality is defined as ‘the extent to which people are able to participate in the social and economic life of their communities under conditions that enhance their well-being and individual potential’. It is intended that social quality will be both a measuring rod for policymakers and a means to enable citizens to engage more closely in governance.

This project addresses the policy field of employment from the social quality perspective. A first step to studying this field has been made in a special issue of the European Journal of Social Quality.

Special attention was drawn to employment, as it can be considered as one of the most important policy issues in contemporary societies and also one of the key determinants of social quality. As Alan Walker put it in his introduction: ‘European welfare states were founded on the assumption of ‘full’ employment. Therefore unemployment has a critical bearing on welfare states and their sustainability (...). Employment is, equally obviously, crucial to the social quality of people’s lives. There is a clear link between employment and inclusion and, conversely, unemployment and exclusion.’ Thus social policy does not only serve the interests of the economy, but needs a rationale on its own, one that focuses, for example, on the quality of employment in addition to its quantity. ‘The central issue for European welfare states should be the impact of employment on the quality of people’s lives.’

Unemployment is still huge in Europe, and its distribution is tilted, to the advantage of some, to the disadvantage of many. Moreover, the near completion of monetary union has serious implications for national labour markets, and social security and welfare systems. As it is, the major part of the burdens to adjust to the economic tides has been shifted to these systems. Under the discipline of a central European currency national measures (currency exchange rates, manipulation of the rate of

---

interest, national debt, financial initiatives to boost effective demand) have either disappeared or been restricted in scale and scope. On the other hand, the option of policy competition in the field of labour, welfare and social security is far from chimerical. How attractive that option will be is an empirical question. In the past few years the economic tide has been favourable, so the real test for policy competition may yet come. Policy coordination, however, is the official creed of the Union. Apparently, employment must be integrated in the grand scheme of constructing a competitive Europe, in such a manner that wages, hours and conditions will serve that objective instead of dividing it. Whatever will prevail, competition or coordination, the debate on the issue can only be furthered if internationally comparable data on employment systems are construed, collected, compared and judged. These data, following the European guidelines, must include data on what is called ‘adaptability’. In this research we have chosen to focus on adaptability for several reasons. These will be further elaborated in Chapter 2. In Chapter 7 this is put in the wider context of European processes and policies. Yet, to introduce the topic I will already lift a corner of the veil.

1.2 Partnership for a New Organisation

The critical relationship is between labour standards and labour costs. In Europe the plea for common labour standards has traditionally been motivated by the fear of social dumping. Examination of this relationship, nevertheless, discloses that high labour standards need not be a competitive disadvantage at all. Considerations on compensation for the weaker countries figured prominently in the passing of the 1989 Framework Directive on working conditions. It is difficult though to assess the contributions of the compensation offered to the weaker countries and the ‘contribution’ of the expected softness in the monitoring of the obligations emanating from the Directive. The issue we are interested in here, however, is clear: the establishment of high standards is in itself a competitive advantage for the stronger countries. And this implies that other aspects of labour standards (minimum wages, hours, combining flexibility in employment contracts with social security) will become European only if it serves the competitive interests of the stronger countries. The Directive, then, is based on the notion that high standards and competitive advantage can go together and it takes the highest level of standards (in the case of health and safety those of Sweden, followed by Denmark and the Netherlands) to set the tone of further developments and demands.

The theoretical antecedents of the subject of adaptability are –in the European context- sketched in the Green Paper ‘Partnership for a new organisation of work’. In the paper work organisation is defined as the way in which the production of goods and services is organized at the workplace. A

---

6 The concept of a Europe of ‘variable geometries’ is an example: where the interests of the stronger countries coincide, and the weaker cannot be cajoled into compliance of one sort or another or are simply not needed, blocs within the Union may form.
7 Working conditions are a fine example of social quality as a productive factor.
8 European Commission 1997
new work organisation is defined as ‘the replacement of hierarchical and rigid structures by more innovative and flexible structures based on high skill, high trust and increased involvement of employees’. The reliance on the firm does not imply that policy makers should remain aloof from the subject. On the contrary: policy makers are to ‘develop or adapt policies which support, rather than hinder, fundamental organisational renewal and (...) to strike a productive balance between the interests of business and the interests of workers, thereby facilitating the modernisation of working life. An essential objective is to achieve such a balance between flexibility and security throughout Europe’. The balance of flexibility and security, then, is at the ‘heart of the partnership for a new organisation of work’.

1.3 Application

It is against this background that the European Foundation made its application to the European Commission in September 2000. The main objective of the proposed research project was to confront the policy field of employment with the social quality approach. By generating up-to-date analyses of the national employment situation in eight Member States and one candidate Member State, new light could be shed on European policies and debates in this policy field. To this purpose intensive co-operation has been established with experts on this topic in the respective nine countries. The main thrust of the proposal concerned the so-called ‘adaptability’ pillar of the European employment objectives. Adaptability (or ‘modernisation of the work organisation’) is the underdeveloped pillar among the four (the other three being employability, entrepreneurship and equal opportunity) that is bent to the role of the employing organisations. The other three, that is, focus mainly on enhancing the supply of labour, while adaptability takes the organisation of work as its central focus. Adaptability is the concept denoting the realisation of labour market participation. The social quality of employment, then, does not stop at the threshold of the work organisation but extends to its core.

As Threlfall puts it, ‘one of the characteristics of the Social Quality approach is its interdisciplinary methodology, adopted so as to be able to give a multi-faceted, holistic picture of socio-economic relations in the world of work.’ Freed from the confines of strict disciplinary boundaries between labour economics, industrial relations, sociology of work and gender relations, the Social Quality approach enables a focus on the experience of individual and group actors in their relations to ‘work’ and the broader question of how individuals earn their living through activity of some kind.’

She continues, ‘Consistent with this, the Social Quality approach is able to identify the limitations of policies that are constructed purely around the employment contract in a labour and product market of

---

10 More attention will be drawn to the Social Quality approach in Chapter 2, where we explain what we exactly mean with social quality by exploring the social quality-quadrant and its methodology.
buyers and sellers. This is because such policies isolate themselves from, broadly speaking, two crucial spheres of human activity: both the wider, non-money, economy of production for use; and also the economy of care work. Policies focused exclusively on markets carry with them the potential to see individuals only as instruments – mere resources - in processes of capital investment and production, detached from their social relations and from the personal interactions taking place in households and families. Yet the ‘human resources’ of the ‘labour force’ do in fact emerge from, and are embedded in, the micro-organisations of household and family, which constitute their bedrock. A revisioning of this ‘labour force’ and of the way it functions in the employment relationship allows us to perceive the labour force differently – no longer narrowly as a collection of free agents operating in a market of buyers and sellers, but as dependants of the non-money (unaccounted) sphere of activity and of the sphere of inter-personal care-giving. Such linkages and interconnectedness cannot, in the long run, be overlooked in a holistic vision such as that which the Social Quality approach advocates.’

1.4 Objectives

The main objective of this project was to develop and apply the concept of ‘adaptability’ to Europe’s labour markets and especially assess the tension between flexibility in working time, on the one hand, and employment security on the other hand. The second objective of the project was to expose how employment affects the social quality of the daily circumstances of citizens (see chapter 2). This, in the third place, would help interpreting past and present policies at the national and European level. Moreover, fourthly, the chosen perspective of dealing holistically with paid and unpaid work in an integrated manner would take new trends in women’s work and in the hitherto unrecognised forms of labour - broadly called care work - into account.

Under the open co-ordination method the Member States of the EU are supposed to report on the progress they make concerning the realisation of the objectives under the ‘pillars’ on a yearly basis. For the years 1998, 1999 and 2000 we have, therefore, national reports, as well as their consolidation into this Joint Employment Report, prepared and distributed by the European Commission. The general preference in Europe is to present the data on the progress made in a quantifiable form to identify best practices and to visualise the position of the Member States relative to best practices. This, in our understanding, points at the core of the application and therefore the core of our research project. With this comparative research the project will (1) contribute to the decline of the existing fragmentation in employment policies. Furthermore, it will (2) contribute to the development of comparability of the research with which to address the question of adaptability as one of the pillars of the employment policies. It will stimulate the development of (3) adequate classifications – quantitative as well as qualitative – that reflect the impact of institutions in this policy field on the quality of life of citizens and their chances for new forms of labour and employment, and participation in political...
systems. Finally, it will (4) contribute to modern forms of communication between scientists from different disciplines all over Europe in order to stimulate a new consistent and coherent conceptual scheme with regard to one of the main pillars of the EU's employment policies.

The research project will do so by addressing the following two main questions:

1. Do national and European employment policies stimulate a new adjustment of the supply and the demand side to increase labour market participation?
2. Do employment policies enable citizens to participate in the social and economic life of their communities under conditions that enhance their well-being and individual potential?

1.5 The project’s specific rationale

In this project a specific rationale has been chosen. This is pointed out extensively in Threlfall’s article in the European Journal of Social Quality. Its logic is explained in the Foundation’s second book as well. The whole edifice of society and the functioning of the economy rests not only on remunerated work but also on unpaid labour, more often termed care work. All households need regular maintenance work and all people need emotional care. All this is socially necessary work.

Traditionally care work has been undertaken outside the labour market and outside institutional settings such as health care services, being performed in the household and by women. These women (sometimes men) have not been remunerated for this care work and have ‘earned’ their living through dependency on a market income earner (breadwinner), usual a male. Care work has had no official recognition, not being counted in GDP, not eligible for social security benefits, or counting towards a pension: it has been performed in the private sphere of the household. It should be stressed that such unpaid work is of considerable economic value in so far as if it were not performed on an unpaid basis, someone would need to be employed to carry it out and be paid.

In the post war era women’s growing participation in the labour market has put increasing strains on the performance of such care work as women develop a variety of ways to try to combine earning a living from employment while continuing to perform most of the necessary care work. This has highlighted the fundamental inequity inherent in the way men are able to have a family without it interfering with their jobs, careers or earnings, whereas for women the cost of having children in foregone earnings and loss of promotion prospects is very extensive. The challenge of the European social model is to face up to this fundamental inequity. It is society’s collective responsibility to alter the imbalance in traditional social arrangements and to organise the sharing out of care work as well as its adequate remuneration and fiscal and social recognition.

In the absence of what has been termed ‘social citizenship’ for women and carers generally, some carers currently attempt to reconcile the contradiction they are caught up in by engaging only in part-time work (while others bear the strain of both full-time paid labour and care work). This form of employment is now increasingly popular with employers as well as those with care responsibilities and is growing faster than full-time employment. This raises a fundamental issue: remuneration from part-time work is, by definition, insufficient for a person to live on, since normally only if a person devotes all their working time to the same job do they earn a ‘living wage’ supposed to be sufficient to keep them. The EU has also responded to the challenge posed by this gendered contradiction surrounding necessary yet unrecognised care work. This project may especially contribute questions and policies related to this issue.

The project is putting forward a proposal for new indicators that would express an inclusive approach to the population’s economic inclusion by representing it as a spectrum of activities ranging from study, to unpaid work to minor, part-time and full-time employment as well as jobseeking. For even if the economic and fiscal recognition of unpaid work were very problematic, its representation in statistics at the level we propose, is far less difficult. It is fairly simple to make care work visible without having to address the complicated matter of how to recompense/remunerate it.

1.6 Work method and methodology

1.6.1 Preparation

As pointed out earlier, the fourth issue of the European Journal of Social Quality delivered essential background information for the project. In this issue key themes of this policy field have been presented in connection with the social quality approach. For example, the issue of the consequences of economic transformation (industrial production relations to technological based informational relations) and social transformation (the entrance of women in the labour market). These will challenge the diversity of welfare arrangements and policies in the Member States of the European Union. Nevertheless, the deliverables of this thematic issue have not yet been confronted with the results of this project (to be found in Chapter 7 and 8). The question is whether these results will shed new light on the insights as produced in the Journal. This however was not in the scope of this research project, yet delivers interesting material for a new task in the near future. Also the recently

---


13 The production of this thematic issue has especially been supported by the Department of European Studies of Kingston University, London, with substantial and editorial input.
published second book of the Foundation, *Social Quality: A Vision of Europe*, has delivered important theoretical points of departure for exploring the impact of technology, social and economic changes on local and sectoral labour markets and, especially, the participation of citizens in the labour force.

1.6.2 Flexicurity and its indicators

In this research project we have made *four essential steps* to finally come to this Joint Report. *First*, we made a choice of the most crucial policy target inside the adaptability-pillar concerning the social quality approach. This choice was based on two working papers in preparation of the first meeting of the project’s participants. During this meeting it was decided to focus on ‘flexicurity’ as a balance between flexibility and security. Flexicurity denotes both the demand and the supply side of the labour market. On the demand side flexicurity is all about the possibilities for fine-tuning the deployment of personnel to the organisational exigencies at hand. That, certainly, does not preclude longer term considerations, yet it does point to the advantages organisations can gain if they are enabled to balance the demand for their products with their demand for personnel services. The demand for labour, in the end, is derived demand and the possibilities for flexibility in the conditions of the employment relationship expresses this state of affairs. The flexibility involved can be both numerical (adapting numbers and hours) and functional (adapting skills and competencies), and it can be realised internally (adapting the length of the workweek through overtime for example, or by shifting people around over teams, departments and/or establishments), and it can be realised by externally adaptation, for example by hiring the services of a temporary work agency.

On the supply side, all of these events may match with employee preferences and, again, they may not. In both instances, however, flexibility requires security: in terms of employability, social and income security, and the work-life balance. In some of the chapters and in the country reports we address several of the issues concerned, in particular those on working time, on the type of employment relationship, on income, and on the provisions available for balancing work and care. Without an acceptable balance, the ‘inclusion’ of citizens or workers in the labour market will deliver huge problems. Inclusion is one of the objective conditional factors of social quality. Therefore, the unbalance will diminish social quality.

*Second*, we formulated in co-operation with the participants in an iterated search process indicators to measure the nature of flexicurity. These regard the four issues mentioned above already: (i) income security, (ii) employment relations, (iii) working time and (iv) forms of leave. *Third*, we gathered

---

16 For further exploration of this choice see Chapters 2 and 7.
European based data on these four indicators. The participants applied these data as well as national data in order to start the exploration of the four indicators of flexicurity in the different Member States. Based on these rudimentary choices the participants wrote a first draft national report. These were presented during the second project meeting and delivered the discussion material for making final decisions. As the draft national reports showed the relevance or relative importance for measuring flexicurity of several variables more than others, a couple were left out for further analysis. The final list of variables is presented in Annex 1. The countries covered in this research project are: Belgium, Denmark, Finland, Germany, Hungary, The Netherlands, Portugal, Spain and the United Kingdom. These countries have been selected to provide a dynamic insight into the variety of possible balances between flexibility and security and their reflection on the national employment situation.

The outcomes are presented in the final national reports.\textsuperscript{17} All indicators are addressed and presented in such a way, that we will be enabled to articulate recent tendencies with regard to flexicurity in order to make conclusions about the consequences for inclusion as one of the four objective conditional factors of social quality. To this purpose, we also applied a fourth step in which we aggregated the results of the national reports. Four participants compared and analysed the outcomes of the analyses on each of the four indicators. These comparisons are presented in Chapters 3 through to 6. Furthermore, a few participants analysed the outcomes from the point of view of social quality. This will be presented in the final chapter Conclusions. Finally, one participant\textsuperscript{18} published guidelines to cope with the problems of comparability of statistics and other methodological questions. Another participant\textsuperscript{19} contributed on the gender question. The latter two contributions can be found in Annex 1 of this report.

1.6.3 Added Value

For three reasons this project can be seen as an exploration. First, data about indicators of flexicurity at European level are not complete and national data lack enough quality for comparability.\textsuperscript{20} Indeed, we have to speak about ‘exploration’, because we opened a new type of analysis. Thanks to the co-operation with the Dublin Foundation on the Improving of Working and Living Conditions, the outcomes of this exploration may pave the way for developing comparable data on national level for creating a European perspective.\textsuperscript{21} Second, the confrontation with the new theory about social quality is completely new. The participants made the first efforts of this theoretical experience as first experts.

\textsuperscript{17} As these will deliver material for or will be published in another special issue of the European Journal of Social Quality, the editorial team at Kingston University has supported in thinking about the nature of the drafts.


\textsuperscript{19} M. Threlfall, University of Loughborough, see note 9.

\textsuperscript{20} This question is addressed by David Gordon, see note 17.

\textsuperscript{21} The Dublin Foundation and the Amsterdam Foundation are discussing forms of co-operation in the near future. The Dublin Foundation disposes of means to develop research for data. The outcomes of this exploration may pave the way for plans in order to elaborate this first exploration.
More or less one year later, the European Foundation on Social Quality started its network \textit{Indicators Social Quality}, thanks to the support by DG-X11 of the European Commission.\textsuperscript{22} The outcomes of this theoretical based confrontation are - in logical sense - tentative; it is pioneering work. The Network Indicators will accept the results in order to make new steps with regard to the application of the social quality theory for policy-making processes. \textit{Third}, the specific rationale, the gender question, encounters problems because of the powerful existing hidden propositions with regard to the position of men and women in the labour market we referred to. This focus concerns a double challenge. The first challenge concerns the connection with the social quality approach in order to address the monetarist recipe. The second challenge concerns the uncovering of data, expressing real tendencies in the four indicators, seen from the perspective of gender. These data are relatively underdeveloped.

1.7 Content of the Report

To resume what has been explicated already above, an overview will be given of what can be expected in this Joint Project Report. In \textit{Chapter 2} both the social quality initiative and concept will be further introduced. With a short introduction to the concept, the connection can be made to European employment policies and especially the adaptability pillar. The analytical focus will be on flexicurity, which we have measured on four indicators: (1) employment relations, (2) working time, (3) income security, and (4) forms of care and leave. A comparison between the nine countries involved in this study on each of the indicators can be found in separate chapters. \textit{Chapter 3} will deal with the topic of employment relations. \textit{Chapter 4} will present a comparison on the issue of working time. In \textit{Chapter 5} the indicator income security is dealt with. The final comparison, on forms of care and leave, can be found in \textit{Chapter 6}. Then, in \textit{Chapter 7}, the research in general and the results of these comparisons in particular are put in a wider European policy context. So that in \textit{Chapter 8} the results can be presented all together and general remarks can be made about the meaning of these results. These concluding remarks will deliver recommendations and will sketch what road is still ahead of us in research and policy terms. Finally, there are two annexes attached to this Joint Report. The first one consisting of three documents that assisted the research process by tackling substantial or methodological issues. The second annex presents all nine national reports.

\textsuperscript{22} DG-X11 of the EC accepted the foundation's application of June 2000. The Network of 16 scientists from 16 expert-centers in Europe started its work in October 2001.
Chapter 2: Social Quality, Employment and its Flexicurity

2.1 Introduction

2.1.1 Two challenges

The main task of this Chapter is to introduce the social quality initiative and to connect its recent outcomes with aspects of employment policies. This initiative was launched during the Dutch Presidency in 1997 in order to start an academic movement for the new approach of the daily circumstances of citizens in Europe, the Member States, regions, cities and communities. The idea of social quality originated from the conflict between economic policy and social policy and, specifically, the subordination of the latter to the former and the absence of a distinct rationale for social policies.

The Foundation published two studies with which to elaborate this initiative. As will be explained in this Chapter the four objective conditional factors or components of social quality are: (i) socio-economic security, (ii) cohesion, (iii) inclusion and (iv) empowerment. In October 2001 a ‘Network Indicators of Social Quality’ started its work for the coming three years. Sixteen expert centres from sixteen Member States and two candidate Member States will develop indicators in order to develop the applicability of the actual social quality theory as well as elaborating this theory, thanks to the empirical outcomes of this application. The participants will create sixteen national reference groups in order to pave the way for the reciprocity between the outcomes of the application on national level (see these groups) and European level (see the Network). At the moment the Foundation is discussing with the Dublin Foundation for the Improvement of Working and Living Conditions for the creation of data with which to underpin the work of the Network.

As explained in Chapter 1, thanks to the support of DG-V of the European Commission, the Foundation started its Project ‘Employment Policies and Social Quality’ in February 2001. The Projects participants had to begin their work before the start of the Network. In January 2002 the first outcomes of the Network could be taken on board. This means, the outcomes of this Project on ‘employment and social quality’ should be appreciated as the results of its pioneering work. There are two reasons. First, it started before the activities of the Network. Second, it tried to explore a difficult dimension of the social quality initiative. This second point should be explained. As said above, the Network decided to develop indicators with regard to the four components of social quality. The Project is invited to confront outcomes of employment policies with the objective conditional factors of social quality, its four components. The difference can be illustrated as follows:

---

23 This project is financially supported by DG-X11 of the European Commission. It accepted the Foundation’s application: Indicators Social Quality; Proposal to DG-X11 of the European Commission. Amsterdam: EFSQ, June 2000.
24 It concerns the conclusion that indicators are one of the three instruments with which to measure social quality.
The Project had to start with information about studies concerning employment policies, made in the context of especially the European Commission. Therefore, its point of departure is policy processes and not social quality. The main challenge was how to come from – in this case – employment policies to interpretations of their impact on one or more objective conditional factors of social quality. Instead of using the Networks conclusions about indicators of the four components, the Project had to open pathways for these interpretations on its own iterative search process.
2.1.2 The Projects main focus and the content of this chapter

As a consequence of the above mentioned reasons the conclusions will be rather tentative. Nevertheless they may be of interest in order to contribute to the European Commission’s challenge how to translate its key aim, formulated during the Lisbon Summit in 2000. It should develop the European Union as the most competitive and dynamic knowledge-based economy with which to stimulate cohesion as well.25 It will also deliver interesting points of departure for the Network. As we will see it starts the development of indicators for measuring a specific aspect of employment policies, relevant for the social quality approach. Finally, these conclusions will deliver new ideas how to interpret the impact of policy-making processes on the objective conditional factors of social quality. This question will be put forward in Chapter 8. Because of the pioneering nature of the start, the Project had to make two restrictions. It decided to focus on adaptability as one of the four pillars of employment policies. It concerns the modernising of the work organisation and it encompasses aspects of production systems and employment relations. Especially in Chapter 7 we will extensively introduce this topic. Furthermore, it decided to focus on especially inclusion as one of the four objective conditional factors of social quality. With this in mind, the central question is which aspects of employment policies concern the nature of inclusion especially in the labour market? The Projects participants concluded, that especially flexicurity as one of the domains of adaptability connects it – and thus employment policies – with the objective conditional factors of social quality.

Flexicurity regards the combination of secure and flexible employment in a lifetime perspective and may be appreciated, then, as the heart of the partnership for a new organisation of work. Policy initiatives are to focus on promoting precisely this balance. As we will demonstrate in Chapter 7, flexicurity is a highly contested and potentially problematic concept. Nevertheless in Chapter 5 we will argue, that from academic side the supposed contradiction between flexibility and security could be rejected thanks to the acknowledgement, that labour is not a mere commodity. Flexicurity denotes both the demand and the supply side of the labour market. On the demand side flexicurity is all about the possibilities for fine-tuning the employment of personnel to the organisational exigencies at hand. On the supply side all herewith-related questions may match with employee preferences. In both instances, however, flexibility requires security: in terms of employability, social and income security, and the work-life balance. This is because labour is not a mere commodity.

The subject matter of the component of inclusion is citizenship, which was emphatically introduced into the European debate by the Comité des Sages in 1996. Citizenship refers to the possibility of participation in economic, political, social and cultural systems and institutions. Participating in public affairs has three dimensions. First, there is the possibility to articulate and defend specific interests

(material aspects). Second, the assurance that the private and public autonomy of citizens are
guaranteed (procedural aspect). Thirdly, it refers to voluntary participation (personal aspect). Modern
democratic societies do not need more powerful leadership but real opportunities for citizens to
address their circumstances, to develop their own visions, to enable themselves to contribute to an
equitable and fair society. The logic of inclusion in the context of modern differentiated societies is
fundamentally different from the logic of social structures such as families, households and
associations. The individual subject is forced to react in a multi-inclusive way. Participation in public
affairs assumes participation in different functionally determined subsystems without a common
medium and without links. The integration of sometimes-contradictory perspectives, logic,
antagonisms and orientations is in the performance of the individual subject.

In this chapter we will focus on the social quality approach in order to present the context of inclusion
as one of the objective conditional factors of social quality. In the following chapters the theme of
flexicurity and its indicators is emphasised. In Chapter 8, namely the Conclusions, the connection
between employment and social quality will put forward. For explaining the social quality initiative we
will start this chapter with (i) some characteristics of the social quality initiative. Then we will explain (ii)
the Projects main purpose, related with the above-mentioned restriction. We will follow with the
presentation (iii) of the first outcomes of the Network which are relevant for the understanding of the
outcomes of this Project. In the five following chapters we will refer to these outcomes based on the
final National Reports as well. After that we will refer to (iv) the debate about the so-called
‘Diamantopoulou triangle’ as one of the Projects most interesting points of departure. We will finish
this chapter with (v) the decisions of the Projects participants with regard to the national explorations.
These decisions are made during two plenary meetings of the Project, in June 2001 and in January
2002 and applied during the preparation of the National Reports.

2.2 The nature of the social quality initiative

2.2.1 The launch of the initiative

As said, this initiative was launched during the Dutch Presidency in 1997. At that moment the concept
was intended to provide both a rationale for social policies and a standard by which we might measure
the extent to which the quality of the daily lives of citizens have attained an acceptable European level.
At the moment the concept intends to deliver points of departure for interdisciplinary approaches with
which to address economic policies, welfare policies, cultural policies, juridical policies from the same
point of view. This will pave the way for their reciprocities on theoretical level as well as on policy level.
The initiative, formally launched by the European Foundation on Social Quality, was based on the outcomes of three international meetings about economic and social transformations in Europe in the 1990s. Connections were made with participants of two European Observatories, on ‘Social Exclusion’ and ‘On Older People’. The Board of scientists from three Member States works together with its Scientific Council of academics from all Member States and three candidate Member States. In June 1997 the Foundation presented its first book, ‘The Social Quality of Europe’. At that time the European Union started a new phase concerning employment policies and it made new steps regarding the EU’s extension as well as the preparation of its future constitution. The essence of the Foundation’s first book concerns the thesis, that traditional approaches of policy making in Europe subordinates social policy (in the broader sense) to economic policy. It reflects a top-down form of governance, and cannot provide a secure basis on which to build either a socially just Europe or one that reflects the needs and preferences of citizens. The contributors of the first book sought, instead, a rational of social policy per se to replace the dominant ‘handmaiden’ paradigm. That independent rationale is social quality. The concept is intended to achieve three aims. First on a theoretical level; to stimulate reactions and debate and, hopefully, develop new analytical approaches to transcend the disciplinary fragmentation and the herewith-related unequal relationship between politics, economics, social policy and cultural policy. Second on an analytical level: to deliver a practical yardstick that can be used by researchers, policy makers and citizens in the EU for comparative research and to assess the impact of social, economic and cultural policies on social quality. Third on a policy level: to establish new autonomous benchmarks for policy-making and actions and interventions of organised citizens. It regards policy initiatives that have meaning and importance for different generations in Europe in order to move beyond the existing fragmentary approaches to the analysis of human, political, social and economic conditions and to create a comprehensive framework.

2.2.2 The definition of social quality

In the Foundation’s first book social quality is defined as ‘the extent to which people are able to participate in the social and economic life of their communities under conditions which enhance their well being and individual potential. In order to achieve an acceptable level of social quality four conditions must be fulfilled. They are accepted as the four components of social quality and presented in the first book’s quadrant of social quality:

- people have to have access to socio-economic security – whether from employment, social security, health care or other sources – in order to protect them from poverty and other forms of material as well as immaterial deprivation and to assure circumstances necessary for a dignified life,

people must experience *inclusion* in, or minimum levels of exclusion from, key political, social and economic institutions such as the labour market, political systems and community organisations in order to realise their potentials,

people should be able to live in communities and societies characterised by a sufficient level of *cohesion* as condition for collectively accepted values and norms which are indispensable for their social existence,

people must be *empowered* in order to be able to fully participate, especially in the face of rapid socio-economic change. Empowerment means enabling people to control their own lives and to take advantage of opportunities.

### 2.3 The project’s main purpose

#### 2.3.1 The pillar of adaptability as the point of departure

*Adaptability* as one of the four pillars of employment is extensively outlined in Chapter-7. At this place we will present a summary. We take on board the extensive work done in the context of the European Commission. It concerns the distinction (and herewith-related explanations) of the four pillars of employment. In Chapter-7 we will explain that the adaptability pillar is most relevant for connecting employment policies and social quality. Herewith we may explain that its domain of flexicurity (see above) functions as the link between employment policies and social quality. The reasons are this pillar is oriented to: “the humanisation of work, focused on the working environment (i.e. reaching into the organisation of work and working time and calling for participation, training and information of workers and workers’ representatives), aiming at prevention in the framework of a risk-information approach, and based in absolute standards”. The other three pillars or areas of employment are: (ii) employability, (iii) entrepreneurship, and (iv) equal opportunities. They represent the core of the European employment strategy and are taken into account in the Amsterdam Treaty of 1997 for the first time. The Lisbon European Council in March 2000 delivered the legitimisation of these pillars, namely that the European Union has “to become the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion. Achieving this goal requires an overall strategy aimed at: preparing the transition to a information society and R&D, as well as by stepping up process of structural reform for competitiveness and innovation and by completing the internal market, as well as modernising the European social model, investing in people and combating social exclusion”\(^{27}\). Their elaboration was completed in the Council Decision of January 2001 on guidelines for the Member States.\(^{28}\)

---

27 See note-3.

Seen in this context the Project made the following decisions:

a. To chose ‘adaptability’ as one of the four areas of the policy field of employment. In practice the four areas are highly integrated but they may be distinguished analytically. The trust of this area is described as: “the opportunities created by the knowledge-based economy and the prospect of an improved level and quality of employment require a consequent adaptation of work organisation and the contribution to the implementation of Life Long learning strategies by all actors including enterprises, in order to meet the needs of workers and employers” 29.

b. To accept the hypothesis that the social quality approach may be of interest for contributing to this policy field and especially to the area of adaptability. This area concerns provisions which to realise the operationalisation of the transitional labour markets in order to create flexible labour conditions and maintain security at the same time.

c. To take on board the European Commission’s distinction of ‘adaptability’ in four domains, namely: (i) the balance between flexibility and social security (flexicurity), (ii) human resource development, (iii) prevention in order to cope with change, and (iv) involvement in design of jobs (representation).

d. To focus upon one of these domains, namely flexicurity. This is at the heart of the partnership for a new organisation of work, with which to contribute to a productive balance between the interests of business and the interests of workers, thereby facilitating the modernisation of working life. Adaptability is a sketch of a new and vanguard type of organisation, both in terms of the relations of this organisation with its labour supply environment and with the dynamics of its own process of production.

e. To develop indicators with which to create measurement instruments for developing relevant rules and norms in national law and regulations in order to stimulate convergent processes aiming at the Lisbon suppositions (see above). These indicators should be connected with the social quality approach, in order to become indicators of social quality. Research on existing data is made in order to conclude about the specific nature of the adequacy of the following indicators: (i) working time, (ii) specific employment relations, (iii) income security, and (iv) specific forms of leave.

29 See note-3.
In other words these decisions determine the Projects analytically based procedure. We may illustrate this as follows:

*Figure 2: The analytically based procedure*

<table>
<thead>
<tr>
<th>POLICY FIELD</th>
<th>AREAS</th>
<th>DOMAINS</th>
<th>INDICATORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td></td>
<td>Human resource</td>
<td>Employment relations</td>
</tr>
<tr>
<td>Entrepreneurship</td>
<td></td>
<td>Prevention</td>
<td>Working time</td>
</tr>
<tr>
<td>Adaptability</td>
<td>Flexicurity</td>
<td></td>
<td>Income security</td>
</tr>
<tr>
<td>Equal opportunities</td>
<td>Representation</td>
<td></td>
<td>Forms of leave</td>
</tr>
</tbody>
</table>

### 2.3.2 The choice of flexicurity

The Project chose the domain of flexicurity as its core business. As noticed above, it concerns the heart of the partnership for a new organisation of work. It regards the combination of secure and flexible employment in a lifetime perspective. Secure employment, in the end, is tantamount to employability, to an employable worker throughout the length of her career. This may involve one employer only, but that need not be. Many employers and many functions and jobs may be involved in the framework of one career, depending on the preferences of the workers and the firm. The flexibility aspect of employment is meant to capture just that: the adaptation of employment to the needs of the employing organisation. Flexicurity, then, wants the best of three worlds: employability at the level of the employee, adaptive employment at the level of the firm or organisation, a system of social security enabling the employee to make the required transitions. Employability requires training and development, a quality of work boosting the competence of the employee, and a balanced combination of work, care and leisure, enabling the employee durable participation in work and in the other walks of life.

Social security, by this token, should not merely make work pay; it should make transitions pay: from one job to another, from one employer to another, from one level of competence to another, from one combination of work and care to another. Instead of only financing the mostly involuntary change from
employment into unemployment, social security should contribute to the often-voluntary changes in combining work and care, work and education and work and the phased transition to retirement. These, the Project believes, are the fundamentals of inserting employment into a design of social quality. At present Europe has hardly begun to perceive, let alone to institute, the many and massive changes required. These changes necessitate not just a major reworking of social security arrangements – including their accessibility – they also point to new divisions and new accents in the occurrence, predictability, and distribution of risk and responsibilities.

2.4 The preliminary outcomes of the Network Indicators Social Quality

2.4.1 A distinction between indicators, profiles and criteria

As explained in the first section, the preliminary outcomes of the Network Indicators of Social Quality are relevant for the Projects Joint Report. The main challenge is to recognise or to determine functional indicators of flexicurity and to connect them with the social quality approach. In that case they may be elaborated as measurement instruments for determining the social quality nature of flexicurity in the policy field of employment in the Member States. This implies an introduction and elaboration of the social quality approach for preparing this connection. Therefore it is important to know which role indicators play for the measurement of social quality. This question is elaborated in the Foundation’s second book, published in the beginning of 2001. The conclusion of this theoretical endeavour is that the heart of what is ‘social’ concerns the self-realisation of individuals as social beings, in the context of the formation of collective identities. In other words, ‘the social’ is the outcome of constantly changing processes through which individuals realise themselves as interacting social beings. The herewith-related dialectical processes will create or constitute the social world. The main question is which policies or interventions of citizens do we need in order to contribute to the self-realisation in the context of the formation of acceptable collective identities and vice versa?

Answers to this central question will create a more solid and authentic basis for these different policies, thus for employment policies as well. It will also create a solid basis for citizens’ interventions and activities. In summary, the essential points of departure are first, that individual subjects are social beings, who realise themselves by interaction. This concerns the constitutional factors of social quality. Second, this interaction takes place in concrete public space. This concerns the objective conditional factors. Third, individual subjects orient themselves on basis of forms of self-references. This concerns the subjective conditional factors. The different factors will be measured by specific instruments, namely respectively criteria, indicators and profiles.

Especially the Network made a new step based on this theoretical elaboration. The outcomes are presented in the plan for creating a ‘Research-Group Indicators, Profiles and Criteria’. The argument is, the elaboration of the so-called ‘indicators social quality’ is an important but not sufficient step for determining the nature of social quality in communities, companies and firms and public enterprises and institutions, etc. We need also profiles and criteria in order to explore the nature of social quality in relationship with its social quality indicators. The development and analyses of indicators with regard to aspects of employment policies is also a necessary and important step for confronting the outcomes with the social quality approach.

2.4.2 The methodological triangle

The connection between these three types of factors form the so-called methodological triangle for measuring social quality. It may be seen as important outcomes of the Network’s first activities. The outcomes may be illustrated as follows:

*Figure 3: The methodological triangle*

![Diagram of the methodological triangle]

The indicators are the measurement instruments for the objective conditional factors of social quality. In general sense this concerns the four components of the social quality quadrant, namely; socio-

---

economic security, cohesion, inclusion and empowerment. The Network will define the (i) main contours of these components, (ii) determine the most relevant domains of these components, (iii) the with these domains related indicators. It regards the procedure, illustrated by figure 1 of this Chapter. The analytical based procedure of the Project is (i) to determine the relevant pillar or area (= adaptability), (ii) to choose the relevant domain of the chosen pillar (= flexicurity), (iii) to determine the indicators of this domain. This is illustrated in figure-2. During the Project’s search process decisions are made to accept the following indicators as relevant for measuring flexicurity: (i) working time, (ii) employment relations, (iii) income security and (iv) forms of leave.

2.4.3 The genetic code of social quality

In this subsection we will present the central working hypothesis of the social quality approach linking theory with different policy fields and herewith-related policies (for example employment policies). This approach is a comprehensive one and determines the level of social quality, which will be reached under specific circumstances. The actors (political parties bureaucratic institutes, firms and companies, social configurations and organised citizens) should be enabled to design policies which address recognised individual and collective problems, needs, wants and preferences. The nature – the level of social quality – will be determined by the outcomes of the constitutional, the objective conditional and the subjective conditional factors. This determination will be realised by the 'genetic code of social quality'. With help of figure 4 we may illustrate this working hypothesis as follows:

Figure 4: The genetic code of social quality

All policies (ad-c) – economic, cultural, agricultural etc. – have to be linked with the ‘actors’ in the systems, institutions and organisations as well as groups, informal formations and communities (see ad-b), and with ‘human needs’ (ad-a). This is also the case with social policies. This is the case for

---

33 See note-8, Chapter-17, p. 352.
34 See note-8, p.370.
employment policies as well. These policies have respectively to be linked with a manifold of actors and needs.

In summary, figure 4 concerns (i) all policies (economic, social, juridical, employment). It concerns (ii) all phases of policy-making as well (acknowledgement, design, application, development and evaluation). The interrelationships of this triangle will (iii) produce success if the basic conditions are existing (forum, a specific level of public ethics, systems for communication and understanding). The actors should (iv) stimulate policies developing social quality with an iterative method (search process); a basic condition is inter-human communication and dialogue. These policies have to be (v) integrative in order to produce social quality: a condition is the existence of mechanisms for co-ordination. Finally, needs, preferences, wants etc have to be (vi) adequate (legal, legitimate and functional). A condition is the creation of consensus with regard to the notion of justice.

2.5 The Social Policy Agenda and the Diamantopoulou triangle

2.5.1 The elaboration of the Lisbon Summit in 2000

In section-3 we referred to the Lisbon Summit in 2000 to develop the European Union as the most competitive and dynamic knowledge-based economy with which to stimulate cohesion as well.\textsuperscript{35} DG Social Affairs of the European Commission operationalised this with help of the new Policy triangle. It concerns the illustration how to co-ordinate in an open way three types of policies, namely social policies, economic policies and employment policies.\textsuperscript{36} For the first time, the social quality approach was taken on board formally as well. It may contribute to mainstreaming the Policy Agenda’s operationalisation (see figure 4). The commissioner of DG Social Affairs, Mrs Anna Diamantopoulou, explained the function of the social quality initiative for the European Commission. In the Foreword of the Foundation’s second book she says: “The first book of the European Foundation on Social Quality, The Social Quality of Europe, has been widely welcomed by European policy makers as well as scientists across Europe. It played an influential role in the development f the new Social Policy Agenda, which emphasises the promotion of quality with regard to social policy, work and industrial relations. A key message is that economic growth is not an end in itself buy essentially a means to achieve a better standard of living for all. I firmly believe that extending the notion of quality to the whole of the economy and society will facilitate the improvements in the interrelationship between economic and social policies that are so vital for the future success of Europe. The idea of social quality captures perfectly what Europe ha achieved and continues to aspire to. It also allows the

\textsuperscript{35} See note-3.
everyday concerns of citizens to be reflected in the highest policy circles. The Foundation’s second book extends and deepens our understanding of social quality and, therefore, will be an invaluable resource in both the implementation of the new social Policy Agenda and in the modernisation of the European social model.”

In line with this comment the Foundation received illustrations of the interpretation of its first book from the side of DG Social Affairs. One of the illustrations is presented in figure 5:

**Figure 5: One of DG Social Affairs’ illustration**

It presented the following text as well: “In the vision of a co-ordinated strategy, structural and labour market strategy are to be interrelated to the frame of a co-ordinated macroeconomic strategy for growth and employment. This is the foundation of the Cologne process. The main critiques against this vision are: (i) the absence of reference to the specific social dimension within the employment strategy; (ii) the absence of independent rationale for social policies: the main mention being ‘social protection as productive factor’, with a risk of entrapping social developments within a narrow economic frame, as justifications for social policies are based on purely economic criteria; (iii) the limitation to the economic model in order to boost efficiency; equity or solidarity are considered as competing issues, not as funding principles”.

Nevertheless, in the final policy triangle two main differences with the social quality approach (as presented in the Foundation’s second book) may be noticed. In figure 6 we present this final triangle. The differences regard:

- in this figure ‘social quality’ does not function as a link between a manifold of policies (see the genetic code). In the ECs presentation it is connected or associated with social policies only,

---

37 A.Diamantopoulou, Forward, note-8
it is equalised and synchronised with social cohesion. This differs essentially with the social quality quadrant. Cohesion is one of the objective conditional factors of social quality.

Figure 6: Final proposal concerning the EC Policy Agenda

Social policy
(social quality/social cohesion)

Economic policy Employment policy

In other words, the placing of ‘social quality’ at the top of the triangle under ‘social policy’ reflects a different understanding of the idea of social quality to that presented in the Foundations second book. Furthermore, this EC triangle is not clear about abstract instruments with which to connect the three aspects, namely social policy, employment policy and economic policy. It seems to lack a rationale and particularly one which will appeal to and bring on board European citizens. According to the Foundations second book, that rationale could be social quality. In other words improving the quality of life of citizens, social quality could be the driving force behind each of the policies and also their relationship. Thus the abstract and the practical connection between economic policy, social policy and employment policy will be provided by their interrelationships with actors and needs. Both, namely actors and needs (and see figure 4) cause the intrinsic existing reciprocity of the sides of the triangle (and other triangles).

2.5.2 Social quality for analysing employment policies

To understand employment policy from the perspective of social quality we may connect the genetic code (figure 4) with the social quality quadrant of the four components as the objective conditional factors, namely; socio-economic security, cohesion, inclusion and empowerment. In that figure a distinction is made between policies (thus employment policies as well) and actors (systems, enterprises, unions, associations, communities). This policy or policies intervene or change the resources and context of the objective conditional factors. The actors are a part of these context and resources. Some of them are responsible for employment policies with which to change these resources and contexts. Others have to cope with these changes in a way they decide to do and or as the nature of resources and context will enable them to do so. Thanks to this genetic code these
types of policies and thus the manifold of herewith-related policy fields can be connected in abstract way. This will facilitate the understanding of the outcomes of processes in daily reality comprehensively and to contribute to different types of policy making and actions of organised citizens coherently.

Thanks to this supposition, particular policy fields like ‘social protection’ can be connected with social policy, economic policy and employment policy with help of the intermediate function of social quality. Thanks to this connection the nature of social protection may be analysed, as well as its changes may be understood. This is illustrated in figure 7.

\textit{Figure 7: Intermediate analytical and conceptual function of social quality}

Notwithstanding the fact that the concept of ‘social protection’ is used in different way in Member States, the principle may be clear in figure 7. According to the Foundation\textquotesingle s second book, social protection regards an aspect of the socio-economic component of the social quality quadrant. It may be distinguished in different domains and herewith related indicators. This will be the task for the Network. Social protection concerns concrete aspects of daily life. Employment policies intervene in (other) concrete aspects of daily life, and so do general social policy and economic policy. By interpreting these manifold of concrete aspects by one conceptual scheme of reference the ratio, nature and consequences of these policies may be connected with policies concerning (the interpretation of) social protection. This is always the case, but usually in an implicit and unarticulated way. The European Foundation on Social Quality (its participants) is (i) explicating this question, and

\textsuperscript{39} See note-8.  
\textsuperscript{40} See note-1.
(ii) proposes to develop this conceptual and analytical connection explicitly in a specific way, namely with help of the social quality approach. This is demonstrated in figure 7. The challenge for critics of this approach is to articulate their implicit analytical intermediaries they are used to apply and to compare it with the social quality approach. This is a rational invitation, because intermediaries are applied in every case. This point concerns the debate with the European Commission with regard to the new Social Policy Agenda.\footnote{41} In its triangle, see figure 5, it does not explicate its indispensable conceptual and analytical intermediary.

2.6 The Project’s indicators for measuring flexicurity

2.6.1 The choice of four indicators

During the plenary sessions of the Project, in June 2001 and in January 2002, the participants realised its common search process. On the basis of the Projects Working Papers, the participants decided on the nature of indicators, with which to measure trends concerning flexicurity.\footnote{42} Indicators can measure especially the objective conditional factors of social quality. The new Network ‘Indicators of Social Quality’ – introduced in this chapter’s first section - will start with the development of indicators ‘socio-economic security’. After this complex exercise it will renew this endeavour and it will continue with also the development of indicators of the three other objective conditional factors of social quality. In other words, it will then develop indicators of inclusion as well. The Project started before the new Network. Furthermore, this Project did not start with the development of the component’s indicators, but with indicators of flexicurity, as an important aspect of employment policies. The central questions are which tendencies concerning flexicurity may be discovered and what are the effects for the pillar of adaptability?

Especially for this Project the following question is crucial as well. What can we learn from conclusions about the adaptability effects for the nature of social quality and vice versa? This question does not refer to social quality as a metaphor but to social quality as a heuristic instrument and, ultimately, as a practical device for policy-makers. Therefore in this phase of social quality theorising the question is which consequences may be discovered of these effects for one of the four objective conditional factors or components? Because flexicurity concerns the balance between flexibility and security it seems to make sense to explore the consequences for the component of socio-economic security. Nevertheless, it is not security but the balance between security and flexibility concerns the heart of the matter of flexicurity. In the case of a lack of balance people are in danger of non-inclusion in production relations. In other words, there are strong arguments to connect outcomes of flexicurity

\footnote{41} See note-14.
\footnote{42} The final outcomes of these Working Papers are published in chap0ter-7 of this Joint Report.
with analyses about inclusion. For making new steps we need also knowledge about indicators of
inclusions as one of the components. This is the challenge for the social quality initiative. But also from
the side of analyses of employment policies much work has to be done to address this question.
Empirical information about tendencies with regard to the formal and informal production relations are
a condition for connecting outcomes of tendencies concerning flexicurity. This point is the heart of the
gender matter. We will see in the Projects conclusion, that European and national data for exploring
these tendencies are insufficient. The gender question remains an underdeveloped aspect of analyses
concerning the adaptability pillar. This seems a contradiction in terms. This point will be addressed in
the Joint Report’s conclusion.

In figure 2 we referred to the outcomes of these decisions; (i) employment relations, (ii) working time,
(iii) income security, and (iv) forms of leave. During the first plenary meeting is concluded, that
especially these indicators may be related with flexibility and security. The first refers to the economic
aspect of adaptability, the ability of employers (demand-side) to adjust numbers and hours. Security
balances the first one socially, thus refers to the ability of employees (supply-side) to arrange
securities within a work organisation in transition. The challenge is (see above) to find data that
comprise not just information about both – namely flexibility and security – but also the dynamics of
the combination. During the first meeting the discussion was also oriented on the gathering of data on
European level and national level. Thanks to the co-operation with the Dublin Foundation on the
Improvement of Living and Working Conditions the Project could find new ways for this gathering. In
this context the methodological questions with regard to the chosen indicators and data are reflected
as well. This resulted in a new Working Paper, sent to the participants at the end of Augustus 2001. 43

2.6.2 The choice of sub-indicators or variables

The participants started in September 2001 the preparation of the National Reports. They took on
board the four indicators as well as the European based data, delivered by the staff of the Project. All
of them were obliged to determine sub-indicators or variables, in order to connect data with the
chosen indicators. A differentiation was necessary for this connection. With help of their own
expertise and the expertise of their institutes all of them produced the first drafts. These drafts were
discussed during the second plenary meeting in January 2002. This meeting was delayed because the
difficulties with this exploratory work on national level. As argued before, the participants were invited
to do a new and unknown type of research. During the second meeting, the participants discussed
extensively about the manifold of chosen sub-indicators. The challenge was to agree on the most
functional sub-indicators with which to analyse the dynamics concerning the connection between

43 The final outcomes of this Working Paper are published in Annex-1.
flexibility and security. We will give one example of differentiation, namely with regard to the indicator ‘employment relations’. In Annex 1 we will present the complete overview of indicators and sub-indicators:

*Figure 8: The indicator employment relations and its sub-indicators*

```
<table>
<thead>
<tr>
<th>Employment relations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Type of contract</td>
</tr>
<tr>
<td>Length of service</td>
</tr>
<tr>
<td>Temporary employment by age</td>
</tr>
<tr>
<td>Entrance to unemployment</td>
</tr>
<tr>
<td>Number of days training per year</td>
</tr>
<tr>
<td>Accidents at work</td>
</tr>
</tbody>
</table>
```

With help of these choices the participants started anew to change the drafts of the National Reports in order to present as much information as possible about the supposed dynamics with help of data concerning these sub-indicators. As well will see in chapter 8 about the conclusions, this exercises demonstrates, that on European level and national level data are missing for this type or research. If the participants have chosen the right way, then much research for gathering relevant data has to be done for analysing the dynamics of flexicurity as an important domain of the adaptability pillar. Nevertheless, the Project completed the many National Reports as good as was possibly. In the following chapters we present their outcomes and our reflection concerning these outcomes.
Chapter 3: Employment Relations and Social Quality

3.1 Introduction

In Europe, there is a strong belief that the market should serve the interests of the people rather than the people being there for the benefit of the market. In addition, economic growth is not seen as an end in itself but a means to achieve a better standard of living for all. This belief is manifest in the development of European Union employment policies through a desire to see an increase in not just the quantity of employment but also continued improvement in the quality of jobs.

The European Commission has recently stated that quality "is a core objective of the Union. At the heart of the concept of Europe and the European social model … Quality is a unifying objective of European policy – embracing the economy, the workplace, the home society at large. It links high conditions at work, to high productive output. It links effective social policies with strong and clear economic benefits". Thus, both the European Foundation on Social Quality and the European Commission believe that high quality work conditions with good employment relations are at the heart of the European social model. Good employment relations are key determinants of both flexicurity and social quality in Europe. The need for coherent integration of economic and social policy was one of the primary reasons for the social quality initiative by European social scientists.44

The 1990s witnessed increasing concern about the high levels of unemployment in Europe. This was problematic as European welfare states were founded on the assumption of full employment and still require high levels of employment to function adequately. High levels of employment are also required to maintain economic growth in Europe. The European Union responded to this challenge by shifting its focus from being virtually exclusively concerned with economic polices (e.g. promoting the free movement of commodities, labour, services and capital) towards a more integrated approach of both social and economic policy, particularly in the sphere of employment policy.

In 1992, the governments of OECD countries gave that organisation a mandate to analyse the causes and consequences of high and persistent unemployment and to propose effective solutions.45 The OECD recommended an urgent shift from passive to active labour market policies.46 These recommendations were rapidly adopted into EU policy and the 1999 Employment Guidelines require

member states to increase the percentage of people benefiting from active labour market measures to at least 20% of the unemployed.⁴⁷ Active policies comprise practical efforts to assist people to find paid employment if they are unemployed and to remain in paid employment where they are already working. However, the emphasis of EU labour market policy is on the creation of high quality jobs and not on just ‘forcing’ people into jobs at any cost. EU policy rejects the ‘race to the bottom’ in work conditions that is favoured by some neo-liberal economic commentators. Put simply, high productivity requires good employment relations and good employment relations are dependent on high quality work conditions.

High quality employment relations are not just crucial to solving the short-term problems of persistently high unemployment in the EU. They are also crucial to the long-term prosperity of Europe. Over 25 years ago (in 1975), the fertility rate of the 15 member states of the EU fell below replacement rate and has slowly declined since then. In order to maintain population numbers in Europe, every woman needs to have two or more children (2.1 on average). Women in the EU are currently having just 1.5 children on average and, if this continues, the population of the EU is projected to peak at a maximum of around 383 million people and then start to decline in about 2015. Population decline will probably begin even before this in Germany, Italy and Spain.⁴⁸ The social and economic consequences of the population numbers shrinking and people ageing in Europe will be one of the major policy challenges of the future. Policies will eventually have to be adopted to improve the work/life balance and support families with children and high quality employment relations will be crucial to this. Similarly, the EU will also need to develop a comprehensive migration policy in the future.

3.2 Indicators of Employment Relations and Social Quality in Europe

A wide range of statistical indicators is available in European countries, which provide valuable information on employment relations. However, these statistics and indicators are usually collected for national purposes and are not internationally comparable. This is problematic for comparative studies since the best statistical information must often be ignored in favour of comparable information of lower quality. The national reports in this study have therefore followed a dual strategy of using high quality national statistics on the quality of employment relations in conjunction with internationally comparable indicators.

However, even the use of harmonised statistical data such as that from the Labour Force Surveys (LFS) is not entirely unproblematic. The main problem with LFS comparability between countries is

that, although a common set of concepts, definitions and classifications are used in each country; the actual question wording differs from one country to another. There are no common question wordings, question orders or probe questions. Unfortunately, this lack of standardisation on how the concepts are operationalised has a significant effect on the comparability of the information obtained.  

The research team evaluated a wide range of comparable indicators of the quality of employment relations. It was essential that the indicator set was both up-to-date and comprehensive enough to provide a good measure of the quality of employment relations in each country. It was also essential that only a small set of indicators be selected in order to keep the scale of the project manageable. The seven selected key indicators are:

1. Type of contract
2. Length of service (by age)
3. Temporary employment by age
4. Entrance to unemployment: flow data
5. Employment protection legislation
6. Number of days training per year
7. Accidents at work

In addition, specific national information on the recruitment of employees and the role of trade unions is included in the national reports.

A major problem when reporting internationally comparable statistics is that no one individual has the necessary experience and knowledge to interpret the meaning of each indicator in each country. For example, changes in the amount of full time and part time employment will have different causes in different countries. This chapter will briefly summarise the quality of employment relations in EU countries but readers will need to refer to the individual national chapters for a fuller explanation.

### 3.3 Type of Contract

Figure 5.1 shows that there is a very wide variation in the EU in the both the rates and growth of part time employment. In the Netherlands, the incidence of part time work is twice that of the European Union average (18%) and, furthermore, grew strongly between 1995 and 2000. In contrast, part time work is still relatively uncommon in Greece, Spain, Italy, Luxembourg and Portugal.

---

In the year 2000, over the 15 EU countries, 18% of employees were working part time (6% of men and 34% of women). Both the rates and pattern of part time work by age group differed for men and women. In most EU countries, the rate of part time work increases with the age of women with the highest rates amongst the 65+ age group. The highest rates of part time work for men were also in the 65+ age group but the second highest rates are found amongst young men in the 15-24 year age group (except in Austria and Germany).

Figure 5.2 shows that, between 1995 and 2000, the growth in employment in the EU, which averaged 1.3% per year, was shared equally amongst full time and part time paid jobs. However, there was wide variation in this pattern of jobs growth amongst EU countries. In Sweden, part time jobs declined, whereas there was an increase in the numbers of full time jobs. The reverse pattern is found in Austria and Germany where the numbers of part time jobs grew but full time jobs declined. Ireland witnessed a huge increase in both full time and part time jobs, with an average annual growth rate of 6% over the same period.

---

Between 1995 and 2000, women’s employment increased by 6.2 million jobs compared with the 4.3 million additional jobs filled by men. However, employment growth was strongest for women amongst part-time jobs whereas many of the new jobs filled by men were full time.\(^{51}\)

*Figure 5.2: Employment growth in full and part time jobs in the EU 1995-2000 (annual average as a % of total employment in 1995)*

Source: Employment in Europe (2001)

---

The European Foundation for the Improvement of Living and Working Conditions has documented that there is evidence of a widespread wish for shorter working hours amongst many European workers. Those who want to work less generally want to work quite a lot less. The Foundation's report on *Employment Options and Labour Market Participation*\(^5^2\) found that, in a large-scale survey of the 15 EU member states and Norway in 1998, over:

“half (54%) of those presently working, both as self-employed and dependent employees, would prefer to work less if they were able to have a free choice, taking their need to earn a living into account. At the same time a third (35%) were content with their present schedule, and 11% wanted to work longer hours. The net outcome of these shifting preferences would be that the average working week would fall from 39 to 34.5 hours.”

If a majority of paid workers continue to wish for this scale of reduction in working hours in Europe, then other countries may eventually follow the lead of the French government and introduce a 35 hour working week.

*Figure 3: Proportion of employees reporting on influence over their working hours*

Source: Third EU Survey of Working Conditions

---

Another indicator of being able to have some control over working hours is shown in Figure 5.3 above. Comparable data were collected from over 21,000 workers in 15 EU member states in the *Third European Survey on Working Conditions 2000*.53

In 2000, 45% of workers had some control over their working hours in the EU. This varied from 58% of workers in Denmark to just 30% of workers in Spain. However, a considerable proportion of the differences between EU countries is due to the different rates of self-employment. Self-employed workers in all countries have more flexibility with regard to their working hours than employees.

### 3.4 Temporary Employment

Table 5.1 shows the gender distribution of temporary employees as a percentage of all those employed in 2000.

*Table 5.1: Temporary employees as a proportion of all employees, 2000*

<table>
<thead>
<tr>
<th>European Country</th>
<th>Women</th>
<th>Men</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>35</td>
<td>31</td>
<td>32</td>
</tr>
<tr>
<td>Portugal</td>
<td>23</td>
<td>19</td>
<td>20</td>
</tr>
<tr>
<td>Finland</td>
<td>21</td>
<td>15</td>
<td>18</td>
</tr>
<tr>
<td>France</td>
<td>16</td>
<td>14</td>
<td>15</td>
</tr>
<tr>
<td>Sweden</td>
<td>17</td>
<td>12</td>
<td>15</td>
</tr>
<tr>
<td>Netherlands</td>
<td>17</td>
<td>12</td>
<td>14</td>
</tr>
<tr>
<td>Greece</td>
<td>16</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td>Germany</td>
<td>13</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Switzerland</td>
<td>13</td>
<td>11</td>
<td>12</td>
</tr>
<tr>
<td>Denmark</td>
<td>12</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>Italy</td>
<td>12</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>Norway</td>
<td>12</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>Belgium</td>
<td>12</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>Austria</td>
<td>8</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>8</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Iceland</td>
<td>6</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Ireland</td>
<td>6</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>5</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

| EU 15              | 14    | 13  | 13    |

Source: LFS (2000)

In every European Union country, there are higher rates of temporary employment amongst women than men. However, there is also a very wide variation in temporary employment across Europe. In

---

Spain, almost a third of all employees are working on temporary contracts whereas, in Luxembourg, temporary employees make up only 3% of the workforce – a rate ten times lower than that of Spain. In all European countries, temporary employment rates are highest amongst both men and women in the 15-49 age group, with much lower rates of temporary employment amongst those aged over 50.

3.5 Unemployment Dynamics

The most comparable European data on unemployment transitions comes from the *European Household Community Panel survey* (ECHP). Unfortunately, data are only currently available from the surveys conducted in the early 1990s (before Austria, Finland and Sweden joined the EU). Table 5.2 shows the employment status, in 1995, of people who said they were unemployed in 1994.

*Table 5.2: Employment status in 1995 of people aged 18-64 unemployed in 1994 (%)*

<table>
<thead>
<tr>
<th>Country</th>
<th>Unemployed</th>
<th>Employed</th>
<th>Economically Inactive</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>71</td>
<td>16</td>
<td>13</td>
<td>100</td>
</tr>
<tr>
<td>Ireland</td>
<td>62</td>
<td>30</td>
<td>8</td>
<td>100</td>
</tr>
<tr>
<td>France</td>
<td>60</td>
<td>29</td>
<td>11</td>
<td>100</td>
</tr>
<tr>
<td>Spain</td>
<td>52</td>
<td>31</td>
<td>17</td>
<td>100</td>
</tr>
<tr>
<td>Italy</td>
<td>51</td>
<td>24</td>
<td>25</td>
<td>100</td>
</tr>
<tr>
<td>Netherlands</td>
<td>51</td>
<td>24</td>
<td>24</td>
<td>100</td>
</tr>
<tr>
<td>Germany</td>
<td>50</td>
<td>32</td>
<td>18</td>
<td>100</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>50</td>
<td>33</td>
<td>17</td>
<td>100</td>
</tr>
<tr>
<td>Denmark</td>
<td>48</td>
<td>35</td>
<td>17</td>
<td>100</td>
</tr>
<tr>
<td>Portugal</td>
<td>45</td>
<td>34</td>
<td>21</td>
<td>100</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>45</td>
<td>38</td>
<td>17</td>
<td>100</td>
</tr>
<tr>
<td>Greece</td>
<td>41</td>
<td>34</td>
<td>25</td>
<td>100</td>
</tr>
<tr>
<td>EU 12</td>
<td>52</td>
<td>30</td>
<td>18</td>
<td>100</td>
</tr>
</tbody>
</table>

In the EU 12 countries as a whole, 52% of people unemployed in 1994 were still unemployed in 1995, 30% had found jobs and 18% had become economically inactive. However, there was a wide variation between countries with 71% of the unemployed in Belgium still out of work one year later compared with Greece where only 41% of the unemployed remained in that situation. The risk of remaining unemployed for a year was largely unrelated to the country’s unemployment rate. It will be interesting to see comparable data on unemployment flows for the late 1990s (when they become

---

available) to see how effective the active labour market polices adopted by the EU were at helping the unemployed into work.

### 3.6 Accidents at Work

Accidents at work are a key indicator of the quality of working conditions. Being injured or killed at work is clearly an indicator of low social quality, since nobody wants to be injured at work. In 1998, there were 4.7 million accidents at work in the EU, which were serious enough to result in at least three days’ absence to recover from the injury. This means that, in 1998, approximately 4% (1 in 25 workers) were victims of work-related accidents. In 1998, 5,476 fatal accidents occurred at work in the EU 15.\(^\text{55}\) Table 5.3 shows the percent of accidents at work in the European Union between 1994 and 1998.\(^\text{56}\)

Table 5.3: Percent of workers injured in an accident at work which resulted in an injury requiring at least three days off work to recover

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>7.1</td>
<td>6.7</td>
<td>6.2</td>
</tr>
<tr>
<td>Portugal</td>
<td>6.2</td>
<td>7.0</td>
<td>7.4</td>
</tr>
<tr>
<td>Belgium</td>
<td>5.1</td>
<td>5.1</td>
<td>4.4</td>
</tr>
<tr>
<td>Germany</td>
<td>5.0</td>
<td>5.1</td>
<td>5.6</td>
</tr>
<tr>
<td>France</td>
<td>4.9</td>
<td>5.0</td>
<td>5.5</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>4.7</td>
<td>4.7</td>
<td>4.5</td>
</tr>
<tr>
<td>Italy</td>
<td>4.1</td>
<td>4.2</td>
<td>4.6</td>
</tr>
<tr>
<td>Netherlands</td>
<td>3.9</td>
<td>4.3</td>
<td>4.3</td>
</tr>
<tr>
<td>Finland</td>
<td>3.4</td>
<td>3.4</td>
<td>3.9</td>
</tr>
<tr>
<td>Austria</td>
<td>3.3</td>
<td>3.6</td>
<td>5.3</td>
</tr>
<tr>
<td>Denmark</td>
<td>3.2</td>
<td>2.7</td>
<td>2.7</td>
</tr>
<tr>
<td>Greece</td>
<td>2.9</td>
<td>3.8</td>
<td>3.7</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1.5</td>
<td>1.6</td>
<td>1.9</td>
</tr>
<tr>
<td>Ireland</td>
<td>1.4</td>
<td>1.5</td>
<td>0.9</td>
</tr>
<tr>
<td>Sweden</td>
<td>1.3</td>
<td>1.2</td>
<td>1.2</td>
</tr>
<tr>
<td><strong>EU 15</strong></td>
<td><strong>4.1</strong></td>
<td><strong>4.2</strong></td>
<td><strong>4.5</strong></td>
</tr>
</tbody>
</table>

Accidents at work fell over the 1990s, from 4.5% of workers injured in 1994 to 4.1% of workers hurt during 1998. There are, however, some countries in the EU where working is much more hazardous than others. In Spain, a worker is five times more likely to suffer an injury than in Ireland or Sweden and the accident at work rate in Spain has risen over the 1990s. In virtually every EU country, the

---


chances of being injured at work declines with age, e.g. younger workers are most likely to suffer an injury. By contrast, the chances of receiving a fatal injury at work increases with age (e.g. older workers have a higher risk of dying in a work-related accident).

Poor quality work conditions can also cause health problems for workers for reasons other than accidents. The Third European Survey on Working Conditions 2000 asked respondents if they had required time off work during the past 12 months due to a work-related health problem or illness. Figure 5.4 shows the results for the 15 EU member states where, on average, 9% of workers suffered from a work-related health condition in 2000. Self-reported work-related ill health was three times greater in Finland and the Netherlands than it was in Greece, Ireland or Portugal.

Figure 5.4: Workers requiring time off work (during the past 12 months) due to work-related health problems

[Graph showing self-reported health problems by country]

Source: Third EU Survey of Working Conditions

The self-reported work-related ill health rates shown in Figure 5.4 display a very different picture from the Eurostat statistics on accidents at work. The self-reported rates in Finland and the Netherlands are much greater than the accident statistics rates whereas, in Portugal, the self-reported work-related ill health rates are less than the Eurostat accident rate shown in Table 5.3.

57 See note 12.
3.7 Other Indicators of the Quality of Employment Relations

National Reports have used a wide range of other indicators of the quality of employment relations. It is impossible in a short chapter to summarise them all, however, two indicators from the *Third EU Survey of Working Conditions* are discussed below.

Freedom from intimidation at work is clearly a measure of the quality of employment relations. No one should be subject to intimidation or bullying at work yet it happens all too frequently. Figure 5.5 shows the percentage of workers reporting suffering from intimidation at work in the 15 European Union member states. A remarkable north–south divide appears to exist in Europe with workers in the Southern Mediterranean countries (Portugal, Italy, Greece and Spain) reporting a low incidence of intimidation. By contrast, intimidation at work is a much greater problem for workers in Northern European countries (e.g. Finland, the Netherlands, United Kingdom and Sweden).

*Figure 5.5: Workers subject to intimidation in Europe*

In the year 2000, the majority of workers (56%) in the EU reported having to work at high speed for at least a quarter of their working time. Men were slightly more likely to have to work at high speed than...
women. Figure 5.6 shows that about a quarter (24%) of EU workers have to work at high speed all the time. In Sweden, more than a third of workers said they had to work at high speed all the time.

*Figure 5.6: Workers having to continuously working at high speed*

Source: Third EU Survey of Working Conditions

---

58 See note 12.
3.8 Conclusion

High quality employment relations are of prime importance to the future social and economic health of the European Union yet this is currently an under-researched subject. This brief chapter has shown that different indicators produce very different patterns of the quality of working conditions between countries. There is no EU country that consistently ranks at either the top or the bottom on all the employment relations indicators. There are different problems and successes in different countries and therefore there can be no uniform policy across Europe that will effectively tackle all the problems of poor quality employment relations. Both social and economic policy makers in Europe are going to need good theoretical and empirical measures of the quality of employment relations in order to continue to make progress with the European Social model.
Chapter 4: Working time in Europe

4.1 Introduction

In raising adaptability and flexibility of economic performance arrangements around working times of employees are at issue in many European countries. Due to new competitive demands companies in industry and services are forced to raise labour efficiency and organise the labour process for just-in-time production and distribution, or non-stop production. This urges for going beyond the standard working day, by introducing and extending different forms of irregular and flexible work-arrangements, such as call-up work, overtime work (paid and unpaid), working in the evening or at night, shift work, working in the weekend. At the same time competition and efficiency is raised through production for an extended market, which recruits extra personnel and new categories of workers into the labour process, who voluntarily or involuntarily are employed in these new flexible labour forms.

The involvement of women in the labour process has led to new pressures for members of households to combine participation in paid work with household activities and care for children. This double workload leads to a need for greater efficiency in household work, part-time paid work and greater time-autonomy at the side of workers in the labour process.

The need for flexible labour at the side of companies can sometimes be met by making use of the need for flexibility in working hours and time-autonomy at the side of flexible workers, in the form of part-time work. However, sectors where flexibilisation is at the heart of the competitive strategy, flexible labour arrangements are imposed upon workers more or less involuntarily, in the form of shift work, temporary contracts, evening and weekend work etcetera.

When comparing flexicurity arrangements, the job security and social security of flexible work forms, among European countries we first are confronted with these ambivalent aspects of the economic adaptability of companies and workers. Especially with regard to arrangements of working times, the question is how much economic flexibility and how much social security is involved in these practices. Flexibilisation of working times raises the disposition of employers over the work hours of their employees, by either extending the available working time of their personnel, or extending the flexible labour pool. This can be compensated by extra pay for inconvenient working hours, or extra leave hours. The overall effect, however, is a lengthening of the working day and working week beyond standard hours, and a greater availability of the workforce during inconvenient hours.

Flexibilisation of working times may, however, involve a greater time autonomy within the standard labour week at the side of employees. Especially part-time work and the introduction of flexible
working hours meet the need for a greater autonomy of time, to be spend in household and care activities. Working in weekends and at evenings may give room for participating in non-work activities during the day time such as education, parental care, sport and hobbies. The question is how much job and social security is involved in these forms of working time flexibilisation.

When comparing working time arrangements in European countries we are faced with problems of a quantitative and a qualitative nature. Firstly, there is the problem of statistical comparability. Do we have comparable statistical data? Are these data compiled on the basis of analogous definitions, which allow for direct comparison? For some aspects and countries quantitative data are not available, to complete a full comparison between countries.

Secondly, we are not able to compare fully labour legislation of different countries and its role in regulating or promoting flexible arrangements of working time. Many of these arrangements and their national volume are the result of specific national circumstances, such as the economic situation, national labour relations and regulations, the strength of the trade union and women's movement, cultural and religious traditions. We will try to summarise and highlight some interesting national examples of flexicurity arrangements and national regulations with regard to them.

4.2 Working hours in Europe

Adaptability of working hours firstly involves the question, how much the length of the working day and working week can vary beyond or below standard norms, as laid down in collective agreements or in national legislation. Beyond the standard norms employers can vary the length of the working day within legal norms through incidental or structural overtime work, above the standard working day. Employees can vary the length of their working day and working week through part-time work contracts.

Table 1 summarises the actual length of full-time and part-time work in 8 European countries. Countries are ordered from North to South-Europe.
Table 1: Working hours in full-time and part-time jobs in 8 European countries, 1998-2000.

<table>
<thead>
<tr>
<th></th>
<th>working full-time</th>
<th></th>
<th>working part-time</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>all men women</td>
<td>all men women</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finland</td>
<td>39,3 39,8 38,3</td>
<td></td>
<td>20,7 19,3 21,1</td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>39,0 39,4 37,8</td>
<td></td>
<td>19,6 15,7 21,5</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>40,1 40,3 39,3</td>
<td></td>
<td>18,1 16,2 18,4</td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td>39,0 39,1 38,3</td>
<td></td>
<td>18,8 19,0 18,8</td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>38,5 38,9 37,2</td>
<td></td>
<td>22,0 21,9 22,0</td>
<td></td>
</tr>
<tr>
<td>Britain</td>
<td>43,7 44,8 40,7</td>
<td></td>
<td>18,3 17,5 18,5</td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td>40,6 41,0 39,6</td>
<td></td>
<td>17,9 18,6 17,7</td>
<td></td>
</tr>
<tr>
<td>Portugal</td>
<td>40,6 41,3 39,4</td>
<td></td>
<td>19,8 20,7 19,4</td>
<td></td>
</tr>
<tr>
<td>EU 15</td>
<td>40,4 40,9 39,0</td>
<td></td>
<td>19,7 19,2 19,8</td>
<td></td>
</tr>
</tbody>
</table>

surplus 1.9 surplus 0.6


The European working week for full-time workers varies from almost 45 hours for men in Britain to 37 hours for women in Belgium. Three countries have longer working hours than the European average: Britain, Spain and Portugal. Nordic and West-European countries on the continent show below-average working weeks. Men in full-time jobs work almost two hours longer than women (in Britain 4 hours longer), while women have generally a bit longer part-time jobs than men. Female part-time jobs are normally half a full-time working week, of two and a half days. The Nordic countries and Belgium show part-time jobs of women, taking three days of seven hours. Of course in flexible arrangements the amount of work can be spread over more days, so that the availability of workers is ‘full-time part-time’, on every day during the standard working week and or in the weekends (see below).

Adaptability in terms of working time reduction seems greater among men than among women, if one compares the average length of small part-time jobs; in three countries male part-time jobs take two days a week. This may be an expression of a higher time autonomy of men or their involvement in small flexible work contracts (spread over more than two working days). It may involve younger workers, such as students in small part-time jobs, working youth still part-time in education, call-up workers, work agency mediated personnel etc.
In several European countries the length of the full-time working week, which gradually had been reduced during the eighties, shows no further reduction but instead a stabilisation. Only Denmark shows a slight increase in the average full-time working week. Small reductions of the length of full-time work were recently realised in Portugal, Britain and Spain. However, due to the economic recovery the length of part time work increased in six of the eight countries under study, although on average with less than one hour.

Taking a modern European household as consisting of a couple with one full-time and one part-time job, the combined working week of such households is longest in Britain and Portugal (62 hours) and shortest in Denmark and Germany (55-56.5 hours). The European average working week of 1.5 job-households is 60 hours. Also the Netherlands, Spain and Finland show combined working weeks of below this average. The length of the work effort in paid work of double job households has overall been stable due to a reduction of full-time work and a slight increase of part-time work. Maybe this is possible due to a smaller number of children in such households, compared with the larger number of children in catholic one breadwinner families.

4.3 Flexible work patterns in Europe

Flexibilisation of working time, meeting the competitive demands of just in time production and – distribution, expresses itself in several forms, of which four are a widespread and international phenomenon. All these four have to do with working on irregular times beyond the standard five days working week, during eight hours a day in the day time: it concerns 1) working in the evening and/or at night, 2) shift work, and working in the weekend: 3) on Saturdays and/or 4) on Sundays. Some of these forms are typical and normal for certain branches (for instance night work in bakeries and bread factories) or for specific industrial production processes with non-stop production (i.e. shift work, Sunday’s work). Weekend work is widespread in the retail branch. Seasonal work, characteristic in agriculture and the holiday business, is left out of the comparison.

Statistics concerning these atypical work patterns may reflect the relative importance of such sectors in national economies, and the degree of flexibilisation of working times in them. Table 2 compares the percentage of workers involved in such non-standard work patterns, in the countries under study.
Table 2. Non-standard work in 6 European countries, 1998-2000 (mean % of LF).

<table>
<thead>
<tr>
<th></th>
<th>night work</th>
<th>shift work</th>
<th>Sundays</th>
<th>Saturdays</th>
<th>sum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finland</td>
<td>18,4</td>
<td>28,1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>14,5</td>
<td>8,4</td>
<td>36,1</td>
<td>45,3</td>
<td>104,3</td>
</tr>
<tr>
<td>Germany</td>
<td>12,5</td>
<td>9,3</td>
<td>26,6</td>
<td>44,2</td>
<td>92,6</td>
</tr>
<tr>
<td>Belgium</td>
<td>15,4</td>
<td>14,4</td>
<td>25,1</td>
<td>39,5</td>
<td>94,4</td>
</tr>
<tr>
<td>Britain</td>
<td>23,4</td>
<td>15,0</td>
<td>41,9</td>
<td>61,5</td>
<td>141,8</td>
</tr>
<tr>
<td>Spain</td>
<td>10,2</td>
<td>8,4</td>
<td>18,1</td>
<td>41,1</td>
<td>77,8</td>
</tr>
<tr>
<td>Portugal</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EU 15</td>
<td>16,9</td>
<td>14,4</td>
<td>30,0</td>
<td>52,8</td>
<td>114,1</td>
</tr>
</tbody>
</table>

Percentages are the sum of regularly and incidentally working at night, in shifts and in weekends, as part of the labour force.

When comparing these figures, working on Saturdays is still a widespread phenomenon, with on average half of the European labour force involved on a regular or incidental basis. Especially Britain stands out as working in the weekend, with 61,5% regularly or sometimes working on Saturday, and over 40% working on Sunday. Denmark comes in second position with regard to working at Sundays. Understandably, in a catholic country as Spain the score is lowest. Remarkably, the European average shows 30% of the European labour force as regularly or sometimes working on Sunday. Probably this relative high degree of adaptability of the European work force is still below the practice in the United States and in Asiatic countries.

Britain scores also highest with regard to the number of workers involved in night work and shift work. This may reflect the number of old industrial sectors with non-stop production in Britain, and a neoliberal work culture. Finland comes in second place, with about one in five workers doing night work. In contrast Spain has the lowest numbers of shift and night workers, well below the European average.

Flexible and informal work patterns, such as part-time work and unpaid household work are still mainly practised by women, and in most European countries these are nowadays the most widespread forms of flexibilisation of the labour force. During times of economic upsurge women
have been mobilised to fill the extra vacancies of the economic expansion, while in times of recession they are easier dismissed, due to the practice of temporary contracts.

Table 3 shows the participation of women in paid and unpaid work in 8 European countries. Their role as part of the labour force in paid jobs ranges from less than 40% in Spain to almost 48% in Finland. The mid-western European countries have a position in the middle, showing remnants of a catholic one breadwinner system and a large involvement of women in part-time work (especially the Dutch and British women). The percentages of labour market participation (as % of women in the working age) are highest in Nordic countries and lowest in Spain and Belgium. These last countries show 44-51% of women still mainly active in unpaid household work. Six of the eight countries compared show involvement of women in the labour market above the EU average. However also six of the compared countries show one third or more of women in working age mainly doing household work. The European average of female unpaid labour is still above 40%.

Part-time work is practised in Europe by one third of the female labour force. Only in Finland, Spain and Portugal part-time work by women is well below this average. At the same time these are countries with comparatively the most women in temporary jobs (21-35%). These figures are well above the European average of 14% of women in temporary jobs.

Table 3. Participation of women in the labour market in 8 European countries, 1998-2000 (% of LF).

<table>
<thead>
<tr>
<th>Country</th>
<th>female LF as part of LF</th>
<th>participation in paid labour</th>
<th>participation in unpaid labour</th>
<th>working part-time</th>
<th>temporary jobs</th>
<th>rate of unemployment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finland</td>
<td>47,8</td>
<td>72,7</td>
<td>27,1</td>
<td>17,0</td>
<td>21,3</td>
<td>12,7</td>
</tr>
<tr>
<td>Denmark</td>
<td>46,6</td>
<td>75,8</td>
<td>23,9</td>
<td>35,0</td>
<td>11,3</td>
<td>5,8</td>
</tr>
<tr>
<td>Germany</td>
<td>43,7</td>
<td>62,8</td>
<td>36,8</td>
<td>37,2</td>
<td>13,0</td>
<td>9,3</td>
</tr>
<tr>
<td>Netherlands</td>
<td>42,8</td>
<td>64,3</td>
<td>35,5</td>
<td>69,0</td>
<td>16,2</td>
<td>4,7</td>
</tr>
<tr>
<td>Belgium</td>
<td>42,8</td>
<td>55,6</td>
<td>44,2</td>
<td>35,5</td>
<td>12,1</td>
<td>10,1</td>
</tr>
<tr>
<td>Britain</td>
<td>44,4</td>
<td>67,6</td>
<td>31,8</td>
<td>44,6</td>
<td>7,8</td>
<td>5,2</td>
</tr>
<tr>
<td>Spain</td>
<td>39,7</td>
<td>49,0</td>
<td>50,8</td>
<td>17,3</td>
<td>34,6</td>
<td>23,3</td>
</tr>
<tr>
<td>Portugal</td>
<td>45,3</td>
<td>64,0</td>
<td>33,8</td>
<td>16,8</td>
<td>20,6</td>
<td>5,3</td>
</tr>
<tr>
<td>EU 15</td>
<td>44,2</td>
<td>59,2</td>
<td>40,4</td>
<td>33,4</td>
<td>14,1</td>
<td>11,0</td>
</tr>
</tbody>
</table>


In Nordic countries both the full-time and part-time involvement of women in employment has increased. In Portugal, Britain, the Netherlands and Belgium, however, full-time work of women
decreased, and part-time work increased. So these countries show possibly a substitution or a new recruitment in part-time work. Only in Germany part-time work of women decreased, due to the recession. The average proportion in Europe of full-time and part-time work by women is overall stable, and only recently full-time work is slightly diminishing in favour of part-time work. This substitution of long full-time work patterns by part-time work is even much stronger among working men in Europe (especially in Denmark, Belgium and Britain). Overall, part-time work by men increased stronger than part-time work by women; especially in the Nordic countries and in Germany.

On average more women than men are unemployed, especially when one includes the female labour reserve in household work. The highest rate of official unemployment of women shows Spain. Denmark, the Netherlands, Britain and Portugal show below average female unemployment. In these first three countries this low unemployment rate may be an effect of a higher participation of women in part-time employment. In terms of full-time employment, their unemployment rate may be higher.

4.4 Adaptability compared. Degrees of flexicurity

What does this comparison of statistical data tell us about the level of economic adaptability and the degree of flexicurity of the workforce?
To analyse that, we should firstly define what is high or low economic adaptability, high or low workers flexibility and high or low job and social security. In the countries under study specific labour legislation and arrangements between employers and trade unions make a direct comparison and interpretation not easy. The statistical data, however, can be compared with the following economic and social criteria:
* **Economic adaptability**, in terms of the expansion or contraction of the workforce according to competitive demands, is high when the female labour reserve is available to fill in vacancies during an economic upswing, and less protected against dismissals during a period of recession. This means, a high adaptability is the case when there is a high proportion of women in the labour force, and a low proportion of women mainly engaged in unpaid household work;
* **Flexibility** is high when there is a flexible workforce of part-time workers (women and men), which can be expanded by extension of part-time personnel or by extending the amount of part-time involvement in the labour process. So the rate of extension of part-time work is an indicator of a high flexibility of the workforce. A second indicator, especially for a downward flexibility to reduce superfluous personnel, is the number of temporary contracts.
* **Economic and social security** is high, with a high participation of men and women in employment, especially in secure, non-temporary jobs. Social security is high, when also flexible and part-time workers have access to workers insurance, with a sufficient compensation for health and unemployment risks.
"Flexicurity", as the combination and balance of adaptability and social security, is high when workers are participating voluntarily in flexible work patterns, with a high degree of time autonomy in secure jobs of unlimited duration, and the same social security rights as full-time workers.

With the help of these criteria one can analyse the degree of adaptability, flexibility and security in the different European countries. Separately, high economic adaptability and flexibility is according to these criteria the opposite and reverse of high security. So, adaptability and flexibility from the employers perspective maybe high, at the cost of social security of flexible employees. Only where the risks of flexibilisation are compensated through social security rights for flexworkers, one can speak of flexicurity.

With respect to the economic involvement of women as the main flexible workforce, adaptability is high in the Nordic countries, and above average in Britain, the Netherlands, Portugal and Germany. Spain and Belgium score below the EU-average of labour participation of women. In these countries women have a high participation rate in unpaid household work. In terms of flexibility of the female labour force, the Netherlands stand out with the highest degree of part-time work and temporary jobs of women.

Above the European average is the flexibility of female workers in the economies of Britain, Spain and Germany. Below this average is the female labour flexibility in the Nordic countries and Portugal. Social security through labour participation of women is high in the Nordic countries and Britain. Denmark and Britain also show the lowest rate of women in temporary jobs, so most women have jobs of unlimited duration. Instead, women in Spain have the lowest job security, with one third of female workers in temporary jobs.

A high job security of women’s jobs can also be measured in terms of the female unemployment rate. Female unemployment is below the European average in Britain, Portugal and Denmark. Oppositely, almost a quarter of the female workers in Spain are unemployed. When one combines the number of women in temporary jobs and those in unemployment, Spain and Finland show the highest degrees of social insecurity for women.

A high degree of flexicurity of employees with respect to working time would be a combination of a moderate and reduced length of the full-time working week, a sufficient amount of part-time working hours to make a living, a low rate of temporary jobs, and low female unemployment (so a high degree of time autonomy in secure jobs). Few countries meet these standards (for instance Belgium, Denmark).
Chapter 5: Income Security

5.1 Change of discourse

Until about ten years ago, flexibility and security were seen almost exclusively as a contradiction. This led to an understanding of security as a hindrance for improving flexibility, thus to the conclusion that enforcing flexibility requires diminishing income security. The interpretation of flexibility and security as a contradiction became primarily relevant for politics concerning the labour market and the system of social security (in a broad sense). Income security was seen as an important cause for labour market rigidities, which was all the more problematic, as the modern economy after the end of standardised mass production called for more and more flexibility at work. Thus, due to the modern development of the economy, protecting workers from economic requirements by social security results in paradox effects: instead of adding to their well-being, it causes (additional) unemployment. This, at least, was the common view, and partly it still is.

This view was/is of immediate importance for the concern of Social Quality. As far Social Quality is directly related with income security, there is hardly any room for manoeuvre in order to improve Social Quality: On the one hand, social security means Social Quality, but on the other, hindering flexibility by social security means reducing economic growth, hence damaging an other dimension of Social Quality - and in the end the system of social security itself. All in all, in the light of a contradiction between flexibility and security improving social security/Social Quality resulted in a case of "good intentions, bad consequences".

But within the last decade, the discourse about the relation between flexibility within the labour market and income security has remarkably changed. The revision of the view of the relation between flexibility and income security as nothing but a contradiction started with the acknowledgement that labour is not a mere commodity, thus it can not behave in a strict economic sense. The very reason for that is that labour power can not be separated from its bearer, the individual, thus individual labour market decisions are always biographical decisions, based on economic as well as on other interests, needs, constraints. In the light of this theoretical approach it became visible that certain economic requirements for more flexibility collide with peoples’ private interests. This on the one hand might lead

---


to growing stress in peoples’ lives, but on the other hand it might also lead to peoples’ resistance against more flexibility. This in turn became perceived as a possible hindrance for improving flexibility, hence for adapting the economy according to recent challenges.

All in all, this revised view - at least some kinds and measures of - income security became a precondition for improving flexibility. This doesn’t mean that suddenly all kinds of income security are appropriate in order to back flexibility, nor does it mean that all kinds of flexibility need to become backed by income security. But by acknowledging that income security in principle might support flexibility, the fundamental contradiction between security and flexibility fades away. Meanwhile there is a broad discussion on possibilities of combining labour market flexibility and income security, and there are various attempts in order to develop institutional designs providing income security in a way which enforces flexibility. The catchword for all these attempts is "flexicurity".

5.2 Flexibilisation

What has flexibility exactly to do with income security? It is important to notice, that as far as income security is concerned, not all kind of flexibility are relevant. The discussion here obviously has to focus on such types of flexibilisation which are likely to endanger income security. Starting from the simple fact that dependent work is the most important source of income for most people (directly or via the family), all kinds of flexibility are here of interest, which question the continuity and/or the level of wages. Which types of flexibility are likely to have such effects? Referring to the useful categorisation made by Gerrit van Kooten, one might make two distinctions in two dimensions of flexibilisation: External and internal flexibilisation - which means flexibilisation with or without using the external labour market; and numerical and functional flexibilisation - which means variations in the number of workers (working hours) or variations in the quality of work force (skills).

These two distinctions result in four types of flexibilisation:

- Internal functional flexibilisation. This means job rotation, further training on the job, job-enrichment.
- External functional flexibilisation, which is a seldom phenomenon (for instance hiring high qualified external specialists for a limited period).

---

- Internal numerical flexibilisation. This means flexibilisation in the dimension of working time (part time, flexible working hours; working over time, flexible retirement schemes).
- External numerical flexibilisation. This means fixed term contracts, temporary work, etc.

It is obvious that with respect to income security only the two types of numerical flexibilisation are important. Some kinds of internal numerical flexibilisation result in lower wages. Almost all kinds of external numerical flexibilisation result in discontinuities of earnings. Thus income security plays an important role in all such cases where flexibility affects the level and/or the continuity of wages.

This leads to an important conclusion:
All measures of income security aiming at backing flexibility must offer possibilities in order to make peoples’ discontinuous work biographies compatible with continuous income biographies. Thus with respect to the enforcement of flexibility, all those social political measures are of importance which substitute or partly substitute wages.

### 5.3 Work biography

What are the general trends documented in the valuable country-reports of the project? Concerning flexibility and income security, the trends are as follows: During the last years all countries experienced a slow but steady increase in flexibility. In the majority of the cases this increase was - not only but also - an increase in numerical flexibility, both internal as well as external. The number of part-time workers and of atypical work increased almost everywhere, though on very different levels. This can be interpreted as a tendency towards more internal numerical flexibilisation that go hand in hand with some problems concerning the level of incomes.

As the British report shows, there is also a trend towards more „temping“. The Finnish report mentions an increase in temporary employment. It is likely that such trends, partly spurred by the economic development, partly by liberal legislation, which can be observed in most European countries, will lead to discontinuous work biographies. In most countries the levels of unemployment is (still) high. But there is the remarkable fact that there is no clear tendency towards increasing duration of individual unemployment, as one might expect in the course of a "mature" high unemployment. Quite on the contrary, in some countries (the unemployment episodes became shorter within recent years. This is a clear indicator for a increasing turnover between work and unemployment, hence for external numerical flexibilisation. In other words, an increasing number of people not only makes the experience of temporary unemployment in particular but becomes confronted with the problem of a
discontinuous work-biography in general.\textsuperscript{63} This obviously bears problems with respect to securing one’s income: or, in other words: the increase in discontinuous work biographies puts the question of how to manage a continuous income biography on the agenda - on the private\textsuperscript{64} as well as on the social policy agenda.

The reports also show that the systems of social security in most country are not really prepared to cope with this problem. Basically this is due to the fact, that most national systems of social security strictly stick to wage-labour centred social policy.\textsuperscript{65} In some cases during the last years the tangling of social security with standard work became even stricter. This means that these systems of social security provide sufficient income security for people that are/were able to get hold of a standard job, whilst most cases of atypical work and discontinuous work biographies remain almost unsecured.

5.4 Conclusions

The country reports reveal that until recently the academic debate on flexicurity has been hardly followed by socio-political reforms. There are some remarkable exceptions, for instance the partial unemployment benefit in Portugal can be clearly seen as a measure in order not to force but to enable people to numerical flexibilisation ().\textsuperscript{66} Some cases - especially the Netherlands - provide good evidence that a certain basic security represents an important aspect of a flexibility-friendly social environment. Several other cases - especially Hungary, but to a lower degree also Denmark etc. - show a tendency towards an even stricter orientation of social security towards standard work.

As all over Europe the dissolution of standard work will - slowly but steadily - continue and the need for flexibilisation will increase, it is easy to predict, that the contradiction between (numerical) flexibility and income security that still exists in practice will cause undesirable consequences: Either forced flexibilisation at the expense of income security hence at the expense of Social Quality; or blockades against flexibilisation in the name of income security but at the expense of economic success - hence in the end too at the expense of Social Quality.

\textsuperscript{63} Cf. G. Mutz et al., Diskontinuierliche Erwerbsverläufe, Opladen: Leske und Budrich, 1995.
\textsuperscript{64} G. Vobruba, Alternativen zur Vollbeschäftigung, Frankfurt: Suhrkamp, 2000.
Chapter 6: Social Quality: Combining Work and Care

6.1 Introduction: on combining work and care

Most of social security as we know it is geared to insuring a standard pattern of life: starting with a period of education, followed up by a period of paid employment or care, one ends with a period of rest. This pattern, moreover, was uniquely gendered: employment was for males, care for females and the associated social drawing rights were tilted to the advantage of the male breadwinner. Social security and family policy were one of a kind.

Both the traditional pattern and the associated social drawing rights are nowadays caught in a process of change. First of all, employment is individualised and as a consequence a slow and long winding trajectory of gender-mainstreaming is taking off, including, of course, the role of social security and social drawing rights. Second, the neat distinction of one period for study (preparing for work), one period for work and one period for rest from work no longer holds. Instead we see periods of work intermingled with periods of study (permanent education, life-long learning) and we see signs of a phased, instead of an abrupt, withdrawal from the labour market in the later stages of one’s life, often accompanied by renewed participation in the many forms of voluntary activity in civil society. Both, financing educational leave and financing a phased withdrawal from the labour market, can only be achieved if the system of social security and its drawing rights are adapted to the new situation at hand. In short, a new division of individual responsibility and collective solidarity is both called for and imminent.

And third, there is the question of care. With the individualisation of employment the old division of work and care cannot be upheld for much longer. The situation that men work and women care has changed already. Many women today hold jobs and the future is that more of them will do so and, looking at the rise of their educational credentials, will do so in larger jobs and uninterruptedly during the whole of their adult life, up to the point of retirement. Yet, the growing female contribution to the world of paid employment has not been compensated by a like growth in the discharge of care tasks and duties by men. The fair distribution in the actual responsibility for tasks of care is swiftly developing into the touchstone of an adequate and civilised system of social security and social drawing rights.

Today, such distribution is not fair at all. To an important degree, of course, responsibility for care is embedded in deep cultural beliefs and practices. As these impact directly on people’s long-held expectations about the behaviour of self and other they are not likely to change overnight. Indeed,
even though many people today would support a more equal division of care tasks, it will take sustained efforts over a long term to translate the relatively new social view on parcelling out everyone’s fair share of responsibilities into practice, and, thus, in solidly held new expectations. In a sense, then, having social security arrangements take the lead in easing the transition to viable combinations for both women and men of work and care, is only the easier part of the job.

Easier, but vital all the same. The present situation is that even for people who prefer an arrangement in which employment and care are the shared responsibility of both man and woman, it is very hard to realise such a preference. Taking up care leave may hamper the future of one’s career, as it may hamper the continuity of one’s pension rights and other tenets of social security dealing with the contingencies of illness, disability and of the employment relationship as such. Also, and just as mundane, care leave must be granted by one’s employer, unless there exists a legal and individualised right to such leave. One question, then, is: what forms of care leave do we find in the EU countries, what rights do they confer upon individual claimants and how are they financed?

6.2 Parental Leave

Two forms of leave are dealt with in the present overview: parental leave and maternity/paternity leave. There are, to be sure, many other forms of leave, in particular in conjunction with care for sick children and for relatives. We will focus, however, on the more happy side: the formation of families and the opportunities to combine employment with care. The questions are three: what options can parents claim in order to effect the combination of employment and care (Table A.1), what are the arrangements surrounding pregnancy and child birth (Table A.2), and what are the facilities for child care? (Table A.3). We start with parental leave.

Table A.1 is a summary statement on parental leave. All countries have established the right to parental leave, in itself an important achievement. Where ‘family right’ is mentioned this usually means that parental leave cannot be enjoyed by both parents at the same time. Yet the countries differ greatly in the generosity of the actual possibilities. Duration differs greatly as between countries, with hardly a discernible pattern. The Netherlands, the UK and Denmark are at the lower end of the distribution, while the other countries allow more time. On the other hand, Denmark is the only country in our sample with an extra incentive to take up leave for fathers. More discriminating than duration is, certainly, the question of payment. Half of our countries (4 out of eight if we include Portugal as unpaid), moreover, only guarantee unpaid leave. Belgium allows a flat rate compensation, while Germany offers a mixed compensation, both, however, of a very partial nature. Here, Finland and Denmark are among the more generous countries. The case of the Netherlands is interesting.
Although the Netherlands is in most typologies classified as a hybrid of corporatist (as Belgium and Germany) and social-democratic (as Denmark and Finland) regimes, in this instance it is out of tune with both. No doubt, this is an echo of a long-standing male breadwinner system of social security. Nevertheless, the absence of paid parental leave is, when compared to the aforementioned countries, remarkable. These countries all provide a partial basic income, with the exception of Finland which stipulates an average compensation of two thirds of the wage.

Table A.2: Parental leave in Europe 2000

<table>
<thead>
<tr>
<th>Country</th>
<th>claim</th>
<th>conditions</th>
<th>duration, form</th>
<th>payment</th>
<th>incentives for fathers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands</td>
<td>individual right</td>
<td>for children under 8</td>
<td>13 workweeks during a period of maximally 6 months, no more than 19hrs per week</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Belgium</td>
<td>individual right</td>
<td>for children under 4; under 8 if handicapped; under 7 if adopted</td>
<td>full-time 3 months, part-time 6 months</td>
<td>Bfr 20,000 p/m (about 400 euro)</td>
<td>-</td>
</tr>
<tr>
<td>Germany</td>
<td>family right</td>
<td>for children under 3; if adopted 3 yrs after adoption, until 8 yrs.</td>
<td>full-time or part-time, remaining work week of max. 19 hrs</td>
<td>income dep. max. DM 600 (about 300 euro) p/m, for child under 2; first 6 months income independent</td>
<td>-</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>individual right</td>
<td>for children under 5; if adopted 5 yrs after adoption</td>
<td>full-time 13 wks, no more than 4 wks per year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Denmark</td>
<td>family right plus special right father</td>
<td>for children under 8</td>
<td>full-time 10 weeks for parents, full-time 2 wks for father</td>
<td>payment at level unempl. compensation extra 2 wks father</td>
<td>-</td>
</tr>
<tr>
<td>Finland</td>
<td>family right</td>
<td>for children under 3</td>
<td>full-time 158 days</td>
<td>average 2/3 of wage</td>
<td>-</td>
</tr>
<tr>
<td>Portugal</td>
<td>individual right</td>
<td>for children under 3</td>
<td>full-time 6 months. After third child extension possible to 2-3 yrs. Adoption: 60 days</td>
<td>basic payment only in case of adoption</td>
<td>-</td>
</tr>
<tr>
<td>Spain</td>
<td>family right</td>
<td>for children under 3</td>
<td>full-time, not 2 parents At the same time; extra if child handicapped</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Nederland in Europa, o.c.: 206, table 7.7; De Nederlandse Verzorgingsstaat, o.c.: 211, table B; country reports (this publication)
Of course, the table contains no more than what the official rules and regulations prescribe. In specific sectors (for example, the public sector in the Netherlands) and in collective bargaining agreements better conditions of payment may exist\(^{67}\). The data on the duration of leave are incomplete and therefore forbid comparison, although it may be clear that there is not much sense in computing an average for the countries combined. Nor is there much sense, given the quality of the data, to expect much from a comparison of the actual take-up of parental leave. It seems a better decision to infer take-up from payment conditions, and rank the countries accordingly. Were we to do so than Finland would rank first, followed by Denmark and Belgium. Then Germany would come in as number four, followed by Portugal. The other three countries (the Netherlands, the UK and Spain) would come in last.

### 6.3 Maternity and Paternity Leave

A question related to parental leave is on leave for maternity and paternity. Are we to expect the same ranking here as under parental leave? Such seems likely: parental leave is preceded by maternity and in some cases also paternity leave and the generosity of the former might have been induced by a like generosity in the latter. Nonetheless, such a projection would be misleading as the table below goes to show.

It is not known for all countries how inclusive the coverage of maternity leave is, as I have no data on Portugal and Spain\(^{68}\). In the other six countries the coverage is 100%, with the exception of the UK where coverage is only 60%\(^{69}\). This is due, presumably, to the relatively restrictive access conditions in the UK. Also in terms of compensation the UK is below the standard as represented by the Netherlands, Germany and also Portugal, but so are Denmark (?), Finland and Spain. As for duration the ranking is different again, Portugal and Finland leading the way, followed by Denmark and the UK, and after them the Netherlands and Spain, with Germany having the shortest duration. A ranking, encompassing all three aspects (coverage, compensation and duration) would produce, if each aspect has equal weight and the scaling is ordinal, a first place for the Netherlands, immediately followed by

\(^{67}\) An overview on extra statutory arrangements on diverse aspects of work and care is in OECD, *Employment Outlook 2001*: 149, table 4.8. As these arrangements are selective by nature, we do not include them in the present overview.

\(^{68}\) In Spain coverage seems to be around 50%. See the country report on Spain by R. Gonzalez et al, chapter 4, tables 3 and 9. Presumably coverage in Portugal is higher, although data to substantiate this are not in the country report.

Finland and Portugal. Fourth in line is Denmark, while Germany is fifth, Belgium sixth, the UK seventh and Spain closes the line (data on Belgium incomplete).

Table A.2: Maternity and Paternity leave

<table>
<thead>
<tr>
<th>Country</th>
<th>claim/coverage</th>
<th>conditions</th>
<th>duration, form</th>
<th>payment</th>
<th>incentives paternity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands</td>
<td>wage dependent</td>
<td>part-time and full-time employees</td>
<td>16 weeks</td>
<td>full compensation</td>
<td>2 days</td>
</tr>
<tr>
<td>Belgium</td>
<td>insured women</td>
<td>insured for at least 12 months between the 10th and 14th month preceding childbirth</td>
<td>15 weeks</td>
<td>77% of average wage</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>insured women</td>
<td>insured for at least 12 months between the 10th and 14th month preceding childbirth</td>
<td>14 weeks</td>
<td>employers are obliged to supplement to 100% of last income</td>
<td></td>
</tr>
<tr>
<td>United Kingdom employees</td>
<td>payment of first class national insurance premium and minimum period of employment of 26 weeks at same employer preceding the 15th week before childbirth</td>
<td>18 paid weeks 22 unpaid weeks</td>
<td>first 6 weeks: 90% of average wage; remainder of 12 weeks: flat rate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>employees, self-employed + assisting spouse</td>
<td>living in Denmark, work history of minimum of 120 hrs in 13 wks, payment of income tax</td>
<td>18 weeks</td>
<td>about 400 euro per week 2wks after birth of child</td>
<td></td>
</tr>
<tr>
<td>Finland</td>
<td>employees</td>
<td>insured under National Health Insurance at least 180 days before child birth; living in Finland</td>
<td>21 weeks</td>
<td>see parental leave 18 days</td>
<td></td>
</tr>
<tr>
<td>Portugal</td>
<td>employees</td>
<td>6 months of records</td>
<td>120 days</td>
<td>100% of reference wage 5 days</td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td>employees</td>
<td></td>
<td>16 wks</td>
<td>social security benefits 2 days</td>
<td></td>
</tr>
</tbody>
</table>

Sources: same as under table A.1 Data on Belgium, OECD Employment Outlook 2001: 144, table 4.7
6.4 Child Care

Combining employment and the care for children is simply dependent on the existence of adequate facilities for child care. Of course, families (relatives, grandparents) offer such facilities as well, yet it cannot be expected that in an age of individualised employment families are a viable and reliable substitute for formal facilities. Family members, that is, are not beyond employment, and that holds for relatives as well as -in many cases- for grandparents. What, now, are the child care facilities in our countries?

Table A.3: Share of children (according to age category) making use of government-financed day care facilities or number of places available within those facilities, and school age in EU countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Child 0-3 (%)</th>
<th>Child 3-school (%)</th>
<th>School age (%)</th>
<th>After-school day care (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands 1998</td>
<td>97</td>
<td>77</td>
<td>5</td>
<td>&lt; 5%</td>
</tr>
<tr>
<td>Belgium 1993</td>
<td>27</td>
<td>95</td>
<td>6</td>
<td>No data</td>
</tr>
<tr>
<td>Germany (west) 1990</td>
<td>2</td>
<td>78</td>
<td>6</td>
<td>5%</td>
</tr>
<tr>
<td>UK 1993</td>
<td>2</td>
<td>60</td>
<td>5</td>
<td>&lt; 5% (estimate)</td>
</tr>
<tr>
<td>Denmark 1995</td>
<td>48</td>
<td>82</td>
<td>7</td>
<td>62%</td>
</tr>
<tr>
<td>Finland 1994</td>
<td>21</td>
<td>53</td>
<td>7</td>
<td>5%</td>
</tr>
<tr>
<td>Portugal 1993</td>
<td>12</td>
<td>48</td>
<td>6</td>
<td>10%</td>
</tr>
<tr>
<td>Spain 1993</td>
<td>2</td>
<td>84</td>
<td>6</td>
<td>No data</td>
</tr>
</tbody>
</table>

` 0-4 years
* more than half of the costs are paid by the government, mostly between 75 and 100%
+ day-care facilities outside school hours
** 1997/1998
`` available places for 2 yr olds in pre-school programmes: share of children using these facilities
**** available places
***** children using day care facilities (including children who go to school before reaching school age)
``` in Northern Ireland 4 years

Source: The Netherlands in European Perspective, o.c.: 225, table 7.6
The differences in the availability of facilities for the age groups are rather striking, although this may be a statistical artefact. In the Netherlands, for example, day-care facilities go from 0 to 4 years and at 4 for most children school begins (although, that is, the legal minimum age for school entry was 5 in 1997/1998 the actual year of entry for most children was already at 4). In Denmark, as well, the reach of facilities for children in the age group of 0-2 years is considerably smaller than for the 2-3 yr group\(^{70}\). The average for 0-3, then, is not very informative, at least for these two countries. The table shows that the Netherlands and in particular Germany – states in the vanguard of welfare arrangements- lag considerably behind as to the provision of adequate child care for very young children, compared with for example Belgium, but also when compared to Finland and Portugal. These same countries, again, rank low in terms of after-school day care, again compared with Portugal, although not with Finland and with data for Belgium lacking. In the case of Finland, though, it is possible to take up, next to the parental leave already figuring in table A.1, *partial child care* leave, including a wage-compensating allowance\(^{71}\).

Overall, then, it turns out that both Germany and the Netherlands have not adapted their facilities to the needs of the new individualised employment pattern of men and women. If one adds to this the difficulty of harmonising working hours and opening and closing hours of schools, services, shops and so forth, the amount of effort that parents have to put in, simply in making different time schedules fit together, becomes even greater yet. Indeed, only in Denmark the picture is less gloomy, confirming once again the relative headway the Nordic countries possess in not just promoting but also enabling the combination of employment and care.

\(^{70}\) See SZW, *De Nederlandse Verzorgingsstaat*, o.c : 212, table C. For Portugal too the coverage rates are very sensitive to the choice of age groupings. See the first provisional country report on Portugal on Forms of Leave by H. Perista and P. Perista (November 2001). Small changes in the scope of categories, thus, have a large influence on results.

\(^{71}\) See chapter 5 of the country report on Finland by P. Kosonen and J. Vänskä.
6.5 Summary: Mapping a combination

What, now, if we were to create an index on opportunities for the combination of employment and care and based on the admittedly very crude rankings above?

Table A4: The combination index

<table>
<thead>
<tr>
<th>Parental leave</th>
<th>Maternity/Child Care</th>
<th>Overall ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parental leave</td>
<td>Paternity leave</td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Belgium</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Germany</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>UK</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Denmark</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Finland</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Portugal</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Spain</td>
<td>6</td>
<td>8</td>
</tr>
</tbody>
</table>

That Finland and Denmark lead the pack will come as no surprise, as this only underscores the viability of the Nordic social-democratic welfare state. The main surprise is, undoubtedly, Portugal, planning—with small means—for large ambitions and surpassing wealthy countries like the Netherlands and Germany, and the UK as well. Of course, paucity, incompleteness and incomparability of data may have had debilitating effects on the outcomes in the index. Further and sustained research, based on robust data, will lead the way to a better index, just as a better index may trigger countries to take cognisance of their ranking and to act upon it.

---

72 The data in the recent OECD Employment Outlook (2001) for example show at points considerable discrepancies with the data from the sources used in the present report.
Chapter 7: Flexible and Secure: Adaptability and the Employment Relationship

7.1 Introduction

When the new French government of Lionel Jospin in 1997 took action on behalf of an European employment objective, the initiative received a rather lukewarm welcome. Just a few years later the very existence of an employment objective in the context of the EU seems completely taken for granted. Some decisions may be slow in the making, once taken however, they are just the things that had to occur. In the case of employment they indeed had to occur. Unemployment is still huge in Europe, and its distribution is tilted, to the advantage of some, to the disadvantage of many. Moreover, the near completion of the monetary union has serious implications for the national labour markets, and social security and welfare systems. As it is, the major part of the burdens to adjust to the economic tides has been shifted to these systems. Under the discipline of a central European currency national measures (currency exchange rates, manipulation of the rate of interest, national debt, financial initiatives to boost effective demand) have either disappeared or been restricted in scale and scope. On the other hand, the option of policy competition in the field of labour, welfare and social security is far from chimerical. How attractive that option will be is an empirical question. In the past few years the economic tide has been favourable, so the real test for policy competition may come yet.

Policy co-ordination, however, is the official creed of the Union. Apparently, employment must be integrated in the grand scheme of constructing a competitive Europe, in such a manner that wages, hours and conditions will serve that objective instead of dividing it. Whatever will prevail, competition or co-ordination, the debate on the issue can only be furthered if internationally comparable data on employment systems are construed, collected, compared and judged. These data, following the European guidelines, must include data on what is called ‘adaptability’.

Adaptability is shorthand for modernising the work organisation and it encompasses aspects of production systems and employment relations. It is concept designed to kill several birds with one stone: it targets on flexible employment relationships and the security to undergird them, on developing human resources, on designing flexible tasks and, finally, on employee involvement in
such designs. Whether intentionally or not, the adaptability targets are easily translated in the language of ‘self-organising’ systems, with the by now usual four design demands

- **redundancy of functions** (i.e. employees possess and develop a surplus of capabilities in the actual performance of their tasks)
- **learning to learn** (i.e. employees learn and get further developed though constant self-monitoring and adjustments of standards and performance)
- **minimum critical specifications** (i.e. employees do not follow exhaustively pre-specified steps but specify their doings along the way of discharging tasks and assignments including contacts with customers and suppliers)
- **requisite variety** (i.e. employees possess on the level of their job the control capacity designed to match the complexity and ambiguity of their environments)

Both the redundancy of functions and the objective of learning to learn relate to Human Resource Management. They find their echo in the adaptability-domain in the emphasis on HRD and flexible and secure employment relationships (for example relationships that enable transitions from work to training and the optimal long term insertion of an adequate supply of labour into productive activities). Below we will try and translate them in terms of provisions, in particular the transitions, needed to balance the need to develop one’s capabilities with the changing company demands for such capabilities. The employment relationship, in fact, goes further than just this, for it also encompasses the balance of work, care and the family. This, in our view, is part and parcel of any objective of durable employment in a life-course perspective. The social quality of the employment relationship, then, includes a work-life balance.

On the other hand, both the aspect of minimum critical specification and requisite variety relate directly to the design of jobs and tasks and the level of employee involvement in them. Those we will dub Human Resource Mobilisation, and they echo the themes of employee involvement in the design of jobs and such design itself. We have two axes, then, connecting two times two themes or targets. One is focused on Management (the provision of arrangements needed to realise a flexible development of human capabilities) and it connects demands of flexicurity with demands of Human Resource Development. And one is focused on Mobilisation (the conditions needed to induce employees to actually deploy their capabilities in an optimal manner) and this connects demands of conditional job design with demands of employee involvement.

In the paragraphs below we will, first, introduce the development of the issue of adaptability (par. 2). Next, we will relate adaptability to the discussion on the so-called Green Paper, published by the European Commission in 1997 and highly influential in shaping the expectations on a new and

---

modernised work organisation (par. 3). Then, the concept of adaptability, as developed in the EU, is described and elucidated, and posited in the relationship of adaptability and the European Directive on Working Conditions (par. 4), followed by a proposal for a more rigorous conceptualisation of adaptability and a consequent discussion on the dimensioning of the concept and on possible indicators (par. 5) In this paragraph, too, we will have occasion to return to the employment relationship and to the results of our investigations, as presented in the country reports and the thematic chapters preceding this one. A tentative sketch of the relevance of adaptability for the concept of social quality is included in par. 6.

7.2 From Health and Safety to Adaptability

Since the Single European Act of 1986, the European Union has stressed, next to the goal of competition, the necessity of establishing minimum standard in the labour market. In the founding Treaty of Rome the expectation was that a common market ‘will favour the harmonisation of social systems’ (art. 117). The SEA, with the benefit of hindsight, is less sanguine about the automatic social spillovers of the common market. In article 118A a more offensive approach is announced on the ‘objective of harmonisation of conditions .. especially in the working environment, as regards the health and safety of workers’. Also, the European Council is charged with the responsibility to ‘adopt, by means of directives, minimum requirements for gradual implementation, having regard to the conditions and technical rules obtaining in each of the Member States’. Under the SEA working conditions were exempt from the unanimity rule and to be decided upon by means of Qualified Majority Voting (QMV).

That the issue of working conditions was singled out as a primary target –evidenced by its QMV-status- of European social action should not come as a surprise. Working conditions have a direct bearing on the rules of the competitive game and the issue, therefore, bridges the realms of ‘negative’ (removing competitive barriers) and ‘positive’ (harmonising social and labour standards) integration in the Union. The balancing of competition and harmonisation is no easy matter, though. Already from the wording of the SEA it is clear that the member states will continue to play a leading role in implementing and monitoring standards for working conditions. Subsidiarity, then, is not absent from the issue of working conditions, European directives notwithstanding. Also, it may be questioned what the exact relationship is between the competitive and social advantages of European-wide standards. In the case of working conditions the question is pertinent, especially since Europe does not merely want to codify existing standards at some average, but wants to improve working conditions.

In Europe the plea for common labour standards has traditionally been motivated by the fear of social dumping. Countries with low labour standards would –given that these lead to comparatively low
labour costs- achieve a competitive advantage on countries with higher standards. In the absence of a common standard, the higher standard countries then were supposed to have no option but to retaliate by lowering their labour standards as well. A ‘race to the bottom’ –the bottom being the point where an even lower standard cuts into productivity and thus profits- would be the result.

The critical relationship is between labour standards and labour costs. Examination of this relationship, in turn, discloses that high labour standards need not be a competitive disadvantage at all. The argument here is that low labour costs reflect the combination of high wages and high productivity, resulting in low unit costs. Low unit costs, again, are associated with high labour standards, partly because high standards of working conditions and working environments contribute to high productivity, and partly because the costs of these standards are presumed to be shared by employers and employees (part of the productivity increase is not devoted to a further rise in wages but to better working conditions). But now, would this not seem to lead to the reverse inference? If high labour standards reflect low unit costs, then wouldn’t the economically more developed countries stand to gain from implementing a relatively high level of common labour standards? Is the likely scenario, instead of a ‘race to the bottom’, a ‘race to the top’ with the weaker countries at a growing distance from the stronger ones? And if so, what kind of compensations should be offered to the weaker countries in order to secure their compliance with uniform and high standards?

Considerations on compensation figured indeed prominently in the passing of the 1989 Framework Directive on working conditions. Partly the compensation was indirect: agreeing to the standards opened up (or somewhat more mundane: was necessary for gaining access to) the markets of the richer countries. Partly, however, the compensation was direct, in particular through substantial subsidies to the weaker countries from the European Social Fund. And, finally, there were few expectations regarding the strictness of the monitoring of the Directive.

There is hardly any doubt about the importance of QMV for the realisation of the Directive. It is more difficult to assess the contributions of the compensation offered to the weaker countries and the ‘contribution’ of the expected softness in the monitoring of the obligations emanating from the Directive. The issue we are interested in here, however, is clear: the establishment of high standards is in itself a competitive advantage for the stronger countries. And this implies that other aspects of labour standards (minimum wages, hours, combining flexibility in employment contracts with social security) will become European only if it serves the competitive interests of the stronger countries. It

---

74 Although by now the European Agency for Health and Safety at Work has been established. This agency has the task of building up implementation structures; also the agency has the competence for checking the observation of its regulations.

75 The concept of a Europe of ‘variable geometries’ is an example: where the interests of the stronger countries coincide, and the weaker cannot be cajoled into compliance of one sort or another or are simply not needed, blocs within the Union may form.
implies as well that if the stronger countries perceive their interests as divergent, national systems of labour standards will remain the rule of the house.

For the subject of adaptability the fate of the Directive is of more than illustrative significance. The Directive has a number of features of direct relevance for adaptability. First, it stipulates that the regulations on working conditions should cover all employees in all sectors. Second, employers are responsible not just to safeguard but to proactively take care of the well-being of the employee. Third, health and safety are understood comprehensively, to include ergonomics and the humanisation of work. Fourth, the Directive stipulates that working conditions include the working environment (i.e. work organisation and working time, training, information and participation of employees and their representatives etc.). Fifth, the Directive makes a risk-approach mandatory. A risk-approach focuses on prevention: one has to prevent hazards, not just to correct their consequences after the event. And sixth, the Directive proceeds from absolute safety requirements, regardless of technological possibilities and restrictions\(^76\). The Directive, then, is a vanguard path of setting labour standards. It is based on the notion that high standards and competitive advantage\(^77\) can go together and it takes the highest level of standards (in the case of health and safety those of Sweden, followed by Denmark and the Netherlands) to set the tone of further developments and demands. The question now is: does this hold also for the adaptability-pillar in the European employment strategy, in force since the Amsterdam summit of 1997?

### 7.3 Towards Adaptability: The ‘Green Paper’

The theoretical antecedents of the subject of adaptability are —in the European context—sketched in the Green Paper ‘Partnership for a new organisation of work’\(^78\). In the paper work organisation is defined as the way in which the production of goods and services is organised at the workplace. A new work organisation is defined as ‘the replacement of hierarchical and rigid structures by more innovative and flexible structures based on high skill, high trust and increased involvement of employees’. It is emphasised that that this ‘can only be achieved by the firms themselves, involving management and workers—and their representatives’. However, the reliance on the firm does not imply that policy makers should remain aloof from the subject. To the contrary: policy makers are to ‘develop or adapt policies which support, rather than hinder, fundamental organisational renewal and (...) to strike a productive balance between the interests of business and the interests of workers,'

---


\(^77\) Working conditions are a fine example of *social quality as a productive factor*.

\(^78\) European Commission 1997
thereby facilitating the modernisation of working life. An essential objective is to achieve such a balance between flexibility and security throughout Europe’.

The balance of flexibility and security, then, is at the ‘heart of the partnership for a new organisation of work’. Policy initiatives are to focus on promoting precisely this balance. These initiatives should include:

- flexibility and adaptability of skills
- the transformation of labour law and industrial relations ‘from rigid and compulsory systems of statutory regulations to more open and flexible legal frameworks’
- new wage systems tied to broader job descriptions, fewer pay grades, and training and educational incentives
- changes in working time (decoupling of company time and individual working time; annualisation of working time, part-time work; career breaks)
- changes in taxation, to fine-tune taxation and a flexible work organisation (discarding for example flat rates, thresholds and ceilings)
- strengthening the achievements (in particular in terms of prevention) in health, safety and working environment
- mainstreaming equal opportunities (‘to promote the integration of equal opportunities for women and men in the process of preparing, implementing and monitoring all policies and activities of the European Union and the Member States’). This should include minorities but also the disabled.
- activating labour market policies, including job rotation, training and retraining
- modernising public services
- promoting telework in the context of job creation and maintenance of the basic tenets of labour law and social security

The Commission launched a debate on the Green Paper, and, in 1999, the Commission-sponsored European Work Organisation Network (EWON) was established, with the goal of developing new forms of work organisation. The Network so far has been mainly an instrument in the diffusion of information about new initiatives and about research efforts. A common format for research and the collection of data seems to be lacking, as are commonly accepted benchmarks for the evaluation of projects and initiatives. The Network is hardly to blame for this. As is clear from the debate on the Green Paper many differences between social partners at the European level (1) and between countries (2) exist about the relevance, applicability and urgency of the Green Paper. In academic circles (3) as well the reception of the paper was mixed. We will look at these reactions in turn.⁷⁹

⁷⁹ Based on Eironline, March 1999: A new organisation of work: the EU Green Paper and national developments (www.eiro.eurofound.ie/1999/03/study)
7.3.1 Social Partners-EU level

The baseline of the reactions from UNICE (employers) and ETUC (trade unions) is positive. UNICE applauds the significance the Paper attributes to the efficiency of the work organisation, while for ETUC the main contribution of the paper is in the idea of a ‘partnership’, i.e. the need for concerted action of enterprises, trade unions and public authorities. What the major thrust of the Green Paper is, then, is perceived differently by the European social partners. Moreover, UNICE has not been charmed by the suggestion that there could be something like a blueprint of the new work organisation, nor by the suggestion that flexibility and security are contradictory and should be ‘balanced’. According to UNICE flexibility is the prime mover (with improved competitiveness and thus enhanced security among its effects) and flexibility can only mean the improvement of the efficiency of the individual firm. ETUC, on the other hand, stresses that social demands (humanisation of work, social inclusion, security without precarity, reconciliation of work and private life, and equality) and a new organisation of work are but the two sides of the one process of partnership and concerted action, with improved productivity and competitiveness among its results. What is cause and what is effect, apparently, differ deeply in these reactions and, by the same token, what should come first.

7.3.2 Social Partners-national level; employers

At the national level the divergence in the reactions of the social partners is striking. In some countries the response was positive (Finland, the UK), in others (Germany) sceptical or even declining (Austria) or controversial (Sweden). And in most countries the response was simply lukewarm and indifferent. The employers’ response was therefore hardly uniform. In Germany the BDA criticised the ‘simplistic conception’ of the new work organisation, in particular when due consideration is given to the tenacity and even the partial re-introduction of Taylorist work organisation\(^{80}\). Also, the ties that bind the new work organisation and employment creation are not immanent –as the paper suggests- but contingent, in particular on labour law and the tax regime. Like in the UNICE response, the BDA rejects the idea of a ‘blueprint’, especially where such might entail a European policy for the work organisation. Here, however, the BDA does not stress the individual firm so much as it stresses the principle of subsidiarity, i.e. the opportunity for national strategies.

\(^{80}\) For an excellent research study on new work organisations and the importance of Taylorism therein, see Van Hootegem 2000 (G. van Hootegem, De draaglijke traagheid van het management (The bearable slowness of management) Leuven and Leusden: Acco). One important conclusion from this study is that Taylorism is not the antithesis of modernity. By implication, the focus and the thrust of the Green Paper is misdirected.
In the UK, Austria and Denmark as well the employers voiced their concern about European wide regulation and, again, notably in Austria and Denmark the importance of the principle of subsidiarity is underscored 81. The Danish employers (DA), further, criticise the neglect of the relations between the new work organisation and the fundamental European objective of a free movement of workers. The Austrian employers (WKÖ) in their turn deplore the neglect of services, in particular personal services with low productivity and, notwithstanding the large demand for such services, only small prospects for productivity enhancement. The Swedish employers (SAF) take up in their response the reactions of UNICE. They, too, reject the balance of flexibility and security and stress that the question should be whether the enterprise has enough freedom of manoeuvring in order to achieve a flexible and effective organisation of work. Also, the SAF dislikes the ‘partnership’ word; instead it stresses that the work organisation belongs to the managerial prerogatives82. The Irish employers (IBEC) dwell on the issue of partnership as well. They emphasise that partnership and union involvement are distinct issues and should be kept that way. There are many non-unionised workplaces which embody employee involvement and partnership all the same.

The employers’ associations, in summary, are critical about the vanguard pretentions of the Green Paper, about a European strategy for the work organisation, about the suggestion on the centrality of the work organisation in achieving more employment, more freedom of movement, about the neglect of low productivity personal services, about the impact of partnership on work organisation, and about the role of the unions as distinct from other forms of employee involvement. All in all, the core aspects of the Green Paper -the balance of flexibility and security, and the idea of a partnership- have received a limited enthusiasm at best.

7.3.3 Social Partners-national level; trade unions

The idea of a partnership is, according to the French CGT-FO, a threat to the independence of unions and should therefore be rejected. Moreover, the emphasis in the Green Paper is on flexibility, the negative effects of which are slighted in the paper. A partnership for a new organisation of work is, from the French perspective, a denial of the different interests of workers and employers.

Different interests are underscored in the German (DGB) reaction as well, but in another tone. The DGB reproaches in the paper the neglect of power and interest differences at the level of the enterprise. This is considered an important drawback, especially in view of the shift towards a short

81 Countries, then, with a strong tradition of national and sectoral collective bargaining see possibilities for the national level—as distinct from both the level of the individual firm (stressed by UNICE) and the European level (stressed in the Green Paper). A new partnership, thus, can be integrated in existing, national systems of industrial relations.

82 Swedish workers and workers’ representatives do have a comparatively strong say in matters of the working environment. The attitude of the Swedish employers must, of course, be seen in that context.
term oriented ‘shareholders capitalism’ and away from a long term oriented ‘stakeholders capitalism’\textsuperscript{83}. The DGB also rejects the presumption of the paper that there is a general trend in the direction of a new work organisation, away from Taylorist and other forms\textsuperscript{84}. A balance of flexibility and security is, in consequence, not an effect of the work organisation. Instead, it requires an extension of employee rights concerning the introduction of new forms of work organisation, the right to further training for all employees, more security and ‘time sovereignty’ and enhanced protection for teleworkers. In particular the paper lacks proposals for minimum standards about employee participation at the workplace.

The Irish trade unions (ICTU) are more positive. They seem bent on the opportunities for partnership and stress the requirements involved regarding structures for information and consultation. The same emphasis can be found in the response of the Spanish unions (UGT). The UGT places its hopes on the demands the new work organisation entails for expertise, motivation and skills of workers. Also, the UGT warns for a one-sided reliance on collective bargaining processes and argues that new legislative measures are indispensable.

We find, in conclusion, that the trade union response is the mirror image of the employers’ reactions. The adequacy of the work organisation as a starting point of a major restructuring of employment relations, the unfounded and one-dimensional expectations about an overall change of the work organisation into a ‘new’ and non-Taylorist direction, the emptiness of partnership without addressing power relations, and the poverty of expecting a one to one and moreover derivative status of labour law relative to changes in the work organisation: these are among the fundamental doubts of the trade unions. In the end, then, employers and employees agree on the fact that the ‘new work organisation’ as such has solved none of their already existing disagreements.

7.3.4 The Academic Response

The Green Paper has not been the subject of much academic debate. The general thrust of the academic comments on the Green Paper, moreover, is well in tune with the more principled aspects of the responses by the employers’ associations and the trade unions. Like the social partners, the academic commentaries stress that the extent of the changes is not as pervasive, nor as inevitable, as the Green Paper pictures. The IRRU (University of Warwick) comment, for example, stresses the issue of managerial prerogative—and the difficulties of effecting change because of it. Also, there are many more strategies than the one elaborated in the paper and—unless strong policy measures are adopted— the usual effects of change comprise both winners and losers. Some comments alos point to

\begin{footnotesize}\begin{itemize}
\item The DGB thus emphasizes that one should not equate work organisation and organisation as such. This is also, albeit with different accents, the most general denominator of the critique of the employers. \textit{And rightly so.}
\item How for example should one classify lean production? As an example of a new work organisation or as an example of a renewed and updated form of Taylorism?
\end{itemize}\end{footnotesize}
the problem of investment in human resources: such investments are difficult to measure and they may lead to externalities or problems of hold up.

Research concerning employee involvement in workplace organisation\textsuperscript{85} corroborates many of the caveats concerning the impact of new forms of work organisation. The EPOC research focused mainly on ‘direct participation’. Although forms of consultation are widely practised in Europe, true delegation of authority is the exception rather than the rule and the stronger varieties of employee involvement and participation (autonomous work teams) are relatively rare. Country differences were rather outspoken with Sweden and the Netherlands ranking relatively high, the UK, Germany and Denmark ranking average and Italy, Portugal and Spain ranking low. As to representative participation the ranking turned out differently. Here, for example, Germany ranks high alongside the Scandinavian countries, while the Netherlands is rated much lower and a country like Portugal is at the bottom of the list. In Italy, Spain and Sweden the influence of employee representation to the exclusion of other channels, is greatest, although in Sweden, as in France, combined channels predominate. Most active in the realm of direct worker participation is the service sector; on the other hand, the industrial sector is stronger in indirect (representative) participation. Again, this points to the disjunction of the two forms of participation. Clearly, the overall picture is far too diverse to ascribe it to any one ‘model’ derived from new forms of work organisation\textsuperscript{86}.

In conclusion, the linkages of direct and indirect participation are strenuous and unsystematic, and the relations between work organisation and workers’ participation are too diverse for allowing any systematic generalisation\textsuperscript{87}. This conclusion is, albeit from a different angle, on a par with the conclusions of the employers and the trade unions. There is no such thing as ‘the’ new work organisation. In terms of policy it follows that we should not focus on one model organisation but should, instead, judge the changes in work organisations, however radical or piecemeal, in terms of independent criteria for workers’ involvement, quality of job design, the enhancement of worker

\textsuperscript{85} For instance as reported in EPOC 1997 (EPOC Research Group, New Forms of Work Organisation; Can Europe Realise its Potential? Dublin, European Foundation for the Improvement of Living and Working Conditions).

\textsuperscript{86} Participation is defined very broadly in the EPOC-project. Holding an exit-interview, or an interview on job performance is considered ‘participation’. That countries scoring high on these forms of participation (like the Netherlands) do not necessarily score high on formal or informal types of workers’ organisation is obvious. Regrettably the EPOC data do not permit the distinction between participation initiated by worker initiative, by management initiative or by joint initiative. In the European context especially the last mentioned would be interesting to pursue. On the whole the EPOC report underscores the expediency of tapping the ‘voice’ (A.O. Hirschman 1970, Exit, Voice, and Loyalty; Responses to Decline in Firms, Organisations, and States. Cambridge Mass. and London: Harvard University Press) of employees; what we are more interested in, however, is the degree to which employees have organized their own voice and the degree in which managers try to collaborate with the organized voice of their employees.

\textsuperscript{87} The European Directive on Works Councils offers no way out here. First, the scope of the Directive is limited (concerning only about 1650 transnational companies). Second, the Directive is about information and consultation of employees, not about negotiation and co-determination. Third, EWC’s have so far been established in no more than 620 of the 1650 enterprises for which the Directive is pertinent (H.-W. Platzer et al, European Works Councils – Article 6 agreements: quantitative and qualitative developments. In: Transfer; European Review of Labour and Research 7/1, Spring 2001).
employability, and opportunities for combining work and other activities\textsuperscript{88}. The European employment objective of adaptability will be served best in my opinion if it were to highlight the performance of countries, sectors and branches, and firms along these criteria.

### 7.4 Adaptability

The employment initiative of the Amsterdam summit of 1997 was consolidated in what has become known as the Luxembourg process\textsuperscript{89}. In Luxembourg the European Council agreed on the policy to document progress in the field of employment by means of yearly country reports (National Action Plans) with a loose common format. In the NAP's achievements on the employment objectives were to be reported –preferably quantified and useable for comparative purposes. The Commission was to integrate and comment upon the NAP's in a yearly Joint Employment Report. Also, it would try to establish benchmarks, derived from best practices and based on the guidelines belonging to the four headings (or ‘pillars') of employability, entrepreneurship, equal opportunity and adaptability, representing the core of the European employment strategy. Finally, the guidelines themselves could be changed if experience or expediency so demanded.

The latest issue of the guidelines is from January 19, 2001\textsuperscript{90}. The preamble of the decision states a.o.:

- The Lisbon European Council on 23 and 24 March 2000 set a new strategic goal for the European Union to become the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion. The attainment of this goal will enable the Union to regain the conditions of full employment.
- In implementing the employment guidelines, Member States should aim at a high degree of consistency with two other priorities highlighted by the Lisbon Summit, modernising social protection and the promotion of social inclusion, while ensuring that work pays, and the long-term sustainability of social protection systems is secured.
- The effectiveness of the Luxembourg process requires that the implementation of the employment guidelines is also reflected \textit{inter alia} in financial provision. To this end, the national reports should, where appropriate, include budget information in order to permit an effective assessment of the progress achieved by each Member State in implementing the guidelines, taking into account their impact and cost effectiveness.


\textsuperscript{89} On 20 and 21 November 1997 the employment objectives of the Union were made operational in Luxembourg. In particular the four ‘pillars’ (employability, entrepreneurship, equal opportunity and adaptability) were identified, in conjunction with the agreement to translate these pillars into a series of guidelines. These results were confirmed by the European Council in December 1997.

Partnerships at all levels should be encouraged, including with the social partners, regional and local authorities and representatives of civil society so that they can contribute, in their respective fields of responsibility, to promoting a high level of employment.

There is a need to consolidate and develop comparable indicators to make it possible to assess the implementation and impact of the guidelines, and to refine the targets which they contain and facilitate the identification and exchange of best practice.

More jobs, better jobs, paying jobs, social protection and social inclusion, partnership and accessible, comparable and quantified information: the Union aims high while at the same time the Union is well aware that the assessment of its goals is seriously hampered by the quality of the information it receives from the Member States. This goes for all four pillars, although the sketchiness and the non-comparability of the data for the adaptability-pillar stand out. The thrust of the pillar is described as: ‘The opportunities created by the knowledge-based economy and the prospect of an improved level and quality of employment require a consequent adaptation of work organisation and the contribution to the implementation of Life Long Learning strategies by all actors including enterprises, in order to meet the needs of workers and employers’. Information about adaptability should be provided on, according to the relevant guidelines (the numbers and text are identical with and taken from the official document):

- **Modernising work organisation**

In order to promote the modernisation of work organisation and forms of work, a strong partnership should be developed at all appropriate levels (European, national, sectoral, local and enterprise levels).

13. The social partners are invited:
- to negotiate and implement at all appropriate levels agreements to modernise the organisation of work, including flexible working arrangements, with the aim of making undertakings productive and competitive, achieving the required balance between flexibility and security, and increasing the quality of jobs. Subjects to be covered may, for example, include the introduction of new technologies, new forms of work and working time issues such as the expression of working time as an annual figure, the reduction of working hours, the reduction of overtime, the development of part-time working, access to career breaks, and associated job security issues; and
- within the context of the Luxembourg process, to report annually on which aspects of the modernisation of the organisation of work have been covered by the negotiations as well as the status of their implementation and impact on employer and labour market functioning.
14. Member States will, where appropriate in partnership with the social partners or drawing upon agreements negotiated by the social partners,

- review the existing regulatory framework, and examine proposals for new provisions and incentives to make sure they will contribute to reducing barriers to employment, to facilitate the introduction of modernised work organisation and to helping the labour market adapt to structural change in the economy;
- at the same time, taking into account the fact that forms of employment are increasingly diverse, examine the possibility of incorporating in national law more flexible types of contract, and ensure that those working under new flexible contracts enjoy adequate security and higher occupational status, compatible with the needs of business and the aspirations of workers;
- endeavour to ensure a better application at workplace level of existing health and safety legislation by stepping up and strengthening enforcement, by providing guidance to help enterprises, especially SME’s, to comply with existing legislation, by improving training on occupational health and safety, and by promoting measures for the reduction of occupational accidents and diseases in traditional high risk sectors.

- Supporting adaptability in enterprises as a component of lifelong learning

In order to renew skill levels within enterprises as a key component to lifelong learning:

15. The social partners are invited, at all relevant levels, to conclude agreements, where appropriate, on lifelong learning to facilitate adaptability and innovation, particularly in the field of information and communication technologies. In this context, the condition for giving every worker the opportunity to achieve information society literacy by 2003 should be established.

From the above it follows that the influence of the Green Paper on the guidelines, indeed, is still pervasive. The insistence on ‘partnership’, the ‘required’ balance of flexibility and security, and the emphasis on the more advanced developments in the economy are, separately as well as taken together, clear indications of the fact that ‘adaptability’ and the ‘new’ work organisation are co-terminous. Adaptability is a sketch of a new and vanguard type of organisation, both in terms of the relations of this organisation with its labour supply environment and with the dynamics of its own process of production. There may have been a discussion on the Green Paper, then, and this discussion may have included the social partners. The impact of this discussion –in particular the disbelief in just one type of new work organisation, the unsettled question of managerial prerogative and thus the role of worker representatives, the pertinent doubts about balancing flexibility and
security, and the category mistake of identifying organisation and work organisation- has come to naught in the drawing up of the guidelines on adaptability.

That, in my view, does not enhance the credibility and the force of the guidelines. It seems as if the strong emphasis on working-time and employment relations adjustments in the NAP’s in the years following the Amsterdam summit is met by an ever more ambitious programme of goals, instead of by a more sober but better formatted programme of conditions. The upshot has been that the work organisation as such has hardly been touched. Such may please the protagonists of managerial prerogative and it may be a disappointment for the adherents of a viable partnership in matters of designing healthy, learning and conducive jobs, work stations and working environments. Yet, the latter were among the main reasons for pinpointing adaptability in the first place. In this light it is both telling and astonishing that the Union has set out full blaze on the vanguard track instead of using sotto voce the one important instrument (the Directive on working environment) the Member States have agreed upon and are obliged to take at heart. The Directive, to repeat, is: inclusive, pro-active, comprehensive up to including the humanisation of work, focused on the working environment (i.e. reaching into the organisation of work and working times and calling for participation, training and information of workers and workers' representatives), aiming at prevention in the framework of a risk-approach, and based in absolute standards. The organisation of work, then, is at the core of the Directive and if one were to follow its implications for the necessity of partnership, for flexibility and security, and for training and development, a workable format for stating, operationalising, implementing and monitoring adaptability could ensue. This is the lead I propose to follow below.

7.5 Dimensioning Adaptability

European Directives are not like uniform prescriptions. Directives are meant to harmonise policies in Member States by allowing them to insert the relevant measures and norms in national laws and regulations. The follow-up of the Directive on Working Conditions will therefore differ in different countries. Moreover, the Directive of course allows for upward adjustment if a country so decides. As stated already, the Directive is based on article 118A of the SEA. The article and the Directive do not spell out exhaustively what should be included under the heading of ‘environment’ so more and less lenient interpretations have come to the fore. Even in a restrictive reading, however, the working

---

92 Notwithstanding the –restricted- reference to working conditions in Guideline 14.
environment includes the organisation of work and working time, participation and prevention, and training. These, in sum, constitute good starting points for constructing the pillar of adaptability.

7.5.1 Human Resources Mobilisation and Human Resources Management

The distinction between mobilisation and management is related to the distinction between a work organisation (or: an instrumentally defined organisation) and an institutionally defined organisation (for example a private enterprise, a workers’ co-operative, a public agency). One joins the latter by signing on as an employee or member, one joins the former by participating in the work to be performed. An employee is an organisational member by virtue of her employment relationship, a worker is a member of the work organisation by virtue of her participation in the division of labour. The two are interconnected but definitely not identical. When discussing the working environment we are dealing with human resources mobilisation, and when discussing the quality of the employment relationship we are dealing with human resources management. Getting people to sign on and to stay on, evidently, is very different from getting people to give the best they have; hiring and inspiring, or, for that matter, satisfaction and motivation, are discrete.

Adaptability, then, is tantamount to mobilising human resources and it stretches out into the domain of the employment relationship (the management of human resources) only insofar as such follows from the demands of redesigning the work organisation. There is nothing causal in this sequence, in the sense that the work organisation should assume priority (should come first) over the employment relationship. The sequence is a suggestion for a stepwise analysis. It is a purely pragmatic proposal and aims at a conceptually clear and workable description of what adaptability stands for. Let us define adaptability consequently as the set of working conditions enhancing the mobilisation of human resources and the consequences this set entails for the employment relationship or the management.

nevertheless indicates that the issue of health and safety has wide ranging implications for the organisation of work and the cooperation of workers and employers (ibid.: 147).

97 Two persons performing identical work can have very different employment relationships, two persons with identical employment relationships can be ordered to execute quite different tasks.
98 Buitendam 2001 (A. Buitendam, Een Open Architectuur voor Arbeid en Organisatie. Assen: Van Gorcum) uses in like manner the distinction between the ‘decision to work’ and ‘hiring’ on the one, and the ‘decision to produce’ and ‘inspiring’ on the other hand. The distinction, in historical perspective, is of an already respectable vintage, starting with Marx 1867 (K. Marx, Das Kapital I, Kritik der politischen Ökonomie. Reprint Berlin 1971: Dietz Verlag) and the differentiation of labour power and labour up to and including Williamson 1975 (O.E. Williamson, Markets and Hierarchies; Analysis and Antitrust Implications. New York and London: The Free Press) and the differentiation of transaction governance and transaction.
100 Theoretically the reverse order is of course the correct one: the employment relationship precedes and circumscribes the work organisation. We are here, however, not dealing with a theory of organisations, but with the challenges of redesigning a work organisation. The issue, then, is not to replace the adaptability-pillar, but to make it operational in its own terms.
of human resources. In short, adaptability is the trajectory going from human resources mobilisation to human resources management.

7.5.2 Mobilisation

Proceeding along this path will allow us to take advantage of the groundwork prepared by the Framework Directive on the working environment, and therefore, also to take advantage of the agreement already achieved at and supported by the European Council and thus the Member States. In a first step this means that we should focus on the preventive risk approach on the working environment and the call for partnership contained therein. Prevention and participation are thus the two relevant dimensions of mobilisation. Prevention signals a conditional approach to job design and it entails the design of jobs that carry the authority in them to balance (environmental) variety with (the authority and competence to invoke internal) variety\textsuperscript{101}. Changes in technology, or changes in client- and supplier-relations, then, should be anticipated in designing jobs that empower their holders to take charge of these sources of variety by tapping their own sources to vary. The key-word in this respect is control capacity, i.e. the capacity to deal with change. Changes call for adaptation; in a preventive mood they call for building control capacity into the job\textsuperscript{102}. From this, the demand for a participative design follows, i.e. the involvement of employees in the construction of jobs, tasks and their co-ordination. What we need, therefore, is information about job design and employee involvement.

At this point a remark about indicators and the level of finding them is in order\textsuperscript{103}. The most obvious level is undoubtedly the establishment-level, for it is there that jobs are actually created and destroyed, and it is there that the involvement of employees takes place. Some data on employment performance at company-level do exist\textsuperscript{104}. Although all case studies use the same format in reporting, the data are nonetheless hardly comparable and lacking all quantifiable information. Such information is provided,

\textsuperscript{101}This is the so-called law of Ashby.

\textsuperscript{102}The relevance of this approach for (the prevention of) health, safety and stress has been demonstrated by Karasek 1979 (R.A. Karasek, Job Demands, Job Decision Latitude, and Mental Strain; Implications for Job Redesign, in: Administrative Science Quarterly, vol. 24); the approach has been taken on board by the sociotechnical tradition. The pertinence of this approach for distinguishing between occupations has reasonably been established, the approach is less powerful for within-occupational distinctions.


\textsuperscript{104}See, in particular, Business Decisions Limited 2000, Government Support Programs for New Forms of Work Organisation: A Report for DG Employment & Social Affairs. In the Appendix to this report we find 30 company case studies (companies are located in: Greece, UK, the Netherlands, Ireland, Germany, France, Italy, Denmark, Portugal, Spain, Finland, Sweden). This report is, although not identical with, at least close to the establishment-level. Moreover, the report contains data on several larger scale programs on work improvement in Belgium, Finland, France, Germany, Ireland, Portugal, Sweden and the United Kingdom, including the relevant contact persons and addresses.
to a certain degree, by the EPOC-survey\textsuperscript{105}, which covers ten countries\textsuperscript{106}. The unit of analysis is the workplace, the persons questioned were the general managers (not the workers and/or their representatives). Over 33 thousand questionnaires were sent out, just under 6 thousand were returned and used. The return rate differed widely over countries (with a low of 9.4% for Spain, and a high for Ireland with 38.8% returned). The data were collected in 1996. It was not possible to gauge the possible under- or over-representation of workplaces with direct participation (i.e. the possibility that the outcomes systematically distort the values of the dependent variable cannot be ruled out). Despite its limitations in representativeness and outcomes, though, the questionnaire is very instructive for purposes of the subjects of prevention and participation and so, therefore, is the data set.

Yet, the gathering of information on the level of countries should assume priority\textsuperscript{107}. The EPOC-data are from 1996, that is before the launch of the European employment strategy and its associated pillars, including adaptability. So far the EPOC-questionnaire has—regrettably— not been repeated, notwithstanding the fact that longitudinal data—in particular when collected on a panel base— would be very worthwhile indeed\textsuperscript{108}. The country-level is, apart from these considerations, important because it is at that level that progress must be reported in the National Action Programmes. That implies governmental action, and co-operation of governments and social partners. In view of the trend towards ‘organised decentralisation’\textsuperscript{109}, i.e. the dual movement towards national framework-agreements and enhanced autonomy for employers, unions and works councils to design customised solutions for the industry or company under consideration, such an implication is not unwarranted. If, then, the adaptability-pillar has been taken seriously at all—either as such or through the intermediary of the Directive on the working environment— we should be able to find its effects in the NAP’s and the top-level agreements of the social partners, with or without active government support or intervention. Law and regulation on the one hand, framework agreements on the other hand: these are the ‘input’ indicators of the mobilisation dimension of adaptability. The ‘process’ indicators must apply to the ‘prevention’ and the ‘participation’ issues, referred to above. More precisely, process indicators are to identify which measures are targeted at workplace improvement in the broad sense, and which at

\begin{thebibliography}{9}
\bibitem{105} See note 11, above. Also, PWC-data exist. These are very poor however in the realm of working practices. See Brewster and Larsen 2000 C. Brewster and H.H. Larsen (eds.), \textit{Human Resource Management in Northern Europe; Trends, Dilemmas and Strategy}. Oxford and Malden: Blackwell).
\bibitem{106} Denmark, France, Germany, Ireland, Italy, the Netherlands, Portugal, Spain, Sweden and the UK.
\bibitem{107} Thanks to the kindness of Saari Juho from the Finnish Ministry of Social Affairs and Health a quite recent document from the European Commission (Employment and social policies: a framework for investing in quality; COM(2001) 313, Brussels, June 20, 2001) was brought to my attention. This document will hereafter be referred to as \textit{Framework}.
\bibitem{108} In the Netherlands, the so-called OSA-Demand Panel does offer insight into some aspects of workplace strategies at the establishment-level. This panel is repeated—on a representative basis—every other year, 1986 being the first round. I do not know whether comparable panel-data exist for other countries. If so, these would constitute a very worthwhile—albeit undoubtedly costly—source of information.
\end{thebibliography}
enhanced or changed employee involvement. The outcome indicators are to pinpoint the number of establishments in which the measures have taken root (or the number of employees covered)—or, as the case may be, where they failed to do so\(^{110}\). The impact indicators, finally identify the distance between outcome and the goals to be achieved (for example, the ratio of actual and potential number of establishments, and/or the ration of actual and potential number of employees under the measures). Actually, this proposal is very much akin to the one developed by the Commission in its recent *Framework* publication\(^ {111}\). There, under the heading of ‘social dialogue and worker involvement’, the need is expressed for provisions which are ‘to ensure that all workers are informed about and involved in the development of their companies and their working life’. The availability of such provisions is to be checked by reporting on legislative initiatives and the co-operation of social partners and indicators are to be sought in, for example, collective agreements and their coverage, and in the extension of works councils, EU works council explicitly included\(^ {112}\).

### 7.5.3 Management

As already indicated the field of HRM is interesting because it is involved in the mobilisation dimension. Not all of the conditions of a renewal of the work organisation, that is, are to be found within the work organisation. In fact, they stretch out far beyond it. Where conducive work requires a balance of job demands and control capacity, the employment relationship and its management requires a long term balance between work, care and education. The corollary is that indicators for HRM must be sought in the processes of Human Resource Development on the one, aspects of the Employment Relation on the other hand, both in connection to flexibility\(^ {113}\). We have already indicated that we hold an inclusive view on the employment relationship: this relationship is not merely about the ties that bind an employee to an employer and *vice versa*, it is also about the ties that connect the employee to a life-course dedicated to the *combination* of work, care and educational activities. To capture the relevant aspects we have used throughout the concept of flexicurity.

---

\(^{110}\) Here, data from the offices of Labour Inspection may help, notwithstanding the differences in scope of activities, powers and modes of operation of the inspectorates. For an overview see *SZW* 2000: 77-78 (Ministerie van Sociale Zaken en Werkgelegenheid, *De Nederlands Verzorgingsstaat; Sociaal Beleid en Economische Prestaties in Internationaal Perspectief*, Den Haag: Sdu). Again the European Foundation for the Improvement of Living and Working Conditions may be helpful, as they monitor the working conditions in the EU (see D. Merlié and P. Paoli 2000, *Ten Years of Working Conditions in the European Union*, Dublin: European Foundation for the Improvement of Living and Working Conditions). If available, of course, data from the European Agency for Safety and Health at Work might prove useful as well. Employment ministries and Trade Union and Employers’ Peak Associations might also prove indispensable sources of information, provided that they are approached in like manner. A questionnaire would seem to be the obvious answer, yet requires a lot of work and preparation.

\(^{111}\) See note 35.

\(^{112}\) Framework, p.c.: 13. In the Annex II (ibid.: 25) mention is made of the necessity of developing adequate sources for registering progress on this score.

\(^{113}\) Numerical flexibility is not ruled out in the Guidelines and in fact forms of numerical flexibility loom large in most NAP’s. The link with the work organisation, however, is often weak and/or tenuous. Numerical flexibility is quite regularly connected with maintaining an existing work organisation rather than with changing it, or making it more responsive to the demands of health, safety and the humanization of work. It should not be forgotten, though, that functional flexibility does have numerical implications: issues of job rotation, combined with for example forms of leave, can be considered as not just compatible with but as in fact conducive to functional flexibility. Moreover, there is no need to restrict the meaning of flexibility to the company- or establishment-level. In the present day of ‘employability’ such would only mean to miss the mark, and indeed, a flexible and secure employment relationship may well require a level beyond the company or the establishment.
One difficulty here is that forms of flexibility in HRM rarely carry their identification tags visibly on them. Any measure may have, depending on its context of use, functional and/or numerical flexibility effects. The danger of inaccuracy, then, is hardly imaginary. For Human Resource Development we cannot, against this background, limit ourselves to data on adult education and training. The IALS measures participation, duration, nature and financing training and education of adults in 11 countries. Respondents were asked a series of questions on their activities in training and education in the year preceding the survey (1994/1995). Next to differences between countries, similarities across countries were also found:

- Employed adults are more likely to participate in continuing education or training than the unemployed; the unemployed are more likely to participate than the economically not active.
- Participation in job-related training is substantially higher than in education and training for personal interest and other reasons.
- There are no substantial gender differences. However, men participating in job-related training are more likely to get financial support from their employers than women.
- Current patterns of education and training are likely to exacerbate rather than mitigate labour market inequalities and processes of social exclusion.
- Younger adults are more likely to participate and their training is of longer duration.
- Employees in larger establishments participate more and longer than employees in SME’s.
- Employers are by far the most common financial sponsors of, in particular, job-related training. In SME’s, where employers are less forthcoming, employees themselves are more likely to provide funding.

From these findings, it follows that the trajectory of lifelong learning, accepted as a goal by the Member States, still has a long way to go indeed. Our country reports confirm this conclusion. In particular, the tendency to underscore instead of to ameliorate the existing disparities and opportunities point to the necessity of active and enabling governmental policies for (co-)funding and forms of educational leave for the total actual and potential occupational population. The data from IALS, however, cannot help us here. Apart from the fact that these data are from before the launch of the European employment policy, they are based on self-reported information of individuals and do not cover institutional aspects of education and training. As far as governmental policy and educational

---


115 Australia, Belgium (Flanders), Canada, Ireland, the Netherlands, New Zealand, Poland, Sweden, Switzerland (German and French speaking communities only); United Kingdom, United States.
policy objectives are concerned data from Eurydice\textsuperscript{116} may help, as will data from the yearly Community Labour Force Survey\textsuperscript{117} Where it is a matter of facilitating employees to actually participate in training and education data on forms of leave are the obvious point of departure\textsuperscript{118}.

The proposal for future research on Human Resource Development is, in summary, to focus on the (use of) provisions to take up educational leave, including the mode in which these provisions are financed, where educational leave is taken as the most defensible proxy of functional flexibility. The focus, by implication, is on long- rather than short-term investments in functional flexibility. In this manner, HRD can be fitted into the strategy of Transitional Labour Markets. For changes in the Employment Relationship a comparable, but not completely identical, approach is suggested. Again, the reference is flexibility, yet in the context of balancing flexibility and security, and the perspective is on long-term, TLM-derived, participation of employees\textsuperscript{119}. In a sense, this is the most accessible aspect under our present consideration. For here we can look for, and score, regulations (the ‘input’), whether in law or in collective bargaining agreements on pregnancy leave, paternity leave, parental leave and care leave. These regulations can be scored on aspects of coverage, conditions, duration, and level of compensation (‘process’). Again, the number of people affected is the ‘outcome’ and the number of people affected as a percentage of the total number of people targeted is the ‘impact’\textsuperscript{120}.

7.5.4  \textit{Flexicurity: the trajectory of the adaptable employment relationship}

Flexicurity denotes both the demand and the supply side of the labour market. On the demand side flexibility is all about the possibilities for fine-tuning the deployment of personnel to the organisational exigencies at hand. That, certainly, does not preclude longer term considerations, yet it does point to the advantages organisations can gain if they are enabled to balance the demand for their products with their demand for personnel services. The demand for labour, in the end, is derived demand and the possibilities for flexibility in the conditions employment relationship expresses this state of affairs. The flexibility involved can be both numerical (adapting numbers and hours) and functional (adapting

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{116} See Eurydice 2000, \textit{Lifelong Learning: the contribution of education systems in the Member States of the European Union}. Eurydice Survey 2, European Commission. \url{www.eurydice.org}.
\item \textsuperscript{117} \textit{Framework}, o.c.: 22.
\item \textsuperscript{118} National laws and regulations, and central agreements between social partners are, combined with data taken from Eurydice, among the ‘input’; weighing the link with functional flexibility provides ‘process’, number of people involved the ‘output’ and rate of reaching the target group will provide the ‘impact’. Evidently, the critical connection is in the change-over from input to process. See also \textit{Framework}, o.c.: 13 and 25, where the same reference to national sources of information can be found.
\item \textsuperscript{119} Enabling long-term participation, then, is the twist we give to ‘security’. The implication is that data on changes in working time (for example the often quoted ‘annualisation’ of working time) are left out of our picture. The reason is simple: at the national level these data do not allow to make a distinction between numerical and functional flexibility. The case could be different, of course, once we would shift our attention to the level of enterprises or establishments.
\item \textsuperscript{120} A comparative example of these regulations and their process aspects is in SZW 2000: 210-211. The countries included are Denmark, Germany, England, France, Sweden and the Netherlands.
\end{itemize}
\end{footnotesize}
skills and competencies), and it can be realised internally (adapting the length of the workweek through overtime for example, or by shifting people around over teams, departments and/or establishments), and it can be realised by externally adaptation, for example by hiring the services of a temporary work agency. On the supply side, all of these events may match with employee preferences and, again, they may not. In both instances, however, flexibility requires security: in terms of employability, social and income security, and the work-life balance. In some of the chapters above and in the country reports we have addressed several of the issues concerned, in particular those on working time, on the type of employment relationship, on income, and on the provisions available for balancing work and care.

The number of usual hours worked per week is slowly decreasing in the EU. In 1998 the number equalled 38,5, in 2000 it was 38,2. This is in line with the longer term trend: the number of hours per person is decreasing –albeit very slowly only in the period under consideration-, the number of participants is increasing\(^\text{121}\). All the same, the difference in hours between countries is not negligible. The longest hours are made in the UK, with an average of over 43 hours. When compared to the Netherlands, averaging somewhat more than 33 hours, the difference amounts to 10 hours per week, which is a lot by all measures. The Dutch number, also is significantly below the European average. Part of the difference is explained by the fact that males in the Netherlands have shorter working hours than the EU average, the difference amounting to about 2,5 hours per week. The other part, obviously, is explained –taking the participation rates into account of course- by the number of female working hours. Here, the difference is about 8 hours per week, reflecting the very high incidence of female part-time work in the Netherlands.

A better indicator for the weight of work hours is the combined workweek of the household. Modelling the modern European household as consisting of a couple (with one or more children) with one full-time and one part-time job, the longest workweek is, again, in the UK, this time joined by Portugal, and the shortest one we find in Denmark and Germany. Also, the Netherlands, Finland and Spain score below average. Of course, statistically the drawing of conclusions is fraught with difficulties, yet the measurement of the weight of the working week at the level of households is highly commendable, in particular in combination with care arrangements. Measuring the household, also, would produce better insight in the relevant preferences for working hours, as expressed by employees. It would give further substance to the finding, noted in the chapter on Employment relations above, that more than half of those presently working would prefer to work less if they were able to exercise a free choice, and taking their need to earn a living into account. Such might lead, as noted, to a further reduction of the average workweek, opening up, actually, the opportunity to transform the now prevalent full-time/part-time divide into a more equitable pattern of two times \(\frac{3}{4}\) jobs\(^\text{122}\).

\(^{121}\) And the use of overtime is increasing.
\(^{122}\) As advocated by Schmid in his plea for transitional labour markets, and also in SCP, *De kunst van het combineren; taakverdeling onder partners* (The art of combining; the division of tasks among partners). Den Haag 2000.
To be sure, this would not in itself cure all problems and bottlenecks. First, we find in Europe a growing incidence of an intensified work speed, only partly compensated by enhanced employee influence over their working hours. And second, working in the weekend, during evening and nights, or at irregular hours is still widely prevalent in the EU, as is the growing use of overtime. All these do not absolutely preclude a sensible balance during working hours and between work and home, yet it does lead to more demands on the fine-tuning of activities in, and beyond, the place of work. If we add to this the relatively higher incidence of temporary work among women—and its associated lower score on the quality of work, control over conditions and pay and other forms of security—the corollary is that the actual task of finding an adequate balance is highly gendered— to the detriment of the health and career opportunities for women.

Combining flexibility and income security is a huge task and largely unfulfilled to-day. The object is to implement measures of income security such that these back flexibility and its condition is, as stated in the chapter on Income Security, to “make people’s discontinuous work biographies compatible with continuous income biographies” (emphasis added). What we perceive, however, is a rise in flexibility (in terms of contracts and their employment conditions, and in terms of the rise of temp work), which is not and/or not systematically tied to the renewal of the conditions of security. That is in itself a serious problem, aggravated paradoxically by the decrease in long-term unemployment and the concomitant inflow of the formerly unemployed into temporary jobs. Indeed, the phenomenon of the ‘working poor’ may well be connected to this development. Also, the relatively successful employment record in the EU of the past few years has led to comparatively more female than male jobs. On average, these are jobs of poorer quality, of lower pay, in weaker employment relationships, of a relatively part-time nature and more often than in male jobs of the temp-variety. Income security, then, in these jobs can be much improved and would have to be improved in order to achieve a fair balance of flexibility and security. Only in Portugal, and in the Netherlands, do we note some limited attempts to balance flexibility and security. A first move towards at least the semblance of a balance of flexicurity, we only find in these countries. In all other countries the situation has not improved—the scales are more out of balance than before, no matter the level of demands and provisions within each of the scales taken in isolation.

And then, last but not least, there is the issue of combining work and care. Here the picture is, again, rather varied. At the end of the chapter on Work and Care, above, the summary table (the ‘combination index’) shows that, first, a ranking on one aspect (parental leave, compared with paternity/maternity leave or with child care provisions etc.) has only limited predictive value for the

---

ranking on the other aspects. This points to a still underdeveloped systemic integration of the relevant aspects of care into the world of employment. This lack of integration, moreover, is also evident once we confront the developments in care with the developments in terms of employment and employment opportunities. Again, then, we find that the ranking in care does not predict the ranking in employment and vice versa. Second, it shows that the Nordic countries fare better than the rest, with Portugal catching up and some of the wealthier countries relatively lagging behind. Possibly, first-movers still have the advantage, late-comers learn fast, while the middle-group is, indeed, stuck in the middle. However, in order to substantiate such an inference a more systematic study on family policies in our sample countries needs to be undertaken.

7.5.5 A concluding note on measurement

Bringing the different data on adaptability on a common denominator is no easy matter. If we may assume that most provisions and regulations are of an inclusive nature (i.e. targeted at an inclusive definition of all people potentially to benefit) the impact scores would constitute the easiest way to compute comparable numbers. If such is not the case (for example when provisions are for employees only, and not for the whole of the potential occupational population) the impact scores can be corrected (weighted) in order to produce comparable outcomes. Yet, the presupposition that provisions and regulations are substantially the same is of course unwarranted. We therefore have to correct for that as well (i.e. we have to correct for the input and process aspects). This means in practice that we first have to derive the common substance in input and process and than to allow room for the ‘upward’ differences. Only then will we able to proceed along the path of a radar chart for adaptability, comparable to the charts used in the Joint Employment Reports of the Commission for the pillar of employability. Radar charts are benchmarking techniques, fit for easy graphical presentation of results of, in our case, performances in prevention, participation, HRD and the employment relationship. The best performing country gets the value of 1, the worst performer the value of 0. The values are thus always relative to the values for the best and worst performers in the comparison group and higher values represent better performances. As noted, standardisation of the underlying data is a necessity, including the decision on how performance indicators are to be weighted. It would seem to stand to reason that the indicators on the four ‘axes’ (prevention, participation, HRD and employment relationship) are to receive equal weights (and in fact only on that proviso is it possible to work with a maximum of 1 and a minimum of 0 for all axes). That leaves us with the decision of how to evaluate the different aspects (input, process, outcome and impact) of the indicators. Work in progress, indeed.

7.6 An Afterthought on Adaptability and Social Quality

Social quality is most easily approached through the Social Quality Quadrant, as developed in several publications of the EFSQ\(^{126}\). In the quadrant social quality is pictured as the outcome of the interplay between processes (both societal and biographical) and aggregated actors (both communal, i.e. *Gemeinschaften* such as groups and communities and societal, i.e. *Gesellschaften* such as systems and organisations). This gives four combinations:

- Biography (process) and *Gemeinschaften* (actors): *empowerment*
- Biography (process) and *Gesellschaften* (actors): *inclusion*
- *Gesellschaften* (actors) and societal processes: *socio-economic security*
- Societal processes and *Gemeinschaften* (actors): *social cohesion*

The sociologists among us will of course recognise the similarity of the quadrant and the classical Parsonian AGIL-scheme, where socio-economic security and Adaptation overlap, as do inclusion and Goal achievement, Integration and social cohesion, and, finally, Latency and empowerment. Apart from that, however, the quadrant allows us to connect social quality and adaptability. For, the dimension of Human Resource *Mobilisation* is specifically targeted at *empowerment* of employees (having at a different level *socio-economic security* as a result) and the dimension of Human Resource *Management* is specifically targeted at the long term *inclusion* of employees, thus contributing to the societal objective of *social cohesion*. In terms of processes, thus, adaptability as *mobilisation* starts on the level of biographical processes and implies *Gemeinschaften* (teams, councils, trade associations, unions) as actors and impacts on both societal processes and corporate actors. Adaptability under the guise of *management* addresses –for obvious reasons, it being management first of all the corporate actor and aims at the level of biographical processes, while impacting on the level of societal processes through the health of communities as actors (families, neighbourhoods, communal services, all in so far as depending on the activities of the employment and the employment provisions of a corporate actor).

\(^{126}\) see, a.o., the publication mentioned in note 31
Chapter 8: CONCLUDING REMARKS

8.1 Introduction

8.1.1 The paradigm shift

In this chapter we will refer to the foregoing chapters of this Joint Report and to the National Reports about employment policies and social quality. Before making these references we have to present some preliminary remarks. As explained in Chapter 2 the project has to perform real pioneering work. It addresses, first, the new concept of flexicurity as a key domain of the adaptability pillar of employment policies. This new concept concerns the balance between flexibility and security in the labour market, seen from the perspective of employees and employers. The supposed contradiction between the two aims is rejected thanks to the acknowledgement that labour is not merely a commodity. Therefore it cannot behave only in a strict economic sense (Chapter 5). By creating flexicurity we may pave the way for methods to cope with far-reaching changes or transformations with regard to as well as the production relations as human relations. Second, the question of flexicurity is connected with the new social quality approach. This approach will pave the way for an interdisciplinary methodology, adopted so as to be able to give a multi-faceted, holistic picture of socio-economic relations in the world of work. As presented in the Foundations second book – see Chapter 2 - this approach is connected to a vision about the outcomes of the methods with which to cope with far-reaching transformations. In other words, the participants of this Project concerning the connection between employment policies and social quality were confronted with the unknown. The concept of flexicurity itself is both contested and underdeveloped. The concept of social quality has not been operationalised and has never been applied to the field of employment. Progress on both fronts requires knowledge about the outcomes of their applicability in the world of everyday life. This work started just a few months ago. In fact it concerns the translation of a paradigm shift.

There is a third point as well. This is a real European Project. Participants from many Member States contributed with much inspiration to the challenges to connect the theme (and reality) of flexicurity and social quality. But more time is needed to work together in order to do research of the highest quality. All participants need more time to internalise the supposed paradigm shift in order to theorise this connection and to translate it into research aimed at supporting new policies. Connected with this point we may mention a fourth one. Indicators of flexicurity, determined by the participants of the Project during an intensive search process, are translated into sub-indicators or variables. These variables have to be related with data in order to understand tendencies with regard to the determined data. The participants concluded that many important data are lacking both on European level and on
national level. Furthermore, many national data are too restricted to national circumstances and cannot be used in a comparable way.

8.1.2 One main conclusion and the chapter's content

One of the Project's main conclusions is that the connection of flexicurity and social quality is totally new. Therefore, the outcomes of this Joint Report and the National Reports should be appreciated as building blocks for designing further research. Many aspects of employment policies are interwoven with labour relations from the recent past. They remain a part of the past paradigm. We tried to clarify this thesis by referring to the gender question. The dominant propositions with regard to the position of women prevents Member States from coping with the outcomes of far-reaching transformations. Therefore, the gender question regards is at the heart of flexicurity seen from the perspective of social quality. New production and human relations (see next section) imply the supposed paradigm shift. Therefore, the Joint Report and the National Reports have a preliminary character. Thanks to both and with the outcomes of the thematic issue of the European Journal of Social Quality about the above-mentioned questions (see Chapter 1) we have to formulate new strategies to transcend this preliminary character. Nevertheless, the recent outcomes are 'fragments' of interpretation, related with the new paradigm. Thanks to the reports produced we will be able to elaborate these fragments in a more consistent and coherent way. As should be clear, in the National Reports the concept of social quality functions more as a metaphor than as a heuristic and practical instrument. This presents our real new challenge in order to understand the concept of flexicurity as well.

In this chapter we will (i) continue with our reference to transformation processes and the challenges, articulated during the Lisbon Summit of the European Union in 2000. The reason is to legitimise further research with which to realise the necessary paradigm shift. We follow (ii) with conclusions about the Report's main focus, namely flexicurity and inclusion. Then we present (iii) conclusions about the four indicators of flexicurity for exploring the new paradigm. They are derived from the foregoing chapters about these indicators. These chapters refer to the way the indicators are presented in the National Reports. Furthermore, we (iv) present some conclusions about a specific aspect of flexicurity, namely the gender question. After that we present (v) two examples of good practices with which to underline modern possibilities for connecting flexibility and security positively. Then we will present (vi) our conclusions about the connection between flexicurity and social quality (or inclusion), using the outcomes of the National Reports as well. We will complete this chapter (vii) with proposals about 'the road ahead', by which to realise the paradigm shift.
8.2 The logical consequence of the Lisbon Summit

8.2.1 Europe’s three challenges

The famous conclusion of the Lisbon Summit in June 2000 was that the key aim of the European Union was that Europe will become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion. The motive seems quite clear. The European Union is confronted with at least three challenges. First, the challenge to incorporate the Central Eastern states into the Union. Second, to develop its institutional form in such a way that the Union and all its Member States are able to promote the well being of citizens. Third that, at the same time, it has to address the outcomes of some fundamental transformations in economic and social relationships. Castells explains, for example, the mechanisms responsible for the breaking up of relationships on an individual level, the social level and with regard to environmental aspects. The nature of the recent transformations stimulate a “fundamental split between abstract, universal instrumentalist, and historically rooted, particularistic identities (…) In this condition of structural schizophrenia between function and meaning, patterns of social communication become increasingly under stress.”

The plea is quite logical that, in order to address these three challenges at the same time economic policies, social policies and employment policies should be connected in a specific way. The nature of this connection should strengthen the EU’s competitiveness in the world as well as the cohesion between citizens. This connection or relationship is represented diagrammatically in what has become known as the Diamantopoulou Triangle (after the Social Affairs and Employment Commissioner). This theme is presented in Chapter 2. In that chapter we argued that the social quality initiative may be a condition for understanding this relationship and to elaborate aspects of it. One of the characteristics of the social quality approach is its inter-disciplinary methodology, adopted so as to be able to give a multi-faceted, holistic picture of social and economic relations in the world of work.

8.2.2 Social quality and a new vision

The social quality initiative can produce theoretically based connections between relevant aspects of the extension of the Union as well as its constitutional development. The reasons are presented in the

---

second book of the European Foundation on Social Quality. In its Third Part this book presented new theoretical based arguments of the original definition of social quality, namely as ‘the extent to which people in the European Union are able to participate in the social and economic life of, their communities under conditions which enhance their well-being and individual potential. This theory links immediately to the questions of enlargement and constitutional reform and their related policy domains. In other words, the main strategic goal of the European Union, mentioned above, should contribute to the specific outcomes of the enlargement and its constitutional forms in order to enhance social quality.

The Foundations second book refers also to economic and social transformations as the context for theorising social quality. Because of the acceleration of technological innovations and their applications production relations will change fundamentally. Large and small networks of production units may be connected in production thanks to new forms of electronic communication. In a technological sense the flexibility of labour will be a necessity and a possibility. We may notice an increase in the individualisation of work. With regard to the social dimension the nature and structure of families is changing and – as well thanks to the transformation of production relations – the related norms and values. We are confronted with an increase of the so-called individualisation of human relations. Both main tendencies can strengthen or undermine each other. The challenge to connect employment policies with (macro) economic and (macro) social policies – see the Diamantopoulou triangle (Chapter 2) - refers to the necessity to cope with the consequences of both tendencies in a specific way. This concerns the translation of a ‘vision’ about the coming future of the European Union. This point regards the question of differences and similarities of social an economic approaches in Europe (the so-called European Social Model) and in the United States of America. Especially, the social quality approach underlines the necessity to formulate a positive vision. It delivers theoretical points of its development. That was the reason the President of the European Commission, Mr. R. Prodi, wrote in the foreword of the Foundation’s second book, that it “places social issues at the very core of the concept of quality. It promotes an approach that goes beyond production, economic growth, employment and social protection and gives self-fulfilment for individual citizens a major role to play in the formation of collective identities. This makes the book an important and original contribution to the shaping of a new Europe”. Which form of employment is attractive or necessary in order to contribute to competitiveness in the context of changing economic and social conditions? This question should be connected with the plea to perceive the labour force differently

129 The Foundation's second book refers extensively to Bauman: Z. Bauman, In Searching of Politics. Cambridge: Polity press, 1999, p.8. He calls for a positive concept of ideology: “the name of ideology has been assigned to the cognitive frames, which allow various bits of human experience to fall into place and form a recognisable, meaningful pattern”, p. 118.
130 See note-2, Foreword.
(see above) as a condition for strengthening societal cohesion. The outcomes of the Lisbon Summit may be seen as a logical invitation to confront new employment policies with social quality.\textsuperscript{131}

\section*{8.3 The Joint Report’s main focus: flexicurity and inclusion}

\subsection*{8.3.1 The Project’s restriction}

In this Joint Report our approach is restricted. We chose flexicurity as the Projects core business. It is the domain of the adaptability pillar of employment policies. It regards the combination of secure and flexible employment in a lifetime perspective. This restriction is immediately derived from interpretations of the main tendencies, outlined above. It focuses on the nature of outcomes of a relevant aspect of employment policies for improving the social quality of living conditions in cities, regions and nation states. As we argued in Chapter 2, the issue of flexicurity concerns a difficult balance to achieve. But because of the far-reaching changes in production relations social innovations will be necessary to pave the way for a new balance. We will refer to two good practices, in the Netherlands and in Spain, with which to illustrate the possibilities for these innovations. As known, the Projects general purpose is to connect employment policies with social quality. Thanks to the restriction mentioned above, the specific purpose is therefore to connect flexicurity with social quality. In Chapter 2 we explained that, due to the characteristic of flexicurity, it would be quite logical to connect it with one of the four objective conditional factors of social quality, namely inclusion. Therefore the final question is, how may the outcomes of flexicurity as an aspect of employment policies contribute to the \textit{inclusion} of citizens in the production relations of their social circumstances?

As we concluded in Chapter 7, with this in mind, social security should not merely make work pay, it should make transitions pay; from one job to another, from one employer to another, from one level of competence to another, from one combination of work and care to another. This argument is quite understandable with the consequences of recent economic and social transformations in mind. Instead of only financing the mostly involuntary change from employment into unemployment, social security should contribute to the often-voluntary changes in combining work and care, work and education and work and the phased transition to retirement.

With this last remark we may revisit the earlier plea to perceive the labour force differently, especially in order to address the social transformations. While all humans are engaged in the spheres of non-money and care-giving activities in some form or other, it is gender that plays a central part in the division of roles for men and women in these spheres, such that most of non-money production and

\textsuperscript{131} This question is difficult for the following reason as well. Processes of modernisation imply an increase of economic interdependency of the Member States of the European Union. The herewith related necessity to develop new technologies and systems of communication will cause an extra deepening of their relations. The extension of the European union causes an enlargement. Deepening and enlargement follow different logic and may be contradictory to each other. The European Union faces a multi-dimensional complexity.
care-giving is done by women, and devalued by being officially labelled as ‘inactivity’. A social quality approach needs therefore to turn its attention to the question of what is known as unpaid work and care. But it needs to analyse also the existing propositions with regard to this gender question. Flexicurity is a direct function of family policies in Europe.

8.3.2 The applied methods and the outcomes of a search process

To connect the domain of flexicurity with social quality and especially with inclusion as one of the objective conditional factors of social quality – the Project applied five methods for preparing and interpreting the National Reports (see Chapter 2). The outcomes may function as point of departure for judgements about the value of the applied methods and to design the next research project. First, the participants made a choice of the most crucial policy target concerning the social quality approach. It is ‘flexicurity’ as a balance between flexibility and security. All of them recognised from the beginning that flexicurity is a contested and potentially problematic concept. The accepted thesis is that without an acceptable balance, the ‘inclusion’ of citizens or workers in the labour market will create huge problems. Therefore, an imbalance will diminish social quality. Second, they formulated indicators with which to start to measure the nature of flexicurity. This happened during the first plenary meeting of the Project on the basis of two Working Papers. The essence of these papers is published in Chapter 7, referring to the recent outcomes of the National Reports as well. These formulations were the outcomes of an iterative search process. Third, the Project gathered European data and the participants applied these data and national data in order to start the exploration of the four indicators of flexicurity in the different Member States. The drafts of the National Reports, published at the end of 2001, presented the results of the research. Fourth, during the second plenary meeting the participants analysed the outcomes of the drafts in order to discover the most relevant variables or sub-indicators with which to elaborate the indicators of flexicurity. At that time, the debate concerned the relevance of these variables and the choice of extra data on European and national level, in order to conduct new research in the different Member States. The outcomes of this second round are presented in the final National Reports. All indicators are addressed and presented in such a way, that we will be enabled to articulate recent tendencies with regard to flexicurity in order to make conclusions about the consequences for inclusion as one of the four objective conditional factors of social quality. We applied as well a fifth method. Four participants analysed respectively the outcomes of the analyses of the four indicators. Their analyses are presented in the four previous chapters. Furthermore, some participants analysed the outcomes from the point of view of social quality. This will be presented later in this Chapter. Finally, one participant produced an appendix with regard to the statistical methodological questions and one participant with regard to the gender question.
8.3.3 A general conclusion about this pioneering work

Thanks to this ‘matrix based methodology’ we are enabled to formulate a general conclusion. This Project is exploratory for three reasons. First, data about indicators for flexicurity on a European level are not complete and national data lack sufficient quality for comparability.\(^{132}\) This concerns data about: (i) income security, (ii) employment relations, (iii) working time and (iv) forms of leave. Indeed, we have to speak about ‘exploration’ because we opened up a new type of analysis. Notwithstanding this, the Project made progress with its exploration and delivers points of departure for the operationalisation of the new paradigm. Therefore, the foregoing chapters and the national Reports present the outcomes of a new approach of analyses of outcomes of employment policies. Thanks to the co-operation with the Dublin Foundation for the Improvement of Working and Living Conditions, the outcomes of this exploration may also pave the way to develop comparable data on a national level for elaborating a European perspective.\(^{133}\) Second, there is the confrontation with the new theory about social quality. As explained in Chapter 2, the participants tried to start this theoretical excursion before the start of the Network ‘Indicators of Social Quality’. Therefore, the outcomes of this particular theoretical confrontation are tentative. It is totally pioneering work. The Network on indicators will accept the results in order to make new steps with regard to the application of the social quality theory for policy-making processes. In order to connect the Projects outcomes with inclusion as one of the objective conditional factors of social quality we need a further elaboration of the National Reports as well as new input from the Network. In other words, the Project completed its preliminary research and delivered a lot of arguments to follow its new path in order to elaborate the connection with the social quality approach. Third, the specific focus, the gender question, encounters problems because of the mostly hidden dominant propositions with regard to the position of men and women in the labour market we referred to. This focus creates a double challenge. The first challenge concerns the connection with the social quality approach in order to address the globalised neo-liberal recipe. The second challenge concerns the discovering of data, expressing real tendencies with the four indicators, seen from the perspective of gender. These data are completely underdeveloped.

---

\(^{132}\) This question is addressed by David Gordon, see Annex 1, part 2.

\(^{133}\) The Dublin Foundation and the Amsterdam Foundation are discussing forms of co-operation in the near future. The Dublin Foundation disposes of means to develop research for data. The outcomes of this exploration may pave the way for plans in order to elaborate this first exploration.
8.4 Exploration of the four indicators of flexicurity

8.4.1 Employment relations (Chapter 3)

The review of the National Reports concerning the indicator ‘employment relations’ opens with a reference to the European Commission’s statement, that economic growth is not seen as an end in itself but a means to achieve a better standard of living for all. As said, this statement is manifest in the development of European Union employment policies. Nevertheless, it may be different from the views of shareholders of private companies. This difference refers to a central question of economic points of departure. In this chapter the conclusion is made that a major problem when reporting internationally comparable statistics is that an individual researcher can hardly have the necessary experience and knowledge to interpret the meaning of this indicator in each country. Changes in the amount of full time and part time employment will have different causes in different countries. This question also refers to the statistical methodological point, presented in the appendix. The main conclusion with regard to this indicator is that high quality employment relations are of prime importance to the future social and economic health of the European Union. Nevertheless this is currently an under-researched subject. This chapter concludes that different sub-indicators produce very different patterns of the quality of working conditions between countries. There is no EU country that consistently ranks at either the top or the bottom on all the employment related indicators. There are different problems and successes in different countries and therefore there can be no uniform policy across Europe that will effectively tackle all the problems of poor quality employment relations. Both social and economic policy makers in Europe are going to need good theoretical and empirical measures of the quality of employment relations in order to continue to make progress with the European Social Model.

8.4.2 Working time (Chapter 4)

One of the conclusions of the review of National Reports on the indicator ‘working time’ is that when comparing flexicurity arrangements, the job security and social security of flexible work forms, among European countries we first are confronted with ambivalent aspects of the economic adaptability of companies and workers. Especially with regard to arrangements of working times, the question is how much economic flexibility and how much social security is involved in these practices. Flexibilisation of working times raises the disposition of employers over the work hours of their employees, by either extending the available working time of their personnel, or extending the flexible labour pool. Yet also the authority and control of the employer with respect to labour-input and the standard labour time is involved. A high degree of flexicurity of employees with respect to working time would be a

combination of: (i) a moderate and reduced length of the fulltime working week, (ii) a sufficient amount of part-time working hours to make a living, (iii) a low rate of temporary jobs and (iv) a low female and youth unemployment (so a high degree of time autonomy in secure jobs). Few countries meet these standards, for instance Belgium and Denmark.

8.4.3 Income security (Chapter 5)

This review on the indicator ‘income security’ opens with the point that, until about ten years ago, flexibility and security were seen almost exclusively as a contradiction. This led to an understanding of security as a hindrance for improving flexibility. The revision came with the acknowledgement that labour is not merely a commodity. Therefore, it cannot behave in a strict economic sense. At least some kinds and measures of income security became a precondition for improving flexibility. With this in mind the combination, namely flexicurity, could be connected with the social quality initiative as well. A herewith-related conclusion is that all measures of income security aiming at backing flexibility must offer possibilities in order to make people’s discontinuous work biographies compatible with continuous income biographies. Thus with respect to the enforcement of flexibility, all those social political measures are of importance which substitute or partly substitute wages. With regard to the National Reports some trends may be discovered. First a slow but steady increase in flexibility. Second, the number of part-time workers and of atypical work increased almost everywhere. Third, are the levels of unemployment high, there is no clear tendency towards increasing duration of individual unemployment. An increasing number of people become confronted with the problem of a discontinuous work-biography in general. Systems of social security in most countries are not really prepared to cope with this problem.

8.4.4 Forms of leave (Chapter 6)

This review of the National Reports about the indicator ‘forms of leave’ opens with the remark that the traditional pattern and the associated social drawing rights are nowadays caught in a process of change. First of all, employment is individualised. Second, the neat distinction of one period for study (preparing for work), one period for work and one period for rest from work no longer holds. Instead we see periods of work intermingled with periods of study. We also see signs of a phased, instead of an abrupt withdrawal from the labour market in the later stages of one’s life, often accompanied by renewed participation in the many forms of voluntary work. Both financing educational leave and financing a phased withdrawal from the labour market, can only be achieved if the system of social security and its drawing rights are adapted to the new situation at hand. This chapter analyses the National Reports with regard to the possibilities of parental leave, maternity and paternity leave, child care. Thanks to this analysis it presents a combination index, including an overall ranking. Finland and
Denmark lead the pack, and this only underscores the viability of the Nordic social-democratic welfare state. The main surprise is, undoubtedly, Portugal. It plans with small means for large ambitions and surpasses wealthy countries like the Netherlands, Germany and the UK. Also in the chapter the conclusion has to be made that paucity, incompleteness and incomparability of data many have had debilitating effects on the outcomes of the index. This regards a general question. Will the applied approach deliver new perspectives for research with which to underpin modern policies?

8.5 The Joint Report’s specific focus: employment and gender

8.5.1 The specific focus: the gender question

In debates on aspects of flexicurity two propositions are evident. First, in order to make a ‘normal’ career a full time paid job is a condition. Second, especially women are responsible for the care of children and older parents. The conclusions are quite clear as well. First, because of the second proposition, it will be very difficult for women to make a ‘normal’ career. Men dominate production relations. Second, women are saddled with a double responsibility. These types of evidence are culturally based and refer to human relations in the past. They are contradictory with regard to the outcomes of recent transformations. All National Reports demonstrate that both propositions are effective, implicitly or explicitly. This contradiction prevents the key aim of the European Union as articulated during the Lisbon Summit in 2000 and will be especially important in the context of the enlargement of the European Union. The participants concluded new research is necessary because of lack of effective data. In Annex-1 we present some suggestions which research must be functional for elaborating the Projects general aim.\textsuperscript{135}

As said before, this question is of extremely interest with regard to the enlargement of the European Union. What happened in the recent past in order to cope with the collapse of the state socialism? According to Barbara Einhorn, in Central Europe some structural mechanisms are applied. The need to ameliorate working-conditions got irretrievably lost. She noticed some years ago, ‘Rather than humanising the social relations of production for all workers, they [the main actors in the political institutions] promulgated compensatory protective legislation. This emphasised women’s reproductive function rather than their productive capacities, thus entrenching the worker-mother duality. It is not surprising that women are now reacting in such disparate ways to current economic and ideological pressures pushing them out of the workforce’.\textsuperscript{136} In her recent study, Zsuzsa Ferge presents her conclusions about the preparatory work for the enlargement of the European Union. The connection between economic policies, social policies and employment policies – the heart of the matter of the

\textsuperscript{135} M. Threlfall, ‘Notes on the Question of Unpaid Work’, in Annex 1 of this report.

\textsuperscript{136} B. Einhorn, ‘Cinderella goes to the Market: Citizenship, Gender and Women’s Movements in East Central Europe’. London: Verso, 1993, p-114.
European social model – is not a point of departure. She says, ‘the implicit model for Central Eastern Europe, which in many cases is dutifully applied, is different from the ‘European model’ as we knew it, and in many respects close to the original World Bank agenda. As a matter of fact high officials of the Bank do present the developments in Central- Eastern Europe as a social policy model to be followed by the current members of the Union. The weakening of the European model in the member countries may antagonise their citizens who may then use the accession countries as scapegoats. If the EU members do not follow the monetarist recipe the gap will grow between East and West’. And especially this neo-liberal recipe stimulates the commodification of labour and prevents the broader question of how individuals may earn their living through activity of some kind (see above).

In this context it is of interest to recall Laura Balbo’s assumption from some years ago. She wrote: As in the past, adult women are primarily responsible for survival and reproduction. But what is peculiar to the present situation is that in order to accomplish their tasks they are expected to relate to a variety of service agencies, to the bureaucracies of our welfare state to the ‘helping’ professions, to voluntary and self-help groups. In particular, as to the provision of personal services, though it is a fact that state and market have enormously increased their share, this is not be seen as merely transferring tasks from the family unit to other service-delivering institutions. Most service require a lot of extra work, in order for personal needs to be met in the basis of market or state servicesº.

In this subsection we will refer to the foregoing chapters, which discussed the National Reports from different perspectives. Before that we will refer to recent study of Marina Calloni, published in the Foundation’s second book. Her outcomes affirm Laura Balbo’s arguments. According to Calloni, ‘the daily life of women seems, therefore, to have become harder and more stressful than in the past. Traditionally daily life has been based on the conviction that the physiological reproductive power of women can be ‘naturally’ identified with the consequent duty of the daily reproduction of life (care of children and the household). Nowadays this conventional conviction has acquired new features. In the neo-extended’ family (adult children who live at home with their parents and partners) women have to work more hours than before, having continuing responsibilities over the years and having to mediate conflicts arising from members of the family having different forms of lifestyle, belief and needs. Consequently women have to deal with differentiated forms of inter-generational caring duties

(including children, parents and grandchildren) and do not necessarily receive support from public services’.  

In the chapter about the indicator ‘employment relations’ (Chapter 4) the conclusion is made that between 1995 and 2000, women’s employment increased by 6.2 million jobs compared with the 4.3 million additional jobs filled by men. However, employment growth was strongest for women amongst part time jobs whereas many of the new jobs filled by men were full time. In every European Union country there are higher rates of temporary employment amongst women than men. Reasons, mentioned by Calloni, should be taken on board in order to discuss this empirical fact in connection with the social quality of employment relations, thus employment policies. Furthermore, this chapter has shown that different sub-indicators produce very different patterns of the quality of working conditions between countries for women as well.

In the chapter about the indicator ‘working time’ (Chapter 5) the conclusion is made that flexible and informal work patterns, such as part-time work and unpaid household work, are still mainly practised by women. In most European countries these are nowadays the most widespread forms of flexibilisation of the labour force. During times of economic upsurge women have been mobilised to fill the extra vacancies of the economic expansion, while in times of recessions they are easily dismissed, due to the practice of temporary contracts. With respect to the economic involvement of women as the main flexible workforce, adaptability is high in the Nordic countries, and above average in Britain, The Netherlands, Portugal and Germany. Spain and Belgium score below the EU-average of labour participation of women. In these countries women have a high participation rate in unpaid household work. In terms of flexibility of the female labour force, The Netherlands stand out with the highest degree of part-time word and temporary jobs of women. Above the European average is the flexibility of female workers in the economies of Britain, Spain and Germany. Below this average is the female labour flexibility in the Nordic countries and Portugal. Social security through labour participation of women is high in the Nordic countries and Britain. Denmark and Britain also show the lowest rate of women in temporary jobs, so most women have regular jobs.

In the chapter about the indicator ‘forms of leave’ (Chapter 6) we concluded that the growing female contribution to the world of paid employment has not been compensated by a parallel growth in the discharge or care tasks and duties by men. The fair distribution in the actual responsibility for tasks of care is swiftly developing into the touchstone of an adequate and civilised system of social security and social drawing rights. Today, such distribution is not fair at all. To an important degree, of course, responsibility for care is embedded in deep cultural beliefs and practices. As these impact directly on people’s long-held expectations about the behaviour of self and other they are not likely to change

overnight. Indeed, even though many people today would support a more equal division of care tasks, it will take sustained efforts over a long term to translate the relatively new social view on parcelling out everyone’s fair share of responsibilities into practice, and thus, in solidly held new expectations. In a sense, then, having social security arrangements take the lead in easing the transition to viable combinations for both women and men of work and care, is only the easier part of the job.

8.6 The Dutch part-time economy: an example of good practice

The Dutch national report notices an important trend in the realm of labour law, signalled by the new need to design security arrangements in a life-time perspective and at the same time to transform flexibility in employability. A turn towards ‘reflexive labour law’ can be seen; the pivotal position of the employment relationship is weakening to the favour of a participation relationship, the latter combining a life-time perspective (including a system of social security geared to the need to make transitions pay) with an emphasis on employability. The traditional employment relationship is a relationship in which the employing and the work organisation coincide. The new employment relationship may well surpass the boundaries of one organisation and, indeed, it may typically involve two or more. Two is the most easy to grasp: in this case the employing organisation (say an agency like Randstad) and the work organisation are distinct and they are connected through markets, not hierarchies.

Thus, we see a development to the employing organisation lending its own employees. In that case, the employee remains an employee of the lending organisation and is a temporary worker in the borrowing organisation, the actual workplace. Private employment agencies fit this type of employment relationship, of course, but the phenomenon is not restricted to them. At the level of branches and sectors we see the same developments, whether by pooling workers, by posting them or by other mechanisms cutting the direct connection of employer and work environment. Data on the number of people processed by employment agencies only partially capture all of these movements and therefore underestimate the actual magnitude of the relevant transfers and transitions. So, even if the temp-agency is the classical instance it does not stop there. Other forms of labour exchange (pools, posting and borrowing personnel, etc.) are important as well. This type of flexible employment relationship is not limited to relatively unskilled workers or to new entrants in the labour market. For training purposes, for example, but also for purposes of recruitment and selection, flexible relationships in which the employing organisation may serve a series of client-organisations, for example in a branch or sector as a whole, may prove expedient. For training purposes we find many branch and sectoral funds, often geared to a collective bargaining agreement

141 Schmid, o.c.
or, as the case may be, these funds become the subject-matter of a so-called specific collective bargaining agreement. In the case of recruitment and selection it often turns out that the demand for labour is more easily predictable at the sectoral level than at the level of the individual companies within the sector. Then, given that not all companies will need labour at the same time, a rationale exists for pooling resources and even for creating a specialised employing organisation, distributing and allocating labour over the member companies. Such an employing organisation of course may also try and extend its field of operation into the realm of training and education. And, in fact, they are doing so.

The share of flexible employment relations has gone up, then, during the nineties, although at the end of the decade the growth in flexible relationships came to a halt. The reason quoted most often in this respect is that the tightness of the labour market has forced the employers to try and retain their employees. Both for men and for women the Netherlands though is in first position in terms of part-time employment. Especially the large share of female part-timers is remarkable, reflecting the typical Dutch compromise for working women and the balance they are assumed to strike between working and caring.\textsuperscript{142}

The organisational dissociation\textsuperscript{143} of employment and work has advantages of scale and scope. The scale advantages are obvious, in particular in circumstances where labour demand is subject to unpredictable shifts at the company level. But the scope-advantages may in the end prove of even more significance. Employment is an information intensive-industry and problems of information impactedness—including problems of agency, moral hazard and hold-up—are always nearby. Forms of consultation, including collective negotiations, are one option to tackle such problems, specialised agencies are another. The need for such agencies is, if only for reasons of life-time employability compared to life-time employment, on the rise. One may speculate on the question in how far agencies of this kind are the appropriate units to organise employability, an activity that they themselves do not eschew.\textsuperscript{144} They will assist in search activities, both for companies and for employees, and they will assist in matching demand and supply, training and education explicitly included. And our projection is that arrangements to combine work and care, again, will often surpass the company-level, thereby enlarging the market for intermediary organisations and mechanisms. The scope of such agencies, in the form that we know them, is, indeed, widening. Private employment agencies, for example, initially restricted their activities to the provision of temporary workers but today their activities include posting, recruitment and even selection, training, reintegration and other tasks in

\textsuperscript{142} The Netherlands has been characterized as the only `part-time economy' in the world.
\textsuperscript{143} One can consider this as a special case of looking upon organizations as networks instead of as unitary actors. It may be argued that forms of contracting out, subcontracting and even internal contracting follow the same logic. These, however, are in a different legal regime, at least in the Netherlands.
\textsuperscript{144} Professional Employer Organization is one tag, used for the hiring organization, Professional Agent Relationship, used for the employee, another. Services in the vein of child care provisions, education etc. are explicitly included. See H. Junggeburt, You've got no mail; labor and labor relations in the new economy. Randstad 2001, pp. 1-35, here: pp. 33-34.
the field of managing human resources. Labour pools do likewise, as do the public employment services. Of course, there is no one uniform trend in the identification of the actual employing organisation: there is, as yet, a hard to categorise blend of formats rather than the clear and unequivocal emergence of a new format and the consequent waning of the old one.

In this connection it is worthwhile to take a closer look at the relatively new Act on Flexibility and Security, effective in the Netherlands as of January 1, 1999. The objective of the Act is to contribute to a new equilibrium in the labour market, characterised by a mutual enhancement of company flexibility (read: adaptability) and employee security (read: contractual clarity). Employment agencies, in the indicated broad sense, are assumed to be employers. Employment organisations as well as employers generally are also confronted with the ‘burden of proof’, in cases of doubt as to the exact nature of the relationship and of the number of hours involved. On other scores, also, the security of employees, in particular of employees in temporary relationships, is strengthened, the most important among these being clauses that forbid the mechanism of the ‘revolving door’: an endless chain of temporary, fixed-term, contracts. These gains in employee security are matched by gains in organisational adaptability. Dismissal procedures have become somewhat more lenient—and in particular: faster- in the Netherlands. The Act, that is, does not prejudice any specific patterning of employment relationships. The Act recognises that both two- and three-party employment relationships are viable, that flexibility and security are interdependent, and that three-party relationships need, if they are to continue to flourish, need an adequate match of flexibility and security.

8.7 The National Reports about Social Quality

8.7.1 Social quality: a metaphor or a heuristic instrument?

The national reports agree on the attractiveness of the social quality concept. As the Belgian report puts it, ‘it appeals for notions of post-industrial beyond quantitative, material aspiration, aiming at qualitative, immaterial aspects and it calls for ‘social’ aspects, beyond individualistic preoccupations

---

145 See the press statement of the ABU, the general union of private employment agencies, April 20 2001, in which these wider objectives were made official.
146 See R. Huiskamp, J. de Leede, J.C. Looise, Arbeidsrelaties op maat: naar een derde contract? (Customized employment relations: toward a third contract?). Assen: Van Gorcum/Stichting Management Studies 2002. The three contracts are: the traditional employment relationship, the collective bargaining agreement and the impact of newer developments such as work- and-leave arrangements.
147 For example: if the relationship is intermittently continued, when does it become a regular employment relationship? And for how many hours?
148 As can be gauged from the OECD, Employment Outlook 1999 (Paris 1999), pp. 60-61, Chart 2.1, where it shows that between the late ‘80s and the late ‘90s the Netherlands hardly changed in terms of employment protection for regular employment and became more flexible for temporary employment, leading to an overall judgment of more flexibility in the late ‘90s than a decade earlier. As a whole, this conclusion fits the Dutch experience, but the signs—at least in terms of the Flexibility and Security Act- should be reversed: more flexible in terms of regular labour, less so in terms of flexible labour. The decision of the OECD to lump hiring and firing together presumably is responsible for this result.
but oriented towards collective and solidaristic considerations. Also this quotation demonstrates that the concept of social quality may be used as a metaphor. In the National Reports the concept functioned in many times in this way for putting their results into the wider (European) comparative perspective. The concept comprehends objective and subjective conditional factors and constitutional factors as well. It shows the way to analyse these factors, to develop specific measurement instruments and how to make conclusions about social quality of aspects of daily life. For this process the methodological triangle of social quality is important.

In Chapter 2 we tried to explain what the Projects main focus is. In our opinion it explores tendencies with regard to flexicurity in order to measure its effects for adaptability as one of the four pillars of employment policies. Furthermore, it starts the confrontation of these outcomes with inclusion as one of the four objective conditional factors of social quality. But because this phase of exploration (i) as well as ‘flexicurity’ (ii) as well as ‘inclusion’- and therefore their connection - are to be found in the preliminary phase. Therefore the main question will be if the Projects applied methods will pave the way for this connection in the near future? In the foregoing sections we tried to explain that the Project’s exploration of flexicurity opens new doors. It will pave the way for a new agenda on behalf of employment policies, which will address the new challenges concerning production relations and social relations in order to translate some aspects of the Lisbon summit we referred to. Below we will illustrate the necessity to continue the exploration of social quality in connection with the tendencies of flexicurity. This implies the translation of the Lisbon Summit as well. Therefore we may formulate not an empirical but a logical argument. As we demonstrated in Chapter 2, the angles of the Diamantopoulou Triangle (economic policies, employment policies and social policies/cohesion) can not be connected immediately. We need an intermediary. Social quality functions as such an intermediary. In this phase of exploration the function of the National Reports is to falsify or to contribute to this argument. We will give some examples from the National Reports relating to this argument. They underpin the argument’s attractiveness and underpin the plea to go through with especially the component of inclusion.

8.7.2 The Danish, the Spanish and the Belgian examples

The most straightforward way of the preliminary exploration of the above mentioned connection can be found in the Danish report. Following the flexicurity indicators and analysis, the Danish employment situation is summarised from the perspective of the four components of social quality. With regard to Danish socio-economic security, Hvid concludes that it depends on whether one belongs to one of the

---


core groups of the labour market. If you belong to a core group with a strong representation at company level, with good opportunities for vocational training, and you are secured against unemployment, your socio-economic security is high. If not, your socio-economic security is low. Then empowerment is fundamentally based on the collective system of bargaining in the Danish labour market. At the same time though the collaborative system can be the basis for manipulation and adaptation to external goals and interests. ‘The official collective will can suppress individual needs and priorities. Sometimes the official collective will expressed by for instance shop stewards, is manipulated, and perhaps formed by the external goals of the firm.’\textsuperscript{151} In terms of inclusion, the collective systems in Denmark give those who belong to the system good opportunities for self-realisation. On the other hand those who do not belong to the collective systems are excluded. That especially is a reality for those who have no or only a weak relationship to the labour market. This also accounts for cohesion: again, those who are organised obtain a certain degree of collective identities and vice versa for the non-organised.

Also in the actual analysis of employment one important aspect of social quality is missing. This is shown by the differentiation of two approaches for quality made in the Spanish report.\textsuperscript{152} On the one hand there is the competitive approach to quality of the European Commission, related to its strategy for competitiveness. In official documents on employment and social policy (Green Paper and White Paper) it is formulated as ‘high’ or ‘good’ quality jobs. The hard core of the conception is the characteristic of work that makes itself creative, innovative, and with a high level of proficiency. Some of the dimensions are job qualification, flexibility, gratifying task content, but also participation and social acknowledgement. On the other hand there is a more subjective approach to employment quality. This covers the dimensions and characteristics of a job that are more valuable to the people. According to the Spanish report, the question whether ‘people do really want flexibility, adaptability, qualifications and lifelong training in their lives’ has not been asked. Moreover, the meaning of these dimensions can also vary in different social and territorial settings.

Therefore this approach would offer the ‘possibility to be sensitive to different social meaning for similar facts in different context’.\textsuperscript{153} Spain delivers an outstanding example of this point with its household reference for evaluating the social impact of employment quality deficits, measured in individual terms. This adds an aspect to the analysis by showing that also family can offer security and complementary resources to individuals. Threlfall\textsuperscript{154} shows that the social quality approach does enable a focus on the experience of individual and group actors in their relations to employment and the broader question of how individuals earn their living through activity of some kind. As one of the

\textsuperscript{151} Ibid, p. 20.
\textsuperscript{153} Ibid, p. 40.
characteristics is that it is not confined by strictly disciplinary boundaries between e.g. labour economics, industrial relations, sociology of work and gender relations. The subjective approach is being accounted for by the subjective conditional factors in the methodological triangle of the social quality approach as discussed in Chapter 2. In this analysis the focus has for several reasons only been on the objective conditional factors with which to develop indicators.

8.7.3 Some considerations about a Dual Labour Market

According to the Belgian Report, the traditional risks seemed to remain there, but new individual needs are formulated and even fulfilled. Many of them are still related to the life cycle, others are determined by the needs of the economy or the need for self-fulfilment or a symbiosis of both. The socialisation of those new needs illustrate the dawn of a better and better welfare state but can they be to the detriment of the existing welfare state, entering a twilight zone of the traditional welfare state. The Spanish report\textsuperscript{155} points out the actual meaning of the competitive approach of quality used by the European Commission. It states that it is not clear that the strategy for developing quality in employment is directly brought about by economic competitiveness and technological change. This raises the question whether it is a viable strategy at the European level. Will all Member States profit just as much from this strategy in economic and social terms? In the Spanish report two different scenarios in Europe are predicted. On the hand ‘countries with high standards of working conditions and strict labour regulation may introduce flexibility, with an economic logic, through new organisation models, as the way to improve competitiveness (flexicurity strategy: flexibility + quality).’

On the other hand, there would be ‘countries (and peripheral branches) where we can find a high level of flexibility, but an insecure flexibility’, questioning the need for introducing new organisational models. They would not have any incentive to go over the quality road, as the insecure flexibility costs are externalised (to individuals, families or to the public sector) and the economic achievements are relevant as well. In short, the Spanish report concludes, this results in an increasingly dual labour market at both national and European level. ‘Some countries have made the precarious employment as one of the central issues for their competitiveness strategy. And this strategy becomes a vicious circle that thwarts even the reformers’ attempt to improve employment (and social) quality.’

The popularity of the concepts ‘flexicurity’ and the ‘transitional labour market’ shows the growing interest in combining work and family life, as well as other aspects (e.g. lifelong learning). Some predict that the ‘passive’ welfare state will be replaced by an ‘active’ welfare state in which the institutions need to be adapted, not just according income but also labour time.\textsuperscript{156} This approach does

\textsuperscript{156} Van Dongen, Omey, Wijgaerts, 2001, pp. 239, 292.
not focus on the transition between different phases. Instead it underscores the combination of several spheres of daily life. This raises the question, if a transition from taxing income to subsidising non-activity is needed? A solution that seems to be inherited from the strategy to reducing the labour supply in times of massive unemployment. In the future this may lay a heavy burden on the welfare state as the inactive part of the population will keep growing. Others see an argument for the redistribution of jobs and active working time behind the ‘transitional labour market’ notion,\(^\text{157}\) as the equilibrium seems to be disturbed. The Belgian example shows that the reduction of insurance contributions for low skilled / low wages has the most positive effects on job creation for low qualified people among others. The reason is that there is a substitution between the high qualified and low qualified before crowding out has taken place. Another argument for rebalancing the distribution is the stagnation of the total labour volume in combination with an increasing labour force. Additional arguments are the dramatic need for increasing labour market participation and the possibility of replacing subsidised forms of non-activity with new forms. Nevertheless, this depends very much on the national budgetary room for new measures.

8.7.4 Some empirical evidence

In the foregoing presentation we referred to considerations presented in three National Reports. They function as examples with which to give - implicitly or explicitly - arguments for continuing the exploration of flexicurity in connection with the social quality approach. In our presentation about the four indicators of flexicurity and about the gender question (see above) we noted empirical evidence for continuing this exploration. We may complete this exercise with some specific topics with which to underpin the urgency for this continuation. For example the opening of the Finnish Report is important, namely: ‘there are two, quite contradictory views of the Finnish working life. On the one hand, the Finns are a hard-working people, and almost all adults (both men and women) participate in paid employment, usually full-time. Thus, Finland is and has been for a long time a ‘work society’ par excellence. On the other hand, according to many studies and interviews, workers are stressed in their work places or have difficulties to fulfil new requirements, and pre-retirement is more than usual’. We suppose, the connection with far reaching changes in production relations (acceleration of technological innovations and application) and social relations (for example changing role of families, increase of mobility, demographic revolution) should play an enormous role. But new demands from companies seem to be important as well. In Chapter 4 we concluded that in the year 2000 the majority of workers (56%) in the EU reported having to work at high speed for at least a quarter of their working time. Men were slightly more likely to have to work at high speed than women. Furthermore a quarter of EU workers have to work at high speed all the time. In Sweden, more than a third of workers said they had to work at high speed all the time. With regard to women, not high speed but the double

\(^\text{157}\) De Koning, Gelderblom, 2001, p. 208.
responsibility (see the gender question) causes a damage to the objective and especially the subjective conditional factors for social quality.

8.8 The road ahead

8.8.1 The position of the family

Above we introduced our thesis concerning the need for a new paradigm. We feel that the situation in the EU at present calls for a new and integrated vision on the joint development of its economy, society and intellectual and cultural resources. Of course, the present context of adaptability—and even adaptability in a reduced form only is much more modest than such a vision would necessitate. On the other hand, adaptability is a subject not separate from it either, as we touched upon many wide ranging topics. Indeed, the focus on the flexicurity aspects of adaptability touches upon many vital aspects of the grand vision, laid down in Lisbon, about Europe as an inclusive knowledge society.

The theme of inclusion we approached on two scores: one was the gender issue and, secondly, the question of individualised participation in the labour market. Both of, course, are related as, more in general, the gender issue can serve as a spectre for most of the problems—and its solutions— for a competitive and socially inclusive Europe. Much remains to be done, however. We have seen in the country reports that women are still faced with many of the disadvantages that centuries of subordination have produced. In a formal sense, equalities have been proclaimed and achieved: equal civil and political rights stand out among them. As for social rights and possibilities, on the other hand, the position of women in society needs strengthening. In terms of employment relations and employment opportunities, in terms of control over time and the quality of jobs, and in term of career continuity and career perspectives much remains to be desired. There is, certainly, nothing new in this observation. On the other hand, in a society that stresses the importance of the active and individualised participation of all, asking for everyone’s contribution has its preconditions and these may well get to the heart of employment and employment relationships. Individualisation, in our view, is definitely not identical with the waning of the family, or with a lowered societal status for the family. Rather to the contrary we would argue that families, where and when confronted with new challenges and new time frames, deserve more attention than ever. Family arrangements, and the reciprocal influence of family arrangements and employment opportunities, require more and longitudinal research efforts. The household, then, next to the individual, is an important unit of study and measurement in questions on the distribution and constraints of time and time budgets, in the division and constraints of household tasks and care for relatives and family members. Where such a research tradition is at least partly established in some income studies and statistics, a similar attention for tasks and times is badly needed. We need both: knowledge on jobs and individual incomes with
economic and individualised independence as a logical target, and knowledge on households based on the same parameters.

8.8.2 The balance of working life and living conditions

The knowledge economy and society, moreover, asks for durable, long-term participation of its citizens. Two catchwords come immediately to mind in this connection: employability and the balance of work and life. Employability demands effort from societies, as represented in its governments, by institutions and organisation and by the citizens themselves. The EU countries have set ambitious targets for more, more extended and more continuous education, on and off the workplace. Next to budgets and expertise, such calls for forms of consultation and co-operation between representatives of governments, employers and employees, and the educational institutions as such. Some of these forms already in existence, others will have to be forged.

A major problem here is undoubtedly the distribution of costs and benefits (the ‘hold up’ problem as economists have it), and the dangers of a two-tier society, leading to or invigorating an already imminent dual labour market. Answering the problem may well require a loosening of the ties that bind one employee to one employer. If life-time employment, that is, will make way for life-time employability, and if all interested parties take that message to heart, then it seems obvious that there is no point in quoting statistics on the stable length of the average employment relationship. There is a point, though, in acting on the knowledge that the typical employee will change employment every once in a while, not for reasons of having become unemployed, but for reasons of competency and development, i.e. for reasons of employability. More study, therefore, is needed on the problem of balancing the interests of individuals, organisations and whole societies on productive transitions over the whole range of the relevant labour market.

Durable participation cannot be achieved without a healthy balance of working life and living conditions. We have been focusing on the balance of work and care. The topic, however obvious it would seem to any neutral observer, has so far hardly been the object of official attention, let alone care and study. It was a ‘feminist’ concern and it took the switch from looking at gender as a matter of women to gender as an urgent matter of mainstreaming before the issue was taken seriously. This only occurred during the last decade and it will come as no surprise that most EU countries are struggling to-day for the correct format to tackle the problem, including the question on the distribution of responsibilities and responsible actors, whether governments, employers, employees, pension funds, city and regional authorities and so on. Indeed, that it could easily be extended is not a reassurance but, rather, a sign of confusion. Many governments have taken first steps to act on the many and intertwined problems on this score, yet systemic action and systemic adaptation to the
world of work cannot yet be seen. Here, if anywhere, research is needed, not however to postpone action but to initiate it, monitor it and keep it moving.

These, as we see it, are the consequences of consistently integrating flexibility and adaptability. The latter is concerned with modernising the work organisation, and, just like flexicurity is nothing but the balance of work and life, so adaptability is nothing but the balance of ever shifting job demands (emanating from a competitive and knowledge-intensive economy) and equally shifting conditions on job control (harmonising the time contingencies of work and at work, with the time contingencies of streamlining the rhythms of work and of the world beyond it). Again, the framework of work points beyond itself. The present state of research allows for that conclusion. To ramify its implications, nonetheless, constitutes a new research programme in its own right.

8.9 Concluding remarks

We have shown that the concept of social quality offers a unique way of understanding the idea of flexicurity and the tension between security and flexibility that underpins it and, moreover, one that gives real meaning to the guiding principle of ‘quality’ in the European Social Agenda. We have demonstrated different approaches to flexicurity in the Member States and, especially, different models of family/employment relations. As explained in the section about the ‘general conclusion’, this remains an exploratory Project. It had to pave a new way and demonstrated, this type of research and ‘international dialogue’ will transcend traditional and hidden propositions with regard to important aspects of employment and employment policies. This transcendence is a condition for coping with economic, technological and social transformations. Without this, and captured in the traditional employment paradigm, prevents the operationalisation of the key aim, articulated during the Lisbon Summit in 2000.

What is required now, we believe, is first of all new empirical work on this topic in order to develop robust variables or sub-indicators that can be translated directly into tools for both policy makers and citizens. Second, to co-operate with the Dublin Foundation on the Improvement of Living and Working Conditions in order to elaborate European based data. Third, to start the co-operation with the Network Indicators of Social Quality in order to connect the research of indicators on flexicurity with indicators on inclusion. Such work will enable the European Union to reconcile the goals of competitiveness and quality and provide a way to begin to accommodate the social models of the accession states into the European Union.
SUMMARY

Flexicurity as a starting point

This Joint Report, its Annex 1 with additional documents and its Annex 2 consisting of nine National Reports, are the outcomes of the Project oriented on the connection between ‘employment policies and social quality’. Participants from eight Member States and one candidate Member State started with the exploration of this connection in January 2001. It regards the exploration of an entirely new theme. It tries to pave the way for combining ‘flexicurity’ as an important domain of the adaptability pillar of employment policies with ‘inclusion’ as one of the objective conditional factors of social quality. Adaptability is described as the opportunities created by the knowledge-based economy and the prospect of an improved level and quality of employment. This question is put forward by the European Commission in order to cope with new challenges as well as to operationalise the key aims articulated during the Lisbon Summit in 2000. It requires the renewing of the work organisation and the contribution to the implementation of Life Long learning strategies. One of the proposed methods is to combine secure and flexible employment in a lifetime perspective. This combination is called flexicurity. In the recent past this was a contested concept. Thanks to new interpretations of ‘labour’ this concept functions now as an instrument for creating new pathways, because it concerns the heart of the partnership for a new organisation of work. An organisation with which to contribute to a productive balance between the interests of business and the interests of workers, thereby facilitating the modernisation of working life. Especially the theme of adaptability is important for the search of new strategies with which to cope with far-reaching transformations (political, economic, social, juridical and cultural). This implies a new paradigm shift for renewing the organisation of work with which to address these transformations.

Social Quality and Inclusion

The social quality initiative is launched by the European Foundation on Social Quality in order to deliver points of departure for interdisciplinary approaches to address economic policies, welfare policies, cultural policies, and juridical policies from the same point of view. This will pave the way for their reciprocities on theoretical level as well as on policy level. Because of the choice of flexicurity the orientation on inclusion, as one of the objective conditional factors of social quality, is a promising start for stimulating and understanding the connection between employment policies and the social quality approach. The subject matter of inclusion is citizenship, which was emphatically introduced into the European debate by the Comité des Sages in 1996. Citizenship refers to the possibility of participation in economic, political, social and cultural systems and institutions. Due to processes of modernisation
participation in both economic systems and institutions assumes participation in different functionally
determined subsystems without a common medium and without links. The integration of sometimes-
contradictory perspectives, logic, antagonisms and orientations is in the performance of the individual
subject. And this implies, as said above, new strategies for Life Long learning.

Preliminary results

In the year 2000 the co-operation between the European Foundation on Social Quality and the
European Research Centre of the Kingston University in London paved the way for the Projects
exploration by preparing and publishing the thematic issue on ‘social quality of employment’ in the
European Journal of Social Quality. Its outcomes delivered points of departure for the Project. This
new Joint Report and National Reports should be appreciated as new building blocks for designing
further research in order to address challenges mentioned above. As argued, many aspects of
employment policies are interwoven with labour relations from the recent past. They remain a part of
the past paradigm. The participants of the Project tried to clarify this thesis by referring to the gender
question. The dominant propositions with regard to the position of women prevent Member States
from coping with the outcomes of far-reaching transformations. Therefore, the gender question
regards the heart of flexicurity seen from the perspective of social quality. New production and human
relations imply the supposed paradigm shift. Because of the exploration of a new theme the Joint
Report and the National Reports have, logically spoken, a preliminary character.

The participants have shown that the concept of social quality offers a heuristic instrument for
understanding the idea of flexicurity and the tension between security and flexibility that underpins it. It
offers a unique way to explore its indicators for measuring tendencies in Europe, which are important
for analysing the nature of inclusion in economic subsystems. Moreover, it gives real meaning to the
guiding principle of ‘quality’ on the European Social Agenda. With this preliminary research they have
demonstrated different approaches to flexicurity in the Member States and, especially, different
models of family/employment relations. As explained in the conclusions, this remains an exploratory
Project. It had to pave a new way and demonstrated that this type of research and ‘international
dialogue’ will transcend traditional and hidden propositions with regard to important aspects of
employment and employment policies. This transcendence is a condition for coping with economic,
technological and social transformations. Without this, and captured in the traditional employment
paradigm, prevent the operationalisation of the key aim, articulated during the Lisbon Summit. But
more time is needed to work together in order to do research of the highest quality. All participants
(and new as well) would need more time to internalise the supposed paradigm shift in order to theorise
the combination of flexicurity and inclusion in order to explore the connection between employment
policies and the social quality approach. They also need more time to translate it into research aimed
at supporting new policies. One of the main conclusions is that many important data are lacking on both European level and national level. Furthermore, many national data are too restricted to national circumstances and cannot be used in a comparative way. But another main conclusion is, that the Project – and see the National Reports – entrenched a new dimension. This dimension is of utmost importance for translating European key aims, formulated during the Lisbon Summit.

The Road Ahead

What is required now, we believe, is first of all new empirical work on this topic in order to develop robust variables or sub-indicators on flexicurity that can be translated directly into tools for both policymakers and citizens. Second, to co-operate with the Dublin Foundation on the Improvement of Living and Working Condition in order to elaborate European based data for analysing the dynamics between security and flexibility. Third, to start the co-operation with the European Foundation on Social Quality’s new European Network Indicators of Social Quality in order to connect the research of indicators on flexicurity with indicators on inclusion. Such work will enable the European Union to reconcile the goals of competitiveness and quality and provide a way to begin to accommodate the social models of the accession states into the European Union.