



**NORDENS FACKLIGA SAMORGANISATION  
POHJOLAN AMMATILLINEN YHTEISJÄRJESTÖ  
COUNCIL OF NORDIC TRADE UNIONS**

070921

**Commission Communication “Towards Common Principles of Flexicurity –  
More and better jobs through flexibility and security”:  
Comments to the ETUC from the Council of Nordic Trade Unions – NFS**

The five points below summarise some views of the Council of Nordic Trade Unions (NFS) on the European Commission’s Communication on flexicurity. We hope that they will be well reflected in the ETUC’s response to the communication.

1. Globalisation increases competition world wide. The Commission is right to point out that for Europe this means increased pressure on the economy to adapt and change more rapidly than before. This is also emphasised by the demographical changes under way.

However, if Europe is successful in carrying out the structural reforms necessary globalisation can be highly beneficial for the European economy. But for this to happen the benefits of change must also benefit workers and be the source of more and better employment, better welfare and increased social cohesion.

If the need for structural change is used to roll back workers rights, worsen working conditions and make living conditions more insecure the result will be sharper contradictions in society and growing resistance to change. Ultimately this will make the European economy more vulnerable to the negative effects of globalisation.

The competition facing Europe is getting tougher by the day. At the same time it is our experience that a labour market culture and attitudes favourable to flexicurity solutions take time to develop. It is therefore urgent to rapidly take concrete steps to develop European labour markets in a way that simultaneously promotes flexibility and security for workers.



NORDENS FACKLIGA SAMORGANISATION  
POHJOLAN AMMATILLINEN YHTEISJÄRJESTÖ  
COUNCIL OF NORDIC TRADE UNIONS

2. Countries where flexicurity-oriented policies have been successfully pursued are all characterized by an open attitude to the structural changes that are a constant part of open market economies. But this openness has not come by itself. It has developed together with welfare systems that make sure that unemployment or sickness does not imply drastic deterioration of living conditions. People who feel secure can see changes not only as threats, but also as new opportunities. “Security in change” is a key to success for flexicurity.

The COM mentions the need for welfare systems that give “adequate income support” and “adequate unemployment benefits”. This is good, even if the wording is far too vague. However, the wider perspective of this is not spelled out by the COM, and that is a major weakness of the communication. It is true that work should pay more than being on benefits, but without a high level of income security for the broad majority of workers, and not only for the lowest paid, structural change will be met with hostility. Incentives to find new paths for individual development will be weaker. Efforts to promote flexicurity-solutions will lead to an impasse.

3. In its communication the Commission shows a clear tendency to favour lower job security for workers. The COM even feels obliged to stress that labour market flexibility “is not limited to more freedom for companies to recruit or dismiss”. A strange phrase since, to our knowledge, no European country has any legal hindrances for companies to hire workers. Also, and more importantly, there is no link between the level of job protection and the employment rate in the EU. Many of the countries at the top regarding employment also have high levels of job protection.

Rules on job security are formed by national labour market cultures that have developed over a long period of time. Therefore a set of rules that function well in one country may not at all fit another. Because of national differences general recommendations to weaken job security in Europe are misplaced. In this field subsidiarity is highly important. If rules on job security are to be changed this is a matter for national social partners and legislators.



**NORDENS FACKLIGA SAMORGANISATION  
POHJOLAN AMMATILLINEN YHTEISJÄRJESTÖ  
COUNCIL OF NORDIC TRADE UNIONS**

The COM wants to include the OECD indicator on job security in the framework used to promote flexicurity and the Lisbon strategy. We strongly oppose this. This indicator is very rude and its scientific value is rather questionable. For example labour market flexibility achieved through collective agreements and optional legislation (legislation that can be replaced by collective agreements if the social partners so wish) is underestimated. Making use of this indicator would also be politically counterproductive. It would give the impression that lower job security is a goal for the Lisbon strategy, which would undermine support for the strategy among workers and trade unions. Such a use is therefore incompatible with the COM's own statement that support from social partners "is a core asset" in promoting the Lisbon strategy.

4. Upgrading skills and competences of workers has always been important for competitiveness – from plant level to the European level. Today, however, two new developments make this a crucial factor for the future economic well being of Europe.

The first one is globalisation, which intensifies competition worldwide. Europe can only meet this challenge by moving towards more knowledge intensive products and services with higher value added. To meet the hardened competition with lower wages and less security is a strategy doomed to fail.

The second is the challenges stemming from an ageing population. In the future it will be necessary for a larger part of the working age population to stay on the labour market longer than today. This can not be done without relevant upgrading of skills, accompanied by improved health and safety conditions.

To meet these two challenges massive investment in education, life long learning and active labour market policies is needed. Special attention must be paid to those with the lowest level of education, who many times are left on the sideline when life long projects are put into practice.

This seems to be an analysis that is embraced also by the COM. That is a very positive starting point for further action. But it must also be remembered that



**NORDENS FACKLIGA SAMORGANISATION  
POHJOLAN AMMATILLINEN YHTEISJÄRJESTÖ  
COUNCIL OF NORDIC TRADE UNIONS**

Member States many times have adopted documents committing themselves to investing more in life long learning and active labour market policies. Despite this, progress on those issues has been limited. The EU is advancing much too slowly towards the goals set within the Lisbon strategy.

The COM should analyse why this is the case, and much stronger than today use its influence to put pressure on Member States to translate words into deeds. Country specific recommendations in the framework of the Lisbon strategy and benchmarking comparisons between countries are tools that must be used for this.

5. The COM is emphasising the important role that social partners have in promoting flexicurity solutions, and rightly so. As the COM correctly points out, integrated flexicurity policies are often found in countries where social dialogue is well anchored.

Collective agreements and optional legislation can strongly contribute to flexible and well functioning labour markets, and social dialogue can help to create a mutual understanding and result in a climate propitious to improved competitiveness. Therefore a long term engagement to improve and develop a strong social partnership and social dialogue should be an integral part of any flexicurity strategy.

The COM should much more energetically urge both workers and companies to be part of strong and independent organisations. Tax deductions for membership fees, more optional legislation and strong rules against harassment and discrimination of union activists are tools that could be recommended.

At the same time trade unions must step up efforts to organise a larger part of workers. Initiatives targeting groups such as immigrants, youth and workers employed in small enterprises are essential. It is also important to organise the growing number of workers with an academic diploma.