

UNIVERSITY OF ZAGREB
FACULTY OF POLITICAL SCIENCE IN ZAGREB
ADVANCED MASTER OF EUROPEAN STUDIES

DANIEL HINŠT

DANISH FLEXICURITY MODEL

Zagreb, 2010

TABLE OF CONTENTS

JEL CLASSIFICATION
KEYWORDS
INTRODUCTION
I. FLEXICURITY CONCEPT
1.1. Defining flexicurity
1.2. Flexicurity approach
1.3. Types of security and flexibility
II. DANISH FLEXICURITY MODEL
2.1. Origins of flexicurity
2.2. Main features of flexicurity
2.3. Danish labour market reforms
2.4. Danish flexicurity and employment
2.5. Passive labour market policies
2.6. Active labour market policies
2.7. Danish trade unions and flexicurity
III. FLEXICURITY AMONG SOCIOECONOMIC MODELS
3.1. Flexicurity among European socioeconomic models
3.2. Characteristics of European socioeconomic models
3.2.1. Anglo-Saxon model
3.2.2. Continental model
3.2.3. Mediterranean model
3.2.4. Nordic Model
3.3. Nordic culture and flexicurity
IV. TOWARDS EUROPEAN FLEXICURITY MODEL
4.1. Flexicurity for European future
4.2. Flexicurity in European strategy
4.3. Principles of flexicurity
V. CONCLUSION
VI. REFERENCES

JEL CLASSIFICATION JO8, J21, J24, J28, J51, J52, J63, J64, J65, J81

KEYWORDS Labour market flexibility, income security, active labour market policies, Flexicurity, Nordic model, Denmark, skills, employability, competitiveness, trade unions, socioeconomic models, Europe 2020

INTRODUCTION

This Master thesis examines main features of Danish flexicurity model, compares it with other European socioeconomic models and brings perspectives for flexicurity policies on the European level. The author puts up a hypothesis that flexicurity model can represent a comprehensive labour market reform in European countries, based on a broad consensus, which combines high level of labour market flexibility, adequate income security for the unemployed and active labour market policies directed towards increased employability. The European Union has a strategic goal to increase competitiveness and employment. In this context, flexicurity policies have importance for achieving this goal. Although flexicurity model is the original characteristic of Nordic countries, mainly Denmark and the Netherlands, flexicurity policies can also have a long-term perspective in other European countries, while policy implementation will depend on specific circumstances in each country. Therefore, Danish flexicurity model can serve as a benchmark for implementing long-term labour market policy goals in other EU Member States.

Many European countries have been facing challenges of high unemployment and decreased or stagnant competitiveness. Moreover, the level of employment is not sufficient for reaching faster economic growth and increasing competitiveness. Various structural obstacles to economic freedoms exist for a long time, causing undesirable effects. Various labour market rigidities often put risks on the business sector, preventing free and maximal opportunities for investments in new jobs. Reaching high competitiveness is possible in dynamic economies where free market determines where, what, when and how the people will work, instead of government and/or trade unions' interventions.

The flexicurity model is a comprehensive model which reaches a compromise. This means that the role of the government is not in regulating the labour market, than in providing adequate income security for the unemployed and in active measures which would increase their employability.

I. FLEXICURITY CONCEPT

1.1. Defining flexicurity

The term “flexicurity” is a contraction of two terms: “flexibility” and “security” (Kulušić, 2009). The first term means flexible legal conditions on the labour market, while the second one means government provided income and employability security for the unemployed. Therefore, flexicurity model unites a flexible labour market with high level of income and employability security.

Flexicurity is a policy strategy which enhances labour market flexibility with security of employment and income, in “flexibility-security nexus” (Wiltagen and Tros, 2004) as their “happy marriage” (Gundogan, 2009). It is a political and strategic concept of positive sum which induces legal and policy innovations (Wiltagen, 1998). Flexicurity approach answers to a question how to meet labour market challenges and improve security at the same time. Flexicurity concept has been based on the assumption that flexibility and security are not contradictory, but rather complementary and mutually supportive (Obadić, 2009). Flexicurity is an innovative and balanced approach for increased flexibility and security, full employment and reduction of labour market segmentation (Keune, 2007).

Flexicurity can be defined as an innovative policy concept which creates a compromise between labour market flexibility and labour market policies focused on income security through adequate unemployment benefits and employability security through educational trainings for the unemployed.

1.2. Flexicurity approach

If companies want to stay competitive on the market, they continuously need to adapt with their workforce and production processes in order to sustain and even survive. Job protection may not be a sufficient option in some cases. At the same time, if workers lose jobs, they require adequate income security and education trainings in order to increase employment opportunities. If there is no job security, workers need a supplement kind of labour security.

With flexicurity model, job security mentality would certainly be replaced with employability security (European Commission, 2009). The Commission stresses the importance of having a comprehensive labour market strategic reforms which would shift the focus from job

protection towards security on the market. These reforms would enable workers to move from declining towards expanding economic activities, thus easing tensions in the adjustment process. At the same time, reforms would ensure adequate income support, which would remove potential anxieties among Europeans (Carone, Stovicek, Pierini and Sail, 2009).

The main source of income security arises from employability instead of job protection. Enterprises need to adapt according to free market challenges, which includes reductions of labour costs. Otherwise, more or even all employees could lose their jobs in future if businesses do not continue well (Crnković-Pozaić, 2007). Flexicurity can improve labour market functioning because firms need frequent adjustments due to globalisation and flexicurity can be the alternative to pure flexibility policies (Cazes, 2008), which could be found in countries such as the United States.

Low unemployment benefits can increase uncertainty and even employment in grey economy. On the other side, high unemployment benefits could reduce motivation for active job search and the acceptance of lower paid jobs. This is a common argument mostly in Anglo-Saxon countries. Flexicurity concept makes a compromise, allowing higher unemployment benefits and higher spending for active labour market policies.

Flexibility is not the employer's monopoly, neither is security the employee's monopoly. Many employers start to find out their interest in stable employment relations, while many employees see their interest in flexible forms of labour organisations (Kulušić, 2009). Flexicurity reconciles labour market flexibility with security for both companies and workers. Implementation of flexicurity policies is needed in order to provide access to new skills and jobs (Eurociett, 2009). Therefore, flexibility on the labour market satisfies interests of employers for competitiveness and profitability, while workers and trade unions can be satisfied with high level of income security through generous unemployment benefits and educational trainings. Tangian (2008) sees flexicurity as a deliberate compromise between contradictory interests. If flexible labour market is harmful at least for some people, workers need adequate compensation.

Competitive needs mean that enterprises must be free in order to grow and enlarge, which means that governments need to provide adequate unemployment benefits (Crnković-Pozaić, 2007). Otherwise, it would mean aid to informal market (Crnković-Pozaić, 2006).

Governments wish to adopt more flexibility if unemployment benefit systems are more progressive (Boeri, Conde-Riuz and Galasso, 2006), because the labour force will be secure in cases of restructurings and dismissals. Therefore, Kulušić (2009), Philips and Eamets (2007) define flexicurity as a protection of flexible workforce.

Educational reform is important in the context of flexicurity, based on balancing qualifications and learned skills with economic and labour market needs. Therefore, the educational system needs to work closely with enterprises in order to adjust its curriculums, teaching and learning methods (Cazes and Nesporova, 2007). Flexicurity concept requires lifelong learning policies which would ensure constant labour market adaptability of workers. Brown, Merkl and Snower (2009) argue that flexicurity enables the adaptability of firms and workers, which is strongly required in the new wave of globalisation.

Competition, restructuring, mergers and acquisitions, outsourcing, dislocation of production and investments in technologies and employees represent challenges for firms. Employers need flexible workforce which will be ready for changes and education, while workers need more income security and security while searching for a new employment (Crnković Pozaić, 2007). These needs require thinking about the new approach. Haahr and Andersen (2006) argue that companies in flexible circumstances can afford to take risks when hiring new workers, as they could fire them easy. This means that companies are encouraged to achieve the best possible match between jobs and qualifications. Therefore, restructuring may become a continuous process. Contrary, a system based on job security runs the risk of being inflexible, and less conducive to restructuring. Calmfors (2007) argues that rigid employment protection is not a way to achieve high employment. It might slow down job destruction but also reduce job creation needed for long-term growth. Haahr and Andersen (2006) see challenges for flexicurity in less strict employment protection which is likely to be met with political resistance and in generous income protection which will demand budgetary expansions in many countries.

Labour market flexibility is an important factor for reducing unemployment because strict employment protection can reduce the willingness of firms to hire new workers. Without restructuring, job protection can hurt even the protected workers (Lommerud and Straume, 2009). Flexibility increases employment and educational opportunities in number and quality of new jobs, and contributes to better balance of time (Lowther, 2003). Therefore, the idea of

flexicurity is in low employment protection which makes employers willing to hire new workers, while generous unemployment insurance systems reduce workers' resistance to structural change (Gundogan, 2009). Therefore, Wegner (2008) expects adequate or more effective standards of security in return for additional flexibility.

Flexibility on the labour market means that employers are free to take a risk of employing more workers than otherwise, because it would be easy to dismiss them if necessary. In cases of rigid labour legislation, this may not be the case, because employers can have excessive and prohibitive risk while employing new workers. Therefore, temporary contracts serve as employers' compensation for rigid labour legislation. Moreover, labour market flexibility cannot be related with potential risks of dismissing workers due to mobbing. Various sorts of abuse on the workplace can exist in all labour markets, regardless their flexibility or rigidities. In civilised countries, the dignity of each worker is protected by specific legal provisions. Therefore, potential dismissals cannot be based on mobbing, without penalising employer. In that case, dismissal based on mobbing could be an expensive for employer.

1.3. Types of security and flexibility

Flexibility and security, as two parts of flexicurity, can be distinguished into several types. The first type of security represents a classical perspective, while other types explain that security has more than one perspective which would be taken into account. Therefore, flexicurity model shifts the focus from job security towards other perspectives of security.

Andersen and Mailand (2005) distinguish four types of security: 1. job security – job protection at a specific employer; 2. employment security – certainty of remaining at the same or different employer; 3. income security – unemployment benefits and 4. combination security – certainty of combining work with other responsibilities.

Flexible labour market can have several legislative aspects, covering wide range of labour relations such as labour mobility among the same or different employers, adjusted working hours and tasks, flexible job descriptions, home work, wages adjusted according to labour productivity and costs, incentive payment schemes etc. Flexibility is important for easy adjustments of labour market institutions towards market equilibrium, in order to prevent structural unemployment. On the macro level, flexibility means labour market's adaptability according to economic and technological changes, while on the micro level, it refers to

companies and workers. Flexibility can be seen from workers' perspective and their adaptability according to employers' requirements, but also opposite. Lowther (2003) argues that flexibility means working time adjustment with changed demand, wage adjustments with productivity and profitability and changes in working tasks.

Flexibility can be seen from different labour perspectives, including flexible working time, flexible and atypical forms of employment (part-time, temporary, periodical, seasonal, specific tasks etc.), flexible wages (productivity and result-based, specific incentives, absence of statutory minimal wage, inflation adjusted wages etc.) and less rigid division of work tasks, including team work. Flexibility seen only from the perspective of easy dismissals of workers is too narrow, because there are other alternatives which companies use, such as improving labour skills, wage and organisational flexibility, work incentives for ambitious and intelligent workers etc. Long termination periods and high severance pays are some of rigidities which distort competitiveness of companies (Lowther, 2003) and therefore determine the labour market flexibility.

Philips and Eamets (2007) distinguish four types of flexibility: 1. external numerical flexibility – easier firing and hiring practice; 2. internal numerical flexibility – an employer's ability to modify the number and arrangement of working hours without changing the number of employees; 3. functional flexibility – an employer's ability to move employees between different tasks, departments and changing work contents and 4. wage flexibility – an employer's ability to alter wages in response to changes in the labour markets or competitive conditions.

II. DANISH FLEXICURITY MODEL

2.1. Origins of flexicurity

Flexicurity has originally been Danish labour market model. These policies were started in the 1990's by Prime Minister Poul Nyrup Rasmussen¹ and were continued under governments of Anders Fogh Rasmussen² and Lars Løkke Rasmussen³. The model has kept its continuity and reached political consensus between Danish parties and social partners. Successful flexicurity policies have also been implemented in other Nordic countries and the Netherlands.

2.2. Main features of flexicurity

Danish government defines flexicurity as a “golden triangle”⁴ of flexibility on the labour market, combined with adequate social security and active labour market policies, including rights and obligations for the unemployed. While employer can have flexible labour force and wage earners can have a safety net (Danish Ministry of Employment, 2010). Danish flexicurity model is the outcome of long historical process with series of compromises between social partners Madsen (2002).

European Commission identifies the flexicurity concept through: 1. flexible and reliable contractual arrangements; 2. comprehensive lifelong learning; 3. effective active labour market policies and 4. modern social security systems (Eurofound, 2008).

Flexicurity could also be characterised by four elements: 1. simple, transparent and predictable legal framework which allows companies to make the necessary adjustments; 2. effective and efficient labour market policy, with early and adequate activation of the unemployed and their rapid labour market integration; 3. sustainable social security systems with reliable basic protection and lifelong forms of training which promote innovation capacity and competitiveness of companies and 4. employability of workers (BDA, 2007).

¹ Poul Nyrup Rasmussen, Prime Minister of Denmark (1993-2001) in a centre-left government

² Anders Fogh Rasmussen, Prime Minister of Denmark (2001-2009) in a liberal-conservative government

³ Lars Løkke Rasmussen, Prime Minister of Denmark (since 2009) in a liberal-conservative government

⁴ Official information on flexicurity: Danish Ministry of Employment
<http://uk.bm.dk/Themes/The%20Danish%20Labour%20Market/Flexicurity.aspx>

Flexicurity in Denmark is a combination of flexible rules for hiring and firing, high unemployment benefits up to 90% of the previous salary⁵ and active labour market policies (Royal Danish Ministry of Foreign Affairs, 2009). With low employment protection Danish labour market is as flexible as British, but at the same time it is offering the same level of security as in Sweden (Andersen and Mailand, 2005). Social security which includes individual responsibility represents important precondition for flexible labour market (Kulušić, 2009). The flexicurity model represents a consensus which sees flexibility of enterprises and security of workers as mutually reinforcing rather than conflicting. The aim is to enhance job creation environment and promote active and universal labour market inclusion (Hendeliowitz, 2008).

2.3. Danish labour market reforms

The Danish welfare state is financed primarily by income taxes and not payroll charges (Kuttner, 2008). Social security is irrespective of someone's employment status. It is a right of every Danish citizen and not something which has to be earned through employment (Bundvad, 2007) and provides inclusiveness as its central concept (Wilthagen, Tros and van Lieshout, 2003).

Denmark has been undergoing major labour market reforms since 1993. The emphasis was put on strengthening work incentives and enhancing employability. Unemployment benefits remained generous. Reform measures included the following: the unemployed were obliged to accept job offers outside their occupational area after 3 months of receiving unemployment benefit; the mandatory activation of the unemployed after 6 months of unemployment was extended to all persons under 25; failure to activate (to accept a job or a placement in a training/retraining scheme) entails a complete loss of benefits; the minimum age for extended unemployment benefits was raised from 50 to 55 years; the maximum unemployment benefit period was reduced from 5 to 4 years; more targeted trainings were organised; the full- and part-time early retirement schemes were merged; tax and benefit incentives were given to prolong full-time working life until 62 years of age; and income tax incentives were enhanced to discourage early retirement (Zhou, 2007).

2.4. Danish flexicurity and employment

⁵ Unemployment benefits in Denmark reach 90% of the previous salary for the lowest personal incomes, with reduced amounts for increasing personal incomes.

Flexible labour market contributes to higher employability and creates conditions for free fluctuation and efficient allocation of labour resources. Moreover, flexibility reduces employment risks due to easier hiring and firing practice. Relatively low Danish unemployment rate of 4.1% in February 2010, compared with 3.8% in 2008, including low youth employment 7.9% the same year⁶ (Statistics Denmark, 2010) could also be explained from this perspective and contribute to financial sustainability of the flexicurity system.

Although generous unemployment benefits tend to increase structural unemployment by reducing work incentives and increasing tax wedge on labour income, welfare in Denmark has been considered only as a temporary social aid and not as a base for cheating. However, flexible labour market reduces the structural unemployment rate, enhancing labour market dynamics and fluctuation.

In 2008 Denmark reached the employment rate⁷ of 78.1%, as the highest in comparison with EU-27 65.9% average (Eurostat, 2009). Immigrant population has had lower employment rate, especially those from non-Western countries. Employment rate of immigrants in 2008 was 60.7%, with larger gender differences than among ethnic Danes. High employment rate in Denmark can also be explained by the fact that women work more than in other countries, as participation in workforce increased (Statistics Denmark, 2010). Therefore, in the absence of patriarchal social relations, gender equality has been important for Danish labour market and contributed to high employment rate. Patriarchal social relations, dominant mostly in Southern European countries, have kept women dependent on husband's income and taking care about home and children. This excluded women from the labour market, as one of causes of lower employment rate. A high level of female participation on the labour market has its historic and cultural roots and contributes to high employment. Hendeliowitz (2008) argues that female participation increased from 1960's as a result of extensive child care system.

The Danish labour market has been characterized by a high level of mobility. The average job duration is eight years, which is among the lowest in the OECD countries. Around 260,000

⁶ In 2008 Denmark had the second lowest overall and youth unemployment rate in the EU, after the Netherlands.

⁷ According to Eurostat, employment rate is a percentage ratio of employed labour force in total working age population (15-64 years).

jobs disappear each year, but an equivalent number is created, which ensures high employment (Hendeliowitz, 2008).

The 2009 Denmark's National Reform Programme emphasised boosting labour supply and reducing structural unemployment as employment policy priorities. The Danish government aims to prevent any reduction of working hours in order to secure sustainable public finances and high level of prosperity. Even during the economic crisis, continued development of the flexicurity model maintains labour market flexibility, as well as more intensive and dynamic job search. The flexicurity model makes it likely that firms begin job creation more quickly than otherwise. Even during periods of rising unemployment labour supply will be large. One of main goals of the government remains lifelong education for everyone, in order to boost competitiveness and employment, including flexible and sustaining job opportunities for individuals. Particular efforts will continue to be focused on youth employment, especially towards proper educational obligations and particular trainings. Moreover, after 6 weeks of unemployment, private consultants will help young academic graduates to find employment (Danish Government, 2009).

2.5. Passive labour market policies

Passive labour market policies aim to provide unemployment insurance system through unemployment benefits, in order to cover at least basic existential needs. These benefits have been provided by governments in various amounts depending on a particular country, previous salary and working experience. If unemployment benefits are high enough to provide good living, this can discourage people to seek employment or to accept a low wage. This welfare trap is a reason why governments may decide to reduce or not to increase unemployment benefits. On the other side, Nordic countries, including Denmark, have been known for high unemployment benefits.

Unemployment benefits have been administered by the unemployment insurance funds, which represent private associations of employees and self-employed persons. If their members become unemployed, they must register at the Public Employment Service on the first day as unemployed, and contact the Unemployment Insurance Fund. In case that an unemployed person is not a member of any unemployment fund, that person can receive social benefits administered by local authorities (Danish Ministry of Employment, 2010).

In Denmark, unemployment benefits in Denmark have been partly determined by replacement rate and partially by absolute maximum (Gundogan, 2009). Admission requirements for unemployment benefits are 1 year membership in an unemployment fund or being newly educated and 52 weeks of employment in last 3 years. If this period expires, a new one can be earned if a person gets 26 weeks of ordinary employment. A supplementary benefit can be paid in a period of a year if a person is part time unemployed and unable to find a fulltime job. His or her duties are to be available for any job which he or she can reasonably fulfil, which means having necessary qualifications and physical abilities to do a certain job. It is not acceptable to refuse jobs with lower wages or jobs which are not of the same quality as the previous one. Refusing a job means losing benefits for 3 weeks. A person is not expected to commute over 60 km to and from the workplace. Also, fulfilment of the agreed action plan is required. Unemployment benefits can reach 90% of previous wage (for the lowest incomes). The system has dual financing, 37% from the members of the unemployment insurance and 63% from the state (Bundvad, 2007). Maximum duration of unemployment benefits was cut from unlimited duration to four years for those with high incomes and young people, while the level of employment protection remained more or less the same (Calmfors, 2007). If the unemployed people do not find employment after 4 years, they must register for municipal social assistance (Hendeliowitz, 2008).

2.6. Active labour market policies

Active labour market policies contribute to low structural unemployment rates (Zhou, 2007) by targeting on upgrading skills (Jensen and Larsen, 2007) and encouraging active job search (Gundogan, 2009). These policies provide conditions for job creation through educational trainings and lifelong learning policy. In fact, many reasons for higher structural unemployment can be found in inadequate labour skills which do not match with competitive market needs. Therefore, without active labour market policies, many unemployed people remain in that status and hardly find new employment.

Individual action plans were introduced, with activation at an early stage of the unemployment period. Steps needed to qualify for currently available jobs were precisely defined. Requirements of preparedness to accept a new job were tightened. Special efforts have been made by job centres to integrate disabled people and immigrants (Bundvad, 2007).

Danish active labour market policies offer job seeking assistance, services to private and public employers who are looking for labour force, helping persons who are receiving social assistance and those with special needs for job search assistance due to reduced working capacity. These measures are a matter of a coherent employment policy, focused on individualised measures, in order to motivate and qualify individuals to seek and obtain employment. It is also important to ensure that all unemployed persons are available for work, with a right and a duty to receive an activation offer. Since 2007 all employment policy measures have been provided by joint job centres and local authorities, while the National Labour Market Authority has the supervising and implementation responsibilities (Danish Ministry of Employment, 2010).

The active labour market policy also has the function of discovering what jobs are open and what type of unemployed persons are available (Danish Employers' Confederation). Labour market reforms during the 1990's represented a shift towards more active policies, which include general and vocational guidance, assistance in job search, individual job-oriented action plans, job training, education, leave schemes, job rotation and the sharing of full-time jobs. Activation is an obligation (Hendeliowitz, 2008). Active labour market policies increase labour supply, because education and training help the workforce to adapt to the market demand (Sruk, Romih and Festić, 2008).

Without active government intervention, it is not possible to ensure a safe transition from one job to another. These interventions include not only training and development trainings, but also job rotation and job sharing, employment incentives, inclusion of disabled individuals, direct job creation and start-up incentives. Moreover, lifelong learning approach is very popular in Scandinavia (Philips and Eamets, 2007) which increases employability, although it requires extra spending and taxation. However, as Kuttner (2008) argues, the unions support flexibility in return for high public spending.

Flexicurity means early activation of job-seekers and providing sufficient support. The transfer payments should be structured as sufficient incentives for the unemployed to look for and accept new employment. Formal and informal education must provide necessary tools for vocational training, consistently aligned on labour market needs and practical requirements. Training means an increase in their innovation capacity and competitiveness of companies and increase of employability for workers (BDA, 2007).

2.7. Danish trade unions and flexicurity

Danish labour market has been highly unionised and regulated through collective agreements between employers' representatives and trade unions. According to Andersen and Mailand (2005), public sector has been fully covered by collective agreements which last 2-4 years, depending on agreed conditions, while the unionisation rate in private sector is around 80%.

The central trade union organisations are Danish Confederation of Trade Unions (LO), Confederation of Salaried Employees and Civil Servants in Denmark (FTF) and The Danish Confederation of Professional Association (AC), while Danish Employers' Confederation (DA) represents business interests. While in many other countries trade unions and employers represent opposing policy interests, with very little to agree with, in Denmark there is a large framework of social consensus. Instead of insisting on job protection, Danish trade unions seek for income and employability security. This opens opportunities for reaching a compromise where flexibility required by employers and security required by workers and trade unions can be complementary policies.

In Denmark, inter-union rivalry and competition among employer organisations are limited. Flexibility for the companies and security for the employees is based on the system of collective bargaining which functions as an arena of resolving conflicts of interests, which contributes to political and economic stability. Trade unions negotiate collective agreements on issues such as wages, working hours and conditions, dismissal protection, notice of termination, rules on maternity/paternity leave etc. These agreements also cover small and medium enterprises. Although statutory protection against dismissals does not exist, LO and DA, have agreed that employers cannot make arbitrary dismissals of employees and that the employees who were at the workplace at least nine months have the right to written explanation concerning dismissal (Danish Confederation of Trade Unions, 2008). The state does not interfere as long as social partners are able to regulate pay and working conditions and solve the problems on their own (Hendeliowitz, 2008).

The liberal concept of flexicurity puts emphasize the relaxation of employment protection (Tangian, 2004) so labour market deregulation is important for neo-liberals (Tangian, 2007).

III. FLEXICURITY AMONG SOCIOECONOMIC MODELS

3.1. Flexicurity among European socioeconomic models

European labour markets could be classified into different socioeconomic models. Some countries have more flexible labour markets, while others have more or less rigid labour legislations. The same is with employment protection, social security legislation and active labour market policies. Traditionally opposed policy interests have been represented by trade unions which have favoured more rigid labour market, contrary to employers. With flexicurity, there is a possibility of having a balance and reaching a compromise.

EU Member States which have optimal mix between flexibility and security are the Nordic Member States of the EU⁸, and the Netherlands. Austria has a high degree of social security, but less labour market flexibility than Northern European Member States, although its labour market is more flexible than in other continental European countries. Mediterranean countries have lower labour market flexibility and less social security, compared with Nordic and continental European countries (Philips and Eamets, 2007).

Table 1 – Flexibility-security relations in different EU Member States

Characteristics	Countries
1. High social security / high flexibility	Sweden, Denmark, Finland, the Netherlands, Austria, the United Kingdom
2. High social security / less flexibility	Luxembourg, Belgium, France, Germany, Portugal
3. High flexibility / less social security	Ireland, Cyprus, Latvia, Estonia
4. Less flexibility / less social security	Slovakia, Poland, Greece, Slovenia, Italy, Hungary, Czech Republic, Malta, Spain, Lithuania

Source: Philips and Eamets (2007)

European countries can be divided into four labour market regimes, according to the level of compensation rates, availability for workers, spending on active labour market policies and degree of employment protection. Central and Southern European labour markets have similarities in passive labour market policies, while Northern European countries emphasize active policies. Low employment protection is the common characteristic of all Northern

⁸ EU Member States among Nordic countries are Denmark, Sweden and Finland, while Norway and Iceland belong to the European Economic Area (EEA).

European countries (both Nordic and Anglo-Saxon ones), while Central and Southern European labour markets have the opposite situation (Danish Ministry of Finance (2004)).

Table 2 – European labour market models according to compensation rates, active policies, availability for workers and employment protection

Models	Countries	Characteristics
North-European	Denmark the Netherlands Sweden	- high compensation rates - strict availability for workers - active labour market policies - low employment protection
Anglo-Saxon	Ireland the United Kingdom	- low compensation rates - few formal demands on workers availability - varying degrees of active labour market policies - limited employment protection
Central-European	Austria Belgium Finland Germany	- varying compensation rates - varying demands on workers' availability - passive labour market policies - average to high employment protection
South European	France Italy Spain Portugal Greece	- average compensation rates - strict availability for work requirements - passive labour market policies - high employment protection

Source: Danish Ministry of Finance (2004)

European social models can be classified into four groups, measuring the level of employment protection, job creation and social security. Portugal has been put in the same group with Anglo-Saxon countries, while Austria, a continental European country, has been put together with Nordic countries and the Netherlands due to flexicurity labour market policies. Employment protection is high in Mediterranean and continental European countries, comparing with Nordic and Anglo-Saxon ones. Moreover, job creation is higher in Nordic and Anglo-Saxon countries in comparison with Mediterranean and continental European countries. Overall, Nordic countries, including the Netherlands and Austria, represent flexicurity policies, including more successful policies in the context of job creation and poverty prevention (Sapir, 2003).

Table 3 – European labour market models according to job protection, job creation and social security

Models	Countries	Characteristics
Mediterranean	Italy, Spain, Greece	Social spending on high employment protection and early retirement schemes
Continental	France, Germany, Luxembourg, Belgium	High degree of employment protection; good in combating poverty but bad in job creation
Anglo-Saxon	Ireland, the United Kingdom, Portugal	Relatively efficient in job creation but bad in preventing poverty; many low-paid jobs; low level of job security
Nordic	Denmark, Finland, Sweden, plus the Netherlands and Austria	High taxation and spending on social security; low job protection and high employment security; successful in job creation and poverty prevention

Source: Sapir (2003)

Eamets, Philips, Alloya and Krillo (2009) divide EU Member States into six groups arguing that continental European countries need to improve flexibility on the labour market, while Baltic countries, Ireland and Cyprus need more social security. Mediterranean countries are most far from flexicurity model, because labour markets are poor with low flexibility while social protection is not high comparing with employment protection. Nordic countries represent benchmarks for flexicurity, while the Netherlands and the UK as liberal labour markets are close to that model.

Table 4 – European labour market models according to labour market flexibility

Models	Countries	Characteristics
Continental countries	Austria, Belgium, France, Germany, Luxembourg	High social security and relatively rigid labour market; flexibility as the biggest task
Liberal countries	the United Kingdom, the Netherlands	Flexible labour markets; close to flexicurity
Nordic countries	Finland, Sweden, Denmark	Benchmarks of flexicurity policies
Fast growing economies	Estonia, Latvia, Lithuania, Ireland, Cyprus	Flexible labour markets with low social security
Mediterranean countries	Greece, Malta, Italy, Spain,	Poor labour market adaptability and

	Portugal	low income protection; flexibility and security should be developed
New Member States from Central Europe	Czech Republic, Slovakia, Poland, Hungary, Slovenia	Low labour market adaptability and mobility; high long-term unemployment

Source: Eamets, Philips, Alloya and Krillo (2009)

Moreover, Schubert and Martens (2005) five models can be distinguished in Europe: Anglo-Saxon, Continental, Nordic, Mediterranean and New Eastern Model. Anglo-Saxon and Nordic model are similar in relations between government and markets, while different concerning the size of government. Nordic and Continental model both have sizeable public sector but different relations between government and markets. Therefore, the Nordic model unites economic liberalism and large public sector policies.

3.2. Characteristics of European socioeconomic models

Previous tables show that flexicurity realities and perspectives could be generally divided between the European North and South, where the Northern European countries implement flexicurity policies or they have been close to it, while Southern European countries have opposite situations. Continental European countries can be placed somewhere between, with the need to increase labour market flexibility. Therefore, European countries could be classified into four socioeconomic models⁹. Results from previous tables could be compiled into a new table which takes into account both socioeconomic characteristics and geographical positions of European countries¹⁰.

Table 5 – Compiled overview of European socioeconomic models

Models	Countries
Anglo-Saxon	the United Kingdom, Ireland
Continental	France, Germany, Austria, Luxembourg, Belgium
Mediterranean	Greece, Italy, Spain, Portugal, Malta
Nordic	Denmark, Sweden, Finland, the Netherlands

Source: Author

⁹ Only Old Member States of the EU have been taken into account.

¹⁰ Netherlands is put in the same group with Nordic countries due to flexicurity policies, although it belongs to continental Europe.

3.2.1. Anglo-Saxon model

The Anglo-Saxon model refers to the classical liberal philosophy of small government and less comprehensive welfare policies than in northern and continental Europe. Anglo-Saxon countries have flexible labour markets, in comparison with continental European and Mediterranean countries, while unemployment benefits are lower than in those countries.

3.2.2. Continental model

The Continental model relates to countries of the continental Europe¹¹ which have strict rules regarding job protection, generous unemployment benefits, high quality health care and larger amount of industrial regulation. Therefore, continental European labour markets are less flexible than in Anglo-Saxon or Nordic Model, while they remain highly productive. From the perspective of flexicurity, continental European countries need more flexible labour markets and further improvement of active labour market policies, while unemployment benefits have been generous enough to provide income security for the unemployed.

3.2.3. Mediterranean model

This Mediterranean model refers to Southern European countries¹², where labour markets have been less flexible, with lower unemployment benefits. As a „subsidiary model“, it provides social security which depends on family and not just upon individuals. Collective bargaining coverage rate in this model is higher than the EU average (Royal Danish Ministry of Foreign Affairs, 2009). Taking into account three main characteristics of the flexicurity, it can be concluded that Mediterranean countries are most far from flexicurity model comparing with other labour market models.

3.2.4. Nordic Model

The Nordic model refers to Scandinavian economies, with highly developed and mostly decentralised welfare system which includes high taxation and lower income disparity. Social security depends upon individual. Labour markets are generally flexible, especially in Denmark. Trade unions have been politically influential with high unionisation rates and strong cooperation among social partners which role has been strongly based in historical

¹¹ Germany, Austria, France, Belgium and Luxembourg

¹² Italy, Spain, Portugal and Greece

development. Social partners are vital for policy process, including flexicurity arrangements, like in Denmark.

There has been a common belief that the Nordic model equals social democratic policy approach. In fact, Scandinavian welfare model represents a broad political consensus and compromise between socialist¹³ and non-socialist¹⁴ parties (Royal Danish Ministry of Foreign Affairs, 2009).

There are many similarities between Scandinavian countries related to culture and socioeconomic development. The Nordic countries are among the most competitive in the world and the political system supports the social partners to work out their problems without government intervention (Jensen and Larsen, 2005). Another important characteristic of Nordic labour markets is gender equality with high employment rate of women. Child care depends on public sector and not necessarily on family.

In Nordic countries, there is a clear division of responsibilities between the government and social partners. Collective agreements cover wages, working times, pensions, illness pay agreements, maternity/paternity leave, redundancies etc. And the legislation regulates health and safety, holidays, equal pay and treatment questions. Bargaining process has been decentralised, especially regarding wages and working hours. This process is supported by so called „Cooperation Agreement“, which provides all discussions between management and employees. The so called Peace Obligation requires that strikes are illegal in the periods between the renewals of the collective agreements. Strikes are legal only if the social partners cannot agree on a new collective agreement (Jensen and Larsen, 2005).

The Continental model provides high compensations for the unemployed, but it is not sufficient in jobs creation. The industrial society benefited from the workforce stability inside the classical Continental model, but it does not show flexibility due to global competition and knowledge-based economies. On the other side, Northern European countries have less rigid labour market regulations, combined with active labour market policies, which justify high

¹³ Identical with social democracy

¹⁴ Liberals/libertarians, moderates, Christian democrats and conservatives) propose less deregulated and free market policies, moderate size of welfare, lower tax burden and reduction of public spending in order to stimulate private sector for more savings, investments and employment.

costs paid by taxpayers, helping the unemployed to develop their skills and actively search for jobs (Schubert and Martens, 2005).

The Nordic countries have maintained relatively high economic growth and at the same time sustained welfare societies (Schubert and Martens, 2005). Nordic states are examples of socially accepted „flexicurity capitalism“, concept which overcomes deficiencies of the purely economically oriented labour market deregulation. The concept includes modern schooling system (Flascher, Luchtenberg and Greiner, 2008).

3.3. Nordic culture and flexicurity

Flexicurity derives from Nordic societies which share many common cultural values. It can be argued whether flexicurity model can exist only in Nordic countries, or it can also be implemented elsewhere. One of answer to this question can be found in the problem of unemployment benefits. A dismissed Danish worker can get a generous unemployment benefit. These benefits depend on previous wages which are high in Scandinavia, comparing with other countries. This means that even without working the unemployed people can receive enough personal income for good living. It can also be argued that generous unemployment benefits can easily create the so called “welfare trap”, because the unemployed person may not be motivated to seek new employment if the unemployment benefit is too high. Therefore, governments, especially in Anglo-Saxon countries, usually decide to reduce these benefits on the minimum level in order to stimulate active job seeking. However, citizens of Nordic countries preserve an ethical culture of hard work, trust and flexibility. This is a matter of civic culture closely related to Nordic Lutheranism.

Matthiessen (2005) points out several important Nordic values which contribute to the flexicurity model: Protestant Christian ethics which values hard work and taking personal responsibility; trust between people so they do not have to fear and behave defensive; gender equality; short distance to power because people are citizens and employees are considered as business partners, not as opposing contributors; flexibility and readiness to change; inclusion. Schubert and Martens (2005) argue that Nordic societies started to do their homework before many others in Europe, adapting to global competition. Commitment to the public good is a part of the Nordic culture in a greater extent than in other parts of Europe.

Origins of Scandinavian welfare policies can be found in Lutheran Pietism of the 18th century's Denmark and Norway, when the Danish monarch and his agents created a generous welfare state in the 1799 Poor Law for the City of Copenhagen. Basic elements of the Pietistic model of relationship between state and citizen were maintained and recreated in late 20th century. The main threat to welfare the state is the possibility of breaking rules related to welfare benefits (Sørensen, 1998). Flexicurity has been based on the Lutheran ethical concept of trust between the employers and the employees in order to achieve the ethical foundation that combines flexibility and security (Mattilla, 2008).

Policies of the Nordic model including Danish flexicurity cannot be implemented without changing civic attitudes because it relies on strong public-spiritedness. The flexicurity model is therefore hardly sustainable continental and Mediterranean countries because unemployment benefits raise moral hazard which is much more difficult to overcome in countries where individuals could cheat (Algan and Cahuc, 2006).

Citizens of Nordic countries and the Netherlands are most likely not to justify government benefits to which a person has no right. High awareness is also present among citizens of Anglo-Saxon countries and moderately among continental European countries (Algan and Cahuc, 2006). Mutual trust and highly developed industrial relations are important for achieving flexicurity and present reasons why the Danish model cannot be simply copied to other countries (Boeri, Cahuc, Crnković, Kollonay-Lehoczky and Wilthagen, 2007). Flexicurity is optimal for Northern European countries and it may not be copied in countries closer to the Mediterranean because of the tendency to cheat on unemployment insurance (Lommerud and Straume, 2009).

Gundogan (2009) argues that flexicurity implementation could be difficult in developing countries because of several reasons: social dialogue is essential for the Danish model, while it is weak in developing countries due to low level of unionisation and collective labour relations; large informal economy puts significant portion of labour force out of legislation; flexicurity policies require high expenditures for active labour market policies; unemployment benefits are low; labour market institutions may be dysfunctional.

Citizens of Nordic countries are less likely to cheat on government benefits. Therefore, the government has trust that they are less likely use these high benefits without having right, as

an alternative to willingness to work. Therefore, flexicurity system, characterised by high unemployment benefits provided by government, also needs high level of civic attitude against cheating on those benefits.

Danish flexicurity model cannot be exported as it has been the product of a historic process. However, there are lessons from the Danish experience. Therefore, it is possible to improve labour market performance by policies which would strengthen job search and creation (Andersen and Svarer, 2007). Danish model, the policy which optimally combines labour market flexibility and security, can be a benchmark for other EU Member States (Eamets, Philips, Alloya and Krill, 2009).

IV. TOWARDS EUROPEAN FLEXICURITY MODEL

4.1. Flexicurity in European future

Flexicurity policies have chances to be implemented in all EU Member States, despite specific labour market characteristics which divide them into several different socioeconomic models. The fact that flexicurity derives from Nordic countries should not be seen as an obstacle for flexicurity policies elsewhere. Flexicurity cannot be simply copied from Denmark to any other country, because flexicurity model derives from the Nordic culture, which values hard work, adaptability, innovative and life-long learning approach.

Certain socioeconomic models may be harder to be copied elsewhere, but flexicurity policies depend upon the will of each national government and social partners. Therefore, it can be expected that European Union will encourage its Member States to accept flexicurity policies taking into account specific circumstances in each of them and the reality which requires long-term adjustments towards flexicurity objectives. With the new model, Europe could be more competitive on the global market and offer its innovative labour market approach.

4.2. Flexicurity in European strategy

In Lisbon strategy 2010, the European Union wanted to become the most competitive economy in the world with more and better jobs. However, European labour markets still face structural reform challenges in order to increase competitiveness and employment up to 70% in average. The EU has not accomplished this strategic goal.

Adoption and implementation of common flexicurity principles is one of the most important policy developments under the Lisbon strategy since 2005. Flexicurity concept recognizes that globalisation and technological progress have rapidly been changing workers' needs (European Commission, 2010). It has been proposed that EU labour markets urgently need more flexibility, because of low labour market participation, low population growth and ageing population.

The European Commission calls for a renewal of the Lisbon Strategy in order to refocus attention on growth, employment, better jobs and social cohesion. The central aim of the Strategy is the EU as the most competitive and dynamic knowledge based economy in the world, capable of sustainable economic growth. In order to achieve this aim, the key is in a

new model which will ensure greater social protection of workers and increase labour market competitiveness.

In 2008 Commission launched the initiative on flexicurity which would help to combine flexible labour market and security of workers (European Commission, 2008), in combination with active labour market policies and increasing investments in highly skilled human capital and lifelong learning. A year before, the European Parliament adopted a non-legislative resolution on flexicurity and concluded that the new model can be beneficial for both employers and workers. The EU needs lifelong learning systems, skilled and adaptable workforce, chances for higher mobility and equal labour market access.

Europe is confronted with flexibility-security demands in order to implement comprehensive labour market reform (Carone, Stovicek, Pierini and Sail, 2009). The European Commission argues in favour of a corporatist approach to flexicurity and development of social dialogue (Calmfors, 2007) and stresses the importance of social partners in relation to flexicurity policy agenda, according to national pathways (European Commission, 2010). Flexicurity has already been mentioned in the EU's Employment Guidelines for 2003 which propose the right balance between flexibility and security in order to support competitiveness, increased labour productivity and adaptation to economic change. Three year later, the European Commission in its report "Employment in Europe 2006" proposed that the flexicurity model should be implemented in specific environments of EU Member States (Philips and Eamets, 2007).

Structural reforms, longer and cheaper working hours, as well as deregulation are a part of the Strategy. The key is to increase intra-EU demand by investments focused on lifelong learning and research (Danish Confederation of Trade Unions, 2005).

EU's major challenge is to combine inclusive and productive labour markets. Companies require supportive business climate, transparent and predictable legal framework in order to increase business potential and increase employment. EU Member States should construct their own pathways of flexicurity based on tradition and particularities. For instance, flexible working hours and joint training funds at regional level for cross-sector mobility should be encouraged (Wilthagen, 2008). Flexicurity provides a right framework to correct structural weaknesses of European labour markets and opportunities for more jobs and more security (Seilliere, 2007).

The EU has launched the “European Employment Strategy” in order to encourage cooperation and dialogue between the Member States concerning common objectives, including several employment guidelines: full employment, improving quality and productivity, and social cohesion; promoting lifecycle approach to work; ensuring inclusive labour markets for job-seekers and disadvantaged people; matching labour market needs; promoting flexibility combined with employment security and reducing labour market segmentation; ensuring employment-friendly wages; expanding and improving investments in human capital; and adapting education and training systems in response to new competence requirements (European Commission, 2010).

The European Union faces demographic challenges of ageing population which influences on social protection and public finances. Therefore, the Commission has outlined five directions to meet these challenges. First, demographic renewal should be promoted through better balance between professional, private and working life. Second, employment needs to be promoted through better education and flexicurity system. Third, productivity should be increased. Fourth, the EU needs to introduce common policy on legal immigrants. In future, qualified labour force needs to be attracted from abroad in order to meet labour market needs. Fifth, sustainable public finances will need to guarantee adequate social protection, solidarity and equality among generations. Also, pension reform is necessary in order to increase contributions for private saving (European Commission, COM (2006) 571).

Particular attention has been given to youth education and employment. The European Commission highlights the importance of social integration of young people. It is important to strengthen the links between education outcomes and market requirements, in order to reduce structural unemployment. Therefore, policies should be focused on developing key competences from an early age as a part of lifelong learning. Higher education should be modernised through funding and curricula changes. European Qualifications Framework needs implementation in order to ensure transparency of qualifications and competences.

The Strategy emphasizes the important role of EURES (European job mobility portal) in order to improve job mobility and opportunities, including "Your First Job Abroad" initiative. It is important to encourage education for entrepreneurship among for young people. European Social Fund and European Regional Development Fund should support transition to

employment and reduce regional disparities. Equal educational opportunities need to be promoted, important for their social integration (European Commission, COM (2007) 498).

Furthermore, the Strategy aims for inclusion of more people to the labour market and modernisation of social protection systems. Also, workers' adaptability needs to be increase and which means more flexible labour markets. Rapidly changing economies need highly adaptable workers, capable of developing their skills to meet the needs of high-growth sectors. However, such flexibility must be accompanied by social security provisions which also cover periods of change. In order to meet market needs more effectively, it is essential to remove obstacles to labour mobility. More investments need to be put in human capital through better education and skills which is essential for a knowledge-based economy. Therefore, qualified and adaptable labour force is a pre-condition for growth and employment. Access to educational trainings should be ensured through the European area of lifelong learning (European Commission, COM (2007) 498).

According to the new "Europe 2020" strategy, the EU continues with its objectives towards increased competitiveness and 75% employment rate. Educational and labour market reforms, as well as further liberalisation of the internal market, represent important factors for achieving this goal. Educational reform should be based on more adaptability of knowledge and skills with labour market needs in order to create a balance between supply and demand. Research and innovation are also considered as important growth factors. Flexicurity has been mention in this context as compromise model for liberalisation of the labour market and ensuring sustainable social model. The strategy emphasizes the importance of active labour market policies in order to decrease structural unemployment and increase labour market participation. New skills are important for workers' adaptability and it is important to promote mobility on the internal market (European Commission, 2010). Flexicurity should be deployed in managing transition between jobs as a challenge to enhance both flexible labour market and security provided by lifelong learning and appropriate social protection. Increased labour mobility would ensure people to take up new opportunities by moving where skills are most needed. Lifelong learning is the key for avoiding long-term unemployment (European Commission, 2009).

4.3. Principles of flexicurity

European social models need to be modernised. This requires the creation of an environment in which security and flexibility are mutually supportive. But the existing policies have generally been focus either on increasing business flexibility or enhancing workers' security (European Commission, 2007) COM (2007) 359.

Therefore, the Commission has proposed common principles to assist the Member States to establish their own flexicurity strategies, without neglecting their particular challenges and specific circumstances: flexicurity is designed to implement the main principles of the Lisbon Strategy; flexicurity sees the need for flexible contractual arrangements, life-long learning, active labour market policies and a modern social system; flexicurity needs to adapt to specific circumstances in each Member State; flexicurity needs to support open and inclusive labour markets, reintroducing inactive employees back into employment and reducing segmentation; flexicurity needs to involve the smooth transition between jobs by constantly upgrading employees' skills and providing necessary income security in transition periods, developing mobility of employees within a business (internal flexicurity), and helping employees move from one job to another (external flexicurity); flexicurity should promote gender equality, equal opportunities and reconciliation between work and life; flexicurity needs the support of social partners; flexicurity needs to involve a cost-effective distribution of resources which public budgets can sustain (Eurofound, 2008).

Furthermore, the Member States should design the strategy which suits their situation, which consist of tackling contractual segmentation, developing flexicurity within the enterprise and offering transition security, tackling skills and opportunity gaps among the workforce and improving opportunities for benefit recipients and informally employed workers (European Commission, COM (2007) 359).

In 2008 the Council of the European Union launched its "Mission for flexicurity" concerning the implementation of common principles of flexicurity in relation to the Lisbon Strategy. The Report stresses the importance of several aspects. Flexicurity is recognised by social partners as one of the key objectives for European labour markets, with first signs of consensus. European labour market needs to respond to challenges of globalisation and rapid technological progress which are causing restructuring, while demographic trends also impact labour markets. Flexicurity creates conditions for labour market inclusion, especially for

vulnerable groups. New contractual arrangements are needed to create a more jobs, as well as distance working. Flexicurity tends to increase employability, improve job quality and opportunities and introduces innovative work practices such as flexible working hours. Firms can develop internal flexibility in relation to tasks, work organisations and skills. The Report concludes that flexicurity needs integrated approach which could be adaptable to particular national context. It represents efforts for greater adaptability and match between workers' skills and market needs. The effectiveness of a flexicurity may be strengthened by analysis of developed skills which labour markets require (Council of the European Union, 2008).

V. CONCLUSION

It can be concluded that Danish flexicurity model, implemented also in other Nordic countries and the Netherlands, remains open for implementation in other EU Member States. With flexicurity approach on the labour market, job security mentality could be replaced by employability and income security approach. Employers require flexible labour market and workers need to adapt to technological changes and competitive needs. In the meantime, workers require adequate income support in case of unemployment, including government based educational trainings in order to meet market needs. Unemployment can be reduced because of more efficient allocation of labour force and new employment opportunities which can be opened when employers' risks of employing new workers disappear.

Flexicurity policies can be implemented in other countries although it is necessary to consider social and cultural circumstances as well. Good civic attitudes remain high in Nordic countries where hard working culture and honesty represent commonly accepted values, instead of cheating on high welfare benefits. Therefore, high unemployment benefits can be considered only as a temporary income aid till new employment. Otherwise, certain number of people could decide to live on the account of taxpayers, instead of seeking employment.

The European Union seriously considers flexicurity policies as a new labour market approach. The Lisbon strategy 2010 which aimed to increase competitiveness and employment needs to be prolonged and flexicurity principles fit into these goals. This could be achieved by the EU 2020 strategy, in order to create a dynamic European labour market where educational outcomes and workers' skills fit market needs.

VI. REFERENCES

Note: Links for certain references have been updated by 18 June 2021 since the previous one were broken. Since there is no updated link for certain references, the original links has been market yellow.

AUTHORS:

Algan, Y., Cahuc, P. (2006); Civic Attitudes and the Design of Labor Market Institutions: Which Countries Can Implement the Danish Flexicurity Model?; Institute for the study of labour

<http://ftp.iza.org/dp1928.pdf>

Andersen, S.K., Mailand, M. (2005); The Danish Flexicurity Model – The Role of the Collective Bargaining System; FaOS

https://faos.ku.dk/english/pdf/publications/2005/The_Danish_Flexicurity_Model_0905.pdf

Andersen, T.M., Svarer, M. (2007); Flexicurity – labour market performance in Denmark; Swedish Fiscal Policy Council

http://www.finanspolitiskaradet.se/download/18.39b7e2f4115f6cdf3d0800014466/Torben+M.+Andersen_%C3%B6vrigt+material.pdf

Boeri, T., Cahuc, P., Crnković, S., Kollonay-Lehoczky, C., Wilthagen, T. (2007); Flexicurity Pathways – Turning hurdles into stepping stones; Report by the European Expert Group on Flexicurity

<http://ec.europa.eu/social/BlobServlet?docId=1519&langId=en>

Boeri, T., Conde-Ruiz, J.I., Galasso, V. (2006); The Political Economy of Flexicurity; FEDEA

https://www.researchgate.net/publication/5022532_The_Political_Economy_of_Flexicurity

Brown, A.J.G., Merkl, C., Snower, D.J. (2009); Incentives and Complementarities of Flexicurity; Kiel institute for the World Economy

<https://www.econstor.eu/bitstream/10419/28354/1/603368689.PDF>

Bundvad, J. (2007); Flexicurity – a Danish trade union view; CO Industri

http://www.lo.dk/Englishversion/~/_media/LO/English/Congress2007/Flexicurity%20%20%20a%20Danish%20trade%20union%20view.ashx

Calmfors, L. (2007); Flexicurity - An Answer or a Question?; Steps

<http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.579.3308&rep=rep1&type=pdf>

Carone G., Stovicek, K., Pierini, F., Sail, E. (2009); Recent reforms of the tax and benefit systems in the framework of flexicurity; European Economy; European Commission – Economic and Financial Affairs
http://ec.europa.eu/economy_finance/publications/publication14173_en.pdf

Cazes, S. (2008); Flexicurity in Europe – A short note on moving forward; International Labour Organization
<http://zope298.ilo.org/delta/hld2008/hld/en/thematical-papers/hld-2008-session-two-paper-flexicurity-in-europe-mov.pdf>

Cazes S, Nesporova, A. (2007); Flexicurity – a relevant approach in Central and Eastern Europe; TIMpress (Article: Crnković-Pozaić, S.)

Crnković-Pozaić, S. (2006); Flexibility and Employment Security on the Labour Market: Experiences from Croatia; International Labour Organization
http://www.ilo.org/public/english/region/eurpro/budapest/download/empl/flexibility_croatia_croatian.pdf

Crnković-Pozaić, S.; Flexicurity – From working place security towards employment security, SMEs and Entrepreneurship Policy Centre
http://cepor.hr/news/fleksigurnost/briefing_crnkovic.pdf

Eamets, R., Philips, K., Alloya, J., Krillo, K. (2009); Benchmarking EU countries against Danish flexicurity model; University of Tartu
https://euro.indiana.edu/docs/archive/working-papers/Eamets_Philips_flexicurity.pdf

Flascher, P., Greiner, A., Luctenberg, S. (2008); Flexicurity Capitalism, Skill Formation and the Equal Opportunity Principle
https://www.researchgate.net/publication/228878261_Flexicurity_Capitalism_Skill_Formation_and_the_Equal_Opportunity_Principle

Gundogan, N. (2009); Can Denmark's Flexicurity System Be Replicated in Developing Countries?; MPRA
http://mpra.ub.uni-muenchen.de/17470/1/MPRA_paper_17470.pdf

Haahr, J.H., Andersen, T. (2006); Flexicurity in a Context of Restructuring; Danish Technological Institute
<http://www.jens-henrik-haahr.dk/pdf/flexicurity.pdf>

Hansen, P.M. (2009); Danish employment policy – a model for the EU?; LO
<http://www.lo.dk/Englishversion/Flexicurity/DanishemploymentpolicyamodelfortheEU.aspx>

Hendeliowitz, J. (2008); Danish Employment Policy: National Target Setting, Regional Performance Management and Local Delivery; Employment Region Copenhagen & Zealand; The Danish National Labour Market Authority

<http://www.oecd.org/dataoecd/13/53/40575308.pdf>

Jensen H., Larsen, J.N. (2007): Can flexibility and security be combined?; LO

<http://www.lo.dk/Englishversion/Flexicurity/Canflexibilityandsecuritybecombined.aspx>

Jensen H., Larsen J.N. (2005); The Nordic labour markets and the concept of flexicurity; DA

<http://www.da.dk/bilag/05-09->

[14%20The%20Nordic%20labour%20markets%20and%20the%20concept%20of%20flexicurity%20%282%29.pdf](http://www.da.dk/bilag/05-09-14%20The%20Nordic%20labour%20markets%20and%20the%20concept%20of%20flexicurity%20%282%29.pdf)

Keune, M. (2007): Flexicurity: the new cure for Europe's labour market problems?

Kulušić, J. (2009); Is it Worth the Flexibility?; TIMpress

Kuttner, R. (2008): Balancing Open Trade and Economic Security - "Flexicurity" in Denmark; Demos and World Policy institute

http://www.demos.org/pubs/trade_denmark.pdf

Lommerud, K.E., Straume, O.R. (2009); Employment protection versus flexicurity: on technology adoption in unionized firms

<https://w2.uib.no/filearchive/flexi109.pdf>

Lowther, J. (2003); Labour force flexibility and the role of Croatian social partners in its increase

hrcak.srce.hr/file/8919

Madsen, P.K. (2002); The Danish Model of „Flexicurity“ – A Paradise with some Snakes; Eurofound

<https://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.199.4437&rep=rep1&type=pdf>

Matthiessen, C.W. (2005); The Nordic Culture

http://www.homeofgeography.org/uk/former_news/C&Cdic05/Matthiessen5.doc

Mattila J. (2008): Precarious work situations; Conference „Employment and the Churches“ - Dialogue Seminar „Flexicurity from a Values Perspective“

<http://www.cec-kek.org/pdf/employmentMattila.pdf>

Obadić, A. (2009); The Danish flexicurity labour market policy concept; University of Zagreb: Faculty of Economics and Business

<http://web.efzg.hr/RePEc/pdf/Clanak%2009-04.pdf>

Philips K., Eamets R. (2007); Approaches to flexicurity: EU models; Eurofound

<http://www.eurofound.europa.eu/pubdocs/2007/84/en/1/ef0784en.pdf>

Sapir, A. (2003); An Agenda for a Growing Europe – Making the EU Economic System Deliver; Report for the European Commission

https://www.researchgate.net/publication/227467942_An_Agenda_for_a_Growing_Europe_The_Sapir_Report

Schubert C.B., Martens H. (2005); The Nordic model: A recipe for European success?; (Hultin, G.; Learning the lessons of the Nordic experience); European Policy Centre

https://www.epc.eu/content/PDF/2005/EPC_Working_Paper_20_The_Nordic_Model_a_recipe_for_European_success.pdf

Sruk, V., Romih, D. and Festić, M (2008): Are the New EU Member States Prepared for the Flexicurity System?; *The Open Political Science Journal*

<https://benthamopen.com/contents/pdf/TOPOLISJ/TOPOLISJ-1-17.pdf>

Tangian, A. (2007); European flexicurity: concepts and consistent policies; Hans Böckler Foundation,

http://www.global-labour-university.org/fileadmin/Papers_Wits_conference_2007/Group_A1/tangian_paper.pdf

Tangian, A.S. (2004); Liberal and trade-unionist concepts of flexicurity: Modeling in application to 16 European countries; WSI

http://www.boeckler.de/pdf/p_wsi_diskp_131.pdf

Tangian, A. (2008); Towards Consistent Principles of Flexicurity; WSI

http://www.boeckler.de/pdf/p_wsi_diskp_159_e.pdf

Wegner, G. (2008): Employment Policies – Challenges for the Churches From the Values Perspective of the Christian Churches in Europe; Conference „Employment and the Churches“ - Dialogue Seminar „Flexicurity from a Values Perspective“

http://www.ekd.de/si/download/employment_policies.pdf

Wilthagen, T. (1998); Flexicurity: A New Paradigm for Labour Market Policy Reform?; WZB

<https://www.econstor.eu/bitstream/10419/43913/1/24640552X.pdf>

Wilthagen, T. (2008); Mapping out flexicurity pathways in the European Union; Tilburg University; Flexicurity Research Programme

https://www.steunpuntwerk.be/system/files/bijlagen/wse-congres_20081217_09.pdf

Wilthagen, T., Tros, F. (2004); The Concept of Flexicurity: a new approach to regulating employment and labour market; Transfer

<https://www.researchgate.net/publication/228244233> The Concept of Flexicurity A New Approach to Regulating Employment and Labour Markets

Wilthagen, T., Tros, F., van Lieshout, H. (2003); Towards “flexicurity”?: Balancing flexibility and security in EU member states; Industrial Relations Association (IIRA)

http://www.tilburguniversity.nl/faculties/law/research/reflect/publications/papers/fxp2003_3.pdf

Zhou, J. (2007); Danish for All? Balancing Flexibility with Security: The Flexicurity Model; International Monetary Fund Working Paper

<http://www.imf.org/external/pubs/ft/wp/2007/wp0736.pdf>

ORGANISATIONS:

BDA (2007); Modernizing Europe’s labour markets: Flexicurity – greater security through better employment opportunities

<http://www.bda->

[online.de/www/arbeitgeber.nsf/res/E9A6A4D53FBE5F1DC12574EF00544F2F/\\$file/Flexicurity_engl.pdf](online.de/www/arbeitgeber.nsf/res/E9A6A4D53FBE5F1DC12574EF00544F2F/$file/Flexicurity_engl.pdf)

Danish Employers’ Confederation; Flexicurity in Denmark – Introduction to the Danish Market Model

<http://www.da.dk/bilag/Flexicurity%20in%20Denmark.pdf>

Danish Confederation of Trade Unions (2008); A flexible labour market needs strong social partners

http://www.lo.dk/Englishversion/~/_media/LO/English/FinalFlexicurity.ashx

Danish Confederation of Trade Unions (2005); The EU’s Third Way

<http://www.lo.dk/upload/LO/Documents/K/kkk.PDF>

Danish Government (2009); Denmark's National Reform Programme: Contribution to the EU's Growth and Employment Strategy (The Lisbon Strategy)

http://uk.bm.dk/Themes/~/_media/BEM/Files/English/Acts/Denmarks%20National%20Reform%20Programme%20Oct%2009.ashx

Danish Ministry of Employment (2010); Active labour market policy

<http://uk.bm.dk/Themes/The%20Danish%20Labour%20Market/Active%20labour%20market%20policy.aspx>

Danish Ministry of Employment (2009); Flexicurity

<http://uk.bm.dk/Themes/The%20Danish%20Labour%20Market/Flexicurity.aspx>

Danish Ministry of Employment (2010); Unemployment insurance in Denmark

<http://uk.bm.dk/Themes/The%20Danish%20Labour%20Market/Unemployment%20insurance%20in%20Denmark.aspx>

European Confederation of Private Employment Agencies (2009); Shaping the Social and Employment Dimension of the European Union's Post-Lisbon Strategy

http://www.euro-ciett.org/fileadmin/templates/eurociett/docs/position_papers/2009_Post-2010_Lisbon_Strategy/Eurociett_leaflet_Post-Lisbon_Strategy_-_Sept_09.pdf

Eurofound (2008); Flexicurity

<http://www.eurofound.europa.eu/areas/industrialrelations/dictionary/definitions/FLEXICURITY.htm>

Eurofound (2008); Flexicurity – it takes three to tango

<http://www.eurofound.europa.eu/resourcepacks/flexicurity.htm>

Eurostat (2009); Employment rate

<http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&language=en&pcode=tsiem010&tableSelection=1&footnotes=yes&labeling=labels&plugin=1>

Royal Danish Ministry of Foreign Affairs (2009); Do you feel safe in a volatile labour market?

[http://www.denmark.dk/en/menu/About-](http://www.denmark.dk/en/menu/About-Denmark/ProfileSheets/DoYouFeelSafeInAVolatileLabourMarket/DoYouFeelSafeInAVolatileLabourMarket.htm)

[Denmark/ProfileSheets/DoYouFeelSafeInAVolatileLabourMarket/DoYouFeelSafeInAVolatileLabourMarket.htm](http://www.denmark.dk/en/menu/About-Denmark/ProfileSheets/DoYouFeelSafeInAVolatileLabourMarket/DoYouFeelSafeInAVolatileLabourMarket.htm)

Royal Danish Ministry of Foreign Affairs (2009): Denmark – Conditions of Life – The Scandinavian Welfare Model

<http://www.um.dk/Publikationer/UM/English/Denmark/kap3/3-1.asp>

Statistics Denmark (2010); Denmark in Figures 2010

<http://www.dst.dk/pukora/epub/upload/14850/dkinfigures.pdf>

Statistics Denmark (2010); Statistical Yearbook 2009

<http://www.dst.dk/pukora/epub/upload/14468/sy2009.pdf>

Statistics Denmark (2010); Unemployment seasonally adjusted

http://www.dst.dk/HomeUK/Statistics/Key_indicators/Labour_market/Unemployment.aspx

OFFICIAL EU DOCUMENTS:

Council of the European Union (2008): „Implementation of the common principles of flexicurity within the framework of the 2008-2010 round of the Lisbon Strategy“

<http://ec.europa.eu/social/BlobServlet?docId=1515&langId=en>

European Commission (2010); Europe 2020 – A European strategy for smart, sustainable and inclusive growth

<http://ec.europa.eu/eu2020/pdf/COMPLET%20EN%20BARROSO%20%20%20007%20-%20Europe%202020%20-%20EN%20version.pdf>

European Commission (2009); Consultation on the Future “EU 2020” Strategy; COM (2009) 647

http://ec.europa.eu/eu2020/pdf/eu2020_en.pdf

European Commission (2008); EU reaches out promote flexicurity approach in the Member States

https://ec.europa.eu/commission/presscorner/detail/en/IP_08_758

European Commission (2010); European Employment Strategy

<http://ec.europa.eu/social/main.jsp?catId=101&langId=en>

European Commission (2009); Growth and Jobs

http://europa.eu/legislation_summaries/employment_and_social_policy/growth_and_jobs/index_en.htm

European Commission (2010); Lisbon strategy evaluation document; SEC (2010) 114

http://ec.europa.eu/growthandjobs/pdf/lisbon_strategy_evaluation_en.pdf

European Commission (2007); Promoting young people's full participation in education, employment and society; COM (2007) 498

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2007:0498:FIN:EN:PDF>

European Commission (2006); The demographic future of Europe – from challenge to opportunity; COM (2006) 571

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2006:0571:FIN:EN:PDF>

European Commission (2007); Towards common principles of flexicurity – More and better jobs through flexibility and security; COM (2007) 359

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2007:0359:FIN:EN:PDF>

European Commission (2009); What is Flexicurity?

<http://ec.europa.eu/social/main.jsp?catId=116&langId=en>