Flexicurity and Beyond – Reflections on the Nature and Future of a Political Celebrity

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The ambiguous concept of flexicurity

The fundamental idea behind the concept of flexicurity is that flexibility and security are not contradictory to one another, but in many situations can be mutually supportive. This idea of virtues circles between flexibility and security has now moved to the very centre of European policy making. They were referred to in the Presidency conclusions from the European Council in Brussels in March 2006 and reiterated in numerous publications from the Council and the Commission during the following months. Thus the Joint Employment Report 2006/2007 stated that:

‘A more comprehensive approach is necessary to combine flexibility and security in a more integrated approach. Flexicurity policies should attempt at going beyond the old trade-off where more flexibility meant less security. The aim is for workers to exchange traditional security in the job for security in the market, brought about by efficient and cost-effective active labour market policies (ALMPs), and adequate levels of social protection to tide them over between jobs’. (p. 5)

The rapid rise in the political interest in the concept of flexicurity is easy to understand. Flexicurity as a political strategy promises to make an end to
the old conflict between efficiency and equity. Contrary to the old saying, you can have your pie and eat it at the same time.

The most attractive aspect of flexicurity from the point of view of political discourse is therefore its ambiguity. There is something in it for everybody. We will have a world inhabited of wage earners, who feel economically secure, and of satisfied employers with a high degree of flexibility in hiring, firing and allocating their workforce. For society as a whole, growth and prosperity will be the expected outcome of a more dynamic and flexible labour market. The politician who is able to put forward and implement such a win-win-strategy should be up for a guaranteed re-election.

Such an impressive list of promises calls for scepticism. It is therefore not surprising that some political actors and representatives from the social partners – especially from the trade unions – have expressed serious doubt about the validity of the concept. Is flexicurity in reality a Trojan horse designed to abolish traditional job protection and thus remove some of the victories won by European workers and their organisations over during the 20th century? Especially Southern European labour movement representatives have expressed this critical view on several occasions.

In this introductory chapter we intend to take a critical look at the present status and the future of flexicurity – both from a purely scientific and a more practical and historical perspective. Instead of a traditional introduction of articles we use this chapter to discuss the question of definition and research strategy in part one and the question of flexicurity as a European political strategy in part two. Can one build a consistent research programme on a concept, which is so heavily loaded with political and ideological interests and values? A consistent concept and a multi-disciplinary approach will be faced with the problem of theorizing and analyzing an object still to be identified: a system, a regime, national institutional arrangements, or simply a European political strategy? And on the other hand: If one conceives ‘flexicurity’ as a political programme – what kind of challenges will this programme be facing, when it meets the European political reality?

Before we embark on tackling these challenging issues, we provide the reader with a brief introduction to the historical development of the concept of flexicurity and to the two European countries, which are most often taken as real-life examples of a successful integration of flexibility and security, namely Denmark and the Netherlands.

A long and winding road to Brussels

Although the term flexicurity only in recent years has become a buzzword among European politicians and researchers, the concept has a relatively long and fascinating story dating back to the mid-1990s.

The phrase flexicurity was first coined in the Netherlands in the mid-1990s, based on a number of specific conditions. In 1995 a new approach to flexibility and security appeared on the political agenda. In his memorandum *Flexibility and Security*, Ad Melkert, the then Minister of Social Affairs and Employment (the Labour Party), deliberately defined this combination as the ultimate goal. His intention was to modify employment protection for employees working on standard contracts and to improve it for temporary workers. It was not until 1999, however, that this intention was laid down in legislation. The very point of the legislation was to rectify the imbalance between the inflexible labour market for core employees and the insecure labour market situation of peripheral workers. Job security for ordinary employees was modified, the system of permitting temporary agency work was abolished, and employment protection of atypical workers was improved. Another important intention was to start a development away from job security towards employment security instead, especially through a more active labour market policy (for a more detailed account, cf. Wilthagen 1998; Wilthagen and Tros 2004).

Also when it comes to flexicurity research, the Netherlands has played a prominent role. Dutch scholars were active in the international research network on Transitional Labour Markets (TLMnet). The first path-breaking academic work on flexicurity was published in 1998 by the Dutch professor Ton Wilthagen in a paper from the Wissenschaftzentrum Berlin, which was a main research centre of TLM (Wilthagen, 1998). Later Ton Wilthagen founded his own research programme at the University of Tilburg in the Netherlands and became a central figure in developing flexicurity as a European strategy.

In the Danish case, the term flexicurity entered the national scene more or less by accident. In 1999 the Danish Ministry of Labour published a report, which portrayed the main elements of the Danish labour market as a ‘Golden Triangle’ of a flexible workforce, high unemployment benefits and active labour market policies (Arbejdsmisteriet, 1999). The same elements were also underlined in a contemporaneous research paper for the ILO...
The term flexicurity was explicitly applied in a subsequent study for the ILO, drafted in 2000 and printed in 2002 and 2003 (Madsen, 2002, 2003). The actual link between the 'Golden Triangle' and the term flexicurity was made sometime in 2000 and inspired by a casual comment to a lecture by one of the authors of the present article - probably given by a Dutch member of the audience.

Following the two studies from the ILO, the 'Golden Triangle' and the term flexicurity as a description of the Danish model caught the attention of the OECD. In the Employment Outlook from June 2004, two pages were devoted to a detailed and positive description of the 'Danish flexicurity approach' (OECD, 2004, pp. 96-98). Probably stimulated by the blue stamp given by the OECD, the concept within a few months became extremely popular among Danish politicians, civil servants and the social partners. In June 2005 the Ministry of Employment published a report on 'Flexicurity - Challenges for the Danish Model' - and Denmark had officially become the homeland of flexicurity (Beskæftigelsesministeriet, 2005).

Meanwhile flexicurity also gained momentum on the European scene, although the ideas of balancing flexibility and security can be traced some years back in European policy documents (Wilthagen & Tros, 2002, Keune and Jepsen in this volume). The triggering factor was the need to revitalize the Lisbon Strategy by adding a new idea that had the potential of overcoming traditional conflicts between and within Member States. Thus, in both political and academic circles flexicurity became a topic in the beginning of the new century. At the closing section of the 12th IIRA World Congress in Tokyo in 2000, the president Manfred Weiss introduced the concept to a broad international audience of 1200 people, both practical men and academics. The ILO in Geneva soon found an interest in exploring the potentials of the concept. And immediately after arriving as director of the ETUI (European Trade Union Institute) in Brussels in 2003, the other author of the present article started a research project on flexicurity (led by Maria Jepsen) in order to vitalize and support European Social Dialogue strategy and bring more analytical strength to the discussions. Meanwhile, more researchers and practicians had discovered a soon to grow debate on reconciling flexibility and security. The numbers of conferences, seminars, and publications have almost exploded during the last three years. We will return to the European policy discourse on flexicurity below. But first we shall take a closer look at the two countries, which are most often cited at real-life examples of flexicurity in Europe.

**Flexicurity for real – The Netherlands and Denmark**

Among those European countries showing by their economic development and labour market performance that Europe was not 'sclerotic' and in stark contrast to the dynamic American labour market were the Netherlands and Denmark. While the unemployment level was reaching around 11 per cent of the labour force in the EU in the mid 1990es and only started to fall below 10 per cent at the end of the century, the Netherlands and Denmark were successful in reducing open unemployment to about half of this level and the end of the 1990s. Together with Ireland and Austria these small countries showed positive results, also in relation to economic growth and rising employment. No wonder, Peter Auer from the ILO was enthusiastic when writing in 2000 on 'Employment revival in Europe' with reference to the labour market success of those four countries - without using the flexicurity concept (Auer 2000). He, however, emphasised the importance of social dialogue, macroeconomic policy, labour market and social policy, social protection, and equal opportunity policies in his policy recommendations for other countries.

It was precisely because of social and labour market legislation and regulation that the Netherlands and Denmark became famous as 'flexicurity' countries, the two principal references ever since to systems in which flexibility and security form a national-specific nexus, worthy of the label 'flexicurity'. The Netherlands was - as noted in the last section - the first country to exploit the possibilities of more flexible employment relationships, while providing people in non-standard jobs with more security at the same time. Until the mid-1990es, a strict regulatory system was protecting people on ordinary contracts from dismissals. Employers had to have a public acceptance of dismissals and they had high social contributions to pay. Enterprises reacted to this also by hiring people on short-term contracts, creating a situation in which many wage earners were without legislative protection. The legislation in 1999 on 'Wet Flexibiliteit en Zekerheid' (Dutch for 'Flexibility and Security') regulated conditions for non-core employees and brought some protection for atypical workers (part-time and
agency workers and people on fix-term contracts). The legislation is to be regarded as a path-dependent element in the Dutch political system with corporatist roots (Wilthagen 1998, Hermerijck and Visser 1997). Even if Dutch flexicurity was born as a political strategy in the 1990es to regulate segmentation within the labour market and to bridge interests on both the demand and the supply side, it could soon be seen as having systemic traits of the Dutch kind.

However, the Dutch flexicurity system is more systematically addressing so-called ‘problem groups’ within the labour market, even if some security elements have been introduced for workers on standard contracts as well, but it does not represent a comprehensive regulative system covering the whole labour market. It is also highly gender biased, with almost 80 per cent of all women in the Netherlands working part-time or having a typical employment relationship. The EU average for part-time work is 14 percent, while the general Dutch rate is 40. Adding people on fixed-term contracts and self-employed, you reach 51 percent of all workers. The legislation in 1999 did not seem to change the trend of female employment choices or possibilities. In this respect the legislation only confirmed the Netherlands as having a part-time economy. The Dutch flexicurity regulations specify different forms of flexibility and combinations of security, as highlighted in the well-known Wilthagen ‘matrix’ (Wilthagen 2002, 2004). The Netherlands is making trade-offs between external-numerical flexibility (especially for temporary agency workers) and employment security. And the 1999 law together with collective agreements in this sector are illustrative examples of this trade-off (Wilthagen and Tros 2004). These traits are in contrast to the Danish example of flexicurity, which is much more inclusive, covering most people in accordance with universalistic principles and having no strong gender-bias.

The Danish flexicurity system has as its core ‘Golden Triangle’ of a flexible, highly mobile workforce, a strong income support system and active labour market policy and educational policies; but it also has a universal welfare state framing, which is of outmost importance for an understanding of the way the system is working. Without strong child-care facilities, women would not have the chance to participate on an equal footing in the labour market. In Denmark, high manpower turnover and easy structural adjustments can only be explained by the existence of generous income support systems for the unemployed and the positive attitudes by the workers and white-colour employees to active labour market measures. Activation and vocational training and further education have been strong elements in reforms of labour market policy since 1993/1994 and the system is not seen as having a predominately paternalistic trait. Unemployed people make personal ‘contracts’ with the authorities and activation and educational measures are chosen that should help bringing people back into the open labour market. ‘The security of the wings’ (Gosta Rehn) is a central catchword for the intensive efforts to improve workers’ skills and transferable qualifications in order to have a flexible workforce. Employment security is substituting job security. But one needs to have a closer look at the flexibility elements in Danish flexicurity: actually there are more restrictions as to free hiring and firing hidden in the collective agreements – normally the individual employee have between three and six months notice if he or she has been employed several years in the same enterprise, but for people with low tenure the picture is different. These people circulate a lot between jobs and occupations. More protection comes from legislation as to collective dismissals; here you will also find strong regulation in accordance with EU Directive (see the contribution of Barbier in this volume). Even though, numerical flexibility is high in Denmark.

The decisive element in the Danish flexicurity system is the high level of social trust in the system, the atmosphere of cooperation, and the acceptance of the responsibility to be adaptive to change. Publicly organized and financed education and activation helps the workers to acquire more skills and abilities needed for re-entering the labour force. This again supports high turnover in firms, a high-mobile labour market and quick structural adjustments. The social partners regulate on a collective basis most of the conditions and relationships, which they have done for more that 100 years (as the first ever general agreement in the world was concluded in September 1899), and corporatism has an equally long history in Denmark (Christiansen and Nørgaard 2003, Jørgensen 2002). The Scandinavian countries have strong labour market regimes with political support as to autonomy and a common acceptance of interventionist labour market policies. The social partners and the politicians have clearly defined roles to play in the regimes with the latter having a reduced role compared to the rest of Europe.

Voluntaristic labour market regulation and corporatism form the procedural basis of Danish flexicurity system, while active labour market and
educational policies equip employees with necessary skills and abilities; the employees appreciate incomes security and welfare state services very much. It is more difficult to evaluate the general support of the Dutch flexicurity (political) regulations and it is definitely not having a comprehensive character and is mostly having stronger security elements as to people on fixed-term contracts. Compared to the Dutch system that is focused on weaker groups in the labour market, the Danish flexicurity system must be considered a labour market regime concept, having its roots in a long history and with the social partners in influential positions within the system. A labour market policy reform in 1994 even strengthened corporation in Denmark (also at regional level), and it is not until 2007 this pivotal position of the social partners have been challenged, now by a right wing government (see Jørgensen 2006/2007). The politicians are not engaged in elaborating deliberative flexicurity policies, as has been the case in the Netherlands. In Denmark the flexicurity system is a sturdy state of affairs.

Put cuttingly: the Danish flexicurity system builds on governance without much government as to labour law and regulation, while the Dutch one builds on governmental regulation of employment and security. However, there are big functional problems in both systems. In Denmark, not everyone seems to be able to be included in the flexicurity system, as several groups are not well integrated into the labour market – for example immigrants. They still constitute problems caused by segmentation or discrimination. This is highlighted in articles in this anthology.

With these empirically generated observations it can, hopefully, be shown how different the Dutch and the Danish flexicurity systems are, both in genetic and functional terms. Analyses of the Scandinavian countries and their ‘good’ governance structures makes it clear that functional equivalents to the Danish way of cultivating labour market regulation by mixing public interventions and collective agreements exist within universalistic welfare framing (Magnusson et al. 2007). But still the decisive point is the relationships between elements and actor-constellations within the system. Flexicurity is more than complementarities or simple political negotiations for allocation of values to both sides of industry. It is more than a policy deal. And if the Netherlands and Denmark are used as the only two well-known examples of flexicurity, then the task of conceptualizing flexicurity and giving research strong and broadly usable pillars for a proper (comparative) methodology is really challenging!

The challenges for flexicurity research

As previously noted, the concept of flexicurity was applied by the international academic community several years before it gained political momentum. However, there is no doubt that the political interest in the idea has further spurred academic interest. As an indication of this, the number of articles and papers with reference to the concepts has mushroomed during later years. As demonstrated in figure 1, the term ‘flexicurity’ was almost unknown in 1996. Since 2003 the number of academic references has risen to about 100 per year. Also in policy documents, both national and European, the term flexicurity has spread rapidly.

Figure 1. Number of academic references to ‘flexicurity’ 1998-2006

In itself this is of course an encouraging observation. After all, one of the main tasks of social sciences is to provide the basis for more informed policy-making in the form of knowledge about policy alternatives and their economic and social consequences.

However the adventure of intellectual river rafting down a roaring stream of political debate and on-going policy-making is not an easy challenge. Therefore it is important that researchers from time to time get together at a safe distance from the turmoil of the policy arenas and get the
opportunity to exchange views about concepts and theoretical issues. Analytical consistency and empirical usefulness goes together.

The organisers of the conference of ‘Flexicurity and Beyond’, held in Aalborg in October 2006, from which this volume is the manifest result, felt the need for such an intellectual time-out. At the outset four themes were identified for the event:

- Is there a firm theoretical foundation being developed for the discourse on flexicurity?
- How do we move beyond the Danish ‘Golden triangle’ and the ‘Wilthagen matrix’ to widen our understanding of real-life flexicurity arrangements?
- Under what conditions can successful flexicurity arrangements act as an inspiration for other countries?
- Can ‘flexicurity’ become the lifeline for the Lisbon strategy and give fresh inspiration to the development of the European Social Model?

The contributions in this volume all relate in one way or another to these more general questions. In addition, they add to the analytical richness of flexicurity research by pointing to a number of more specific questions that must be addressed in developing flexicurity as a research programme. One important point is the need to take a dynamic approach to employment systems that incorporate flexicurity arrangements. How do we explain the developments of such flexicurity systems? What are the driving forces and the degrees of change to the content and processes of these systems? Which role does power relations and good – or bad – governance play for these processes and their outcome? And finally: Are moves toward ‘more’ flexicurity – however defined – always characterised by win-win situations, or can we in many or most cases identify both winner and losers, when flexicurity policies are introduced? While one can argue that some, but not all, configurations of flexibility and security will eventually manifest themselves as win-win-situations, the gains and losses may be unevenly distributed over time; one may also find that certain subgroups (for instance among the employed with a very high level of job security) may come out as losers also in the longer run. What about gender based flexicurity arrangements?

One of the contributions to the present volume goes a step further, stressing specific directions, which flexicurity research should take in order to become a full-fledged research programme. These considerations are in line with the ones given in the article of Bredgaard and his colleagues in this volume, but we extend the list of elements:

- Analysis must acknowledge that specific flexicurity arrangements are embedded in national economic, political and social configurations. Welfare systems and labour market regimes have been developed along different routes and power constellations and this has formed a diversity of institutional framing. This does not exclude research with a micro perspective, but awareness of different national contexts and regimes is always important, and you need to specify internal or external drivers and causes of flexicurity.
- There must be a stronger focus on the importance of the necessary social, economic, political and cultural preconditions of flexicurity. The flexibility-security nexus in each country must be a starting point for comparative analyses. The ‘good’ flexicurity arrangements emerge on the background of negotiations, compromises and redistribution of resources. This calls not only for a focus on the historical-institutional preconditions of flexicurity, but especially for actor-oriented aspects of these (actor strategies, alliances, policy communities, social dialogues etcetera). Questions of power and influence must be addressed too. Otherwise, you might end up in purely descriptive analyses. A comprehensive explanation and understanding is also necessary from a policy-transfer perspective.
- An important next step must be the identification of flexicurity arrangements, where positive spin-off effects can be identified, which goes beyond the concrete trade-off between specific forms of security and flexibility. It is about being able to convert the asserted positive benefits of the concepts into practical, concrete examples.
- There must be more in-depth empirical research on the dynamic aspects and relations concerning different forms of flexibility and security. We need more experience as to the fruitfulness of the flexicurity approach at different levels as well – from the European to decentral level, perhaps even the enterprise level. And a comparative methodology should be relevant for most kind of analyses.

1 We are gratefully to Connie Krogager for assistance in organizing the conference and for layouting this book.
It would be interesting to investigate and test the potentialities and possible pitfalls of flexicurity research outside Europe. There is always danger of ethnocentrism in this kind of research, and the concept and the research strategy need clarification and validation also in relation to non-European systems.

Such ideas about more specific guidelines for flexicurity as a research programme can be useful, although perhaps not agreed upon by all members of the research community gathered around flexicurity.

However the most challenging aspect of flexicurity research is probably the requirement to cross the traditional borderlines of social research. Thus existing flexicurity arrangements will most often involve interactions between for instance welfare state provisions and the labour market. Similarly, flexicurity policies will normally imply the integration of different policy areas, which call for increased emphasis on interactions between policy elements. Therefore flexicurity research calls for an interdisciplinary approach combining insights from several existing disciplines and research traditions. This is also evident from the list of contributors to the present volume, which is composed of economists, sociologists and political scientists. To further develop an interdisciplinary research programme based on the combined analytical insights and tools of researchers with a wide and mixed background is the most challenging – but also fascinating – aspect of flexicurity research.

Challenges for flexicurity as a political strategy

European integration since the 1950es has developed along a dual track (Ferrera 2005): (a) economic integration based on opening of boundaries, making all equal for commercial purposes (producers, citizens, workers), and (b) national organization of social security, having own definitions of social solidarity produced. But this dual track approach does not work very well any longer. Member state autonomy is reduced, strong EU competition exist, ECJ is making case law legislation, and the EU is trying to coordinate common initiatives and policies in areas previously being strongly protected by the subsidiarity principle. Add to this growing Euro-scepticism as the EU is seen my many people in Europe as a threat to the welfare state and to sovereignty. The French and Dutch ‘no’ to the Constitutional Treaty in 2005 further shocked the EU institutions. A new semantic magnet is perhaps missing? The EU truly needs more than new words and communication strategies: it needs policies that works and which can reinstall trust in the European institutions and foster a common identity. This calls for policies able of bridging European and national interests, economic and social interests, and employer and employee interests at the same time. Flexicurity might be the answer? The EU Commission as disseminator of knowledge, policy broker and political communicator (see Keune/Jepsen in this volume) has a natural role to play in this respect. As a creator of norms it is in a pivotal position.

The analytical tasks for flexicurity research might not be easily solved, exactly because of the present political success of the concept on a European scale and the inflationary use of the concept. As a researcher you can deconstruct the EU conceptualization as much as you like – but politicians and administrators in the EU have another task, namely to reconstruct flexicurity as a policy principle or strategy. It is becoming a political celebrity. And it is being treated accordingly!

Flexicurity might become more than a new cognitive frame of reference for European policy discussions. It could perhaps develop into the very DNA pattern of European policies in the future with not only balancing economic and social interests, but also mutually reinforcing economic growth and social welfare? The EU institutions do not only use the discursive appeal of the concept strongly at the moment; they try to develop flexicurity as a new obligatory reference, to decide on it as a political strategy, and to implement benchmarking exercises in relation to the concept; in trying to give learning opportunities they want to create ‘open’ or ‘flexible’ adaptation to EU policies. More decisions will be taken during 2007 in this respect. Flexicurity is to become more than a weapon in the political communication of the EU Commission. Surprisingly, even the Green Paper on labour law from November 2006 from the EU Commission mostly addresses the question of segmentation, flexibility and security. Flexicurity is giving colour and energy to policy developments in many policy fields at the moment.

In the 2006 ‘Employment in Europe’ report, the EU Commission has tried to construct a new European ‘flexicurity’ chart based on country scores along indicators of security and flexibility/employability (Principal Compo-
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dent Analysis followed by Cluster Analysis). The new European flexicurity chart looks like this (p. 106):

Figure 2. EU Commission chart of groups of European flexicurity nations

As can be seen, the Netherlands and Denmark are placed in the same group or ‘family’ of nations by this operation. According to the descriptive remarks we made previously in relation to the Dutch and Danish differences, this is a way of using ‘flexicurity’ that can be disputed, seen from both analytical and empirical points of view. By sophistically calculating and arranging countries and systems along more dimensions the EU Commission leads us to think of flexicurity as a basic solution to all kinds of problems addressed by the Lisbon strategy, and that we have only a few number of countries on the right track now, while others have to learn how to develop flexicurity’. Here it is not systems that are at stake, but political strategic thinking. The difficulty of talking about ‘cases’ is that it is always cases of something common. But there might be no original version of flexicurity, as there exists no ‘Ur-Flexicurity’ – parallel to the fact that we have no ‘Ur-Stat’, but only nation states. And as long as you have no comprehensive and firm concept, no agreed upon common policies but only European coordina-

tion (and meta-coordination), you should not expect political actors and national governments to act in a uniform and loyal way to common ‘flexicurity principles’. This is a first big challenge for flexicurity.

The EU institutions lately have talked about different pathways to flexicurity to be secured by reducing gaps between states of affairs within the labour market and addressing opportunities (EU Expert Group 2007). This might be a first step away from common principles to be followed by the 27 EU nations, but it still builds on an understanding of flexicurity as a political strategy – and a political celebrity. But the road ahead for flexicurity might not be that star sprinkled. More accounts are in place. Flexicurity will be commented upon as possible renewal of the most prominent EU strategies dealing with economic growth, employment and social cohesion.

The Lisbon strategy

Do we find both substantive renewals and renewal as to procedure (processes) with flexicurity as the comprehensive catchword? If this is not the case, it can perhaps be seen as only re-dressing or re-labelling the Lisbon track from 2000. The Lisbon strategy is now well known for its high ambitions and main elements, trying to improve competitiveness, social cohesion and sustainability at the same time. It is a comprehensive and multi-facetted strategy to move in the direction of a knowledge-based society and in becoming the most competitive region of the world by 2010 (Noaksson 2006, Watt and Janssen 2005, Rodriques 2003). The mid-term revision of the strategy in 2005 could be seen also as a kind of mid-way crises, as the economic elements were strengthened to the disadvantage of the social elements. Rhetoric is intact, but in reality ‘security’ and welfare was supposed to be placed on the back burner. In presenting the result of the Mid-term review in 2005, EU Commission President Barroso referred to the economic pillar of the Lisbon strategy as the ‘sick son’ requiring special care. For a flexicurity solution there can be no discussion about putting social and welfare questions on the backseat. ‘Social Europe’ might be an even sicker little brother in the family to be taken care of. But this is only a defensive view against watering down of the Lisbon agenda into a mere programme for economic growth and competitiveness.

The problem with having flexicurity as the mail element in the Lisbon strategy is that there are many elements in the strategy and many arrangements that address other kind of problems that the ones that flexicurity sys-
tems deal with: sustainability is one obvious example, research and development another. The Lisbon strategy might be trying to improve competitiveness and social cohesion at the same time, but they form strategic elements much broader than questions dealing with labour market regulation, incomes and employment security, labour market policy and social dialogues. Macro-economic policy is also at stake. It will be difficult to keep focus in developing the many different policies along a common denominator called flexicurity, also because of the fact that there are too many different and unconnected actors involved at both European and national level and too many opposing opinions as to redistributive efforts, to modernization of welfare arrangements, and to common responsibilities with public involvement in education, health and active aging.

The enlargements of the EU from 2004 and 2007 clearly mark a new set of problems for development and coordination of policies (Keune 2005, Sedelmeier, 2002). The problems with meta-coordination of existing policy efforts might deteriorate in case flexicurity should be the coordination axis and the common success criteria in the future. On the other hand the EU institutions and the member states need to find ways of revitalize the Lisbon strategy, also by finding alternatives to the present orthodox macro-economic steering and to new policy-mixes in which the sectoral policies have the necessary support and integration. At the moment a kind of departmentalisation or 'siloisation' of the EU policy machinery is evident too, and this kind of separation or 'pillarisation' of EU policies must be reacted to. The question is if flexicurity also can fill in such a role. Some doubt might be in place for flexicurity to counteract policy fragmentation and self-centred behaviour by the member states at the same time. Questions on capacities and accountability must be raised as well. And in addition, it is important to stress that the EU institutions themselves are not unified actors but are plural entities with multiple centres of power and political philosophies.

Flexicurity is, undoubtedly, growing in popularity simply because it offers an alternative to the bankrupt neo-liberal policies of the last two decades. Recognition of the needs and aspirations of people is essential, and this was an intrinsic component of the Lisbon strategy in 2000. But this is not enough to constitute a full, comprehensive and positive programme for EU to develop Europe into knowledge-based societies with economic and social balances as promised in the Lisbon strategy. As Gunther Schmid
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tices and peer reviews, each Member State is confronted with plans and actions of others, thus acquiring benchmarks to measure own strategy and performance – and to learn. In legal terms the OMC exercise is non-binding and without sanctions. But the political importance goes far beyond this voluntary nature of the measure.

In the EES, quantitative targets have been agreed upon as to for example employment rates (for women and elderly people too). Both European and national indicators used give precedence to quantitative rather than to qualitative targets; and guidelines have been elaborated by the help of economic logic as well. But more jobs are not necessarily more good jobs, and not every job is a tambourine to a good-quality job. Revision of the EES in 2003 and 2005 has brought new ‘pillars’ and guidelines to the policy and a new policy circle. Most important seems to be the merger of the EES employment guidelines and the Broad Economic Policy Guidelines (BEPG) in 2005 into Integrated Economic and Employment Guidelines, now planned, used and monitored on a three-year basis. The challenge is not to have the BECP guidelines to be more influential than the social indicators of the EES and of social inclusion policy.

Flexicurity covers most elements of the original EES. A ‘Joint Employment Report’ as result of evaluations of the NAPs, issued by the EU Commission and Council, has created the basis for new guidelines, and this involves processes of consultation and negotiation also with the social partners and other stakeholders. The EES and the OMC has promoted a participatory policy-making practice, empowering actors in ways parallel to the flexicurity basis of the Danish and the Dutch systems. Seen from a democratic-legitimacy angle this is promising. But until now, the social partners might not have been strong or powerful enough at each level to use these new opportunities (Jørgensen 2005, Zeitlin and Pouchet 2005, ETUC 2005).

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Flexicurity covers most elements of the original EES. A ‘Joint Employment Report’ as result of evaluations of the NAPs, issued by the EU Commission and Council, has created the basis for new guidelines, and this involves processes of consultation and negotiation also with the social partners and other stakeholders. The EES and the OMC has promoted a participatory policy-making practice, empowering actors in ways parallel to the flexicurity basis of the Danish and the Dutch systems. Seen from a democratic-legitimacy angle this is promising. But until now, the social partners might not have been strong or powerful enough at each level to use these new opportunities (Jørgensen 2005, Zeitlin and Pouchet 2005, ETUC 2005).

The high ambitions in the EES have been reduced during recent years with new opportunities (Jorgensen 2005, Zeitlin and Pouchet 2005, ETUC 2005). The political importance goes far beyond this voluntary nature of the measure. Without doubt, this poses big challenges. The question of the future of European and sectoral social dialogues could, however, be closely connected to this future ‘flexicuritization’ of EU policies. The OMC might also be less ‘open’ and more ‘reflexive’ (see Rogowski in this volume) or binding in the future if different paths to flexicurity should have more credibility and real chances of success.

But the old discourse of having more flexible employment relationships and ‘modernizing’ social security – in reality watering down social protection and fostering individual responsibility in a market-oriented scenario – is outdated, and the EU Commission and the EU Council are faced with the problem of readdressing its preferences and priorities and to put power, energy and resources behind ambitious employment and social policies in order that popularity with citizens should also be regained. It has to be shown that flexicurity is not limited to addressing the question of a dynamic economy in a globalized world, but is a concept and a balanced political strategy that takes seriously the needs and wants of citizens and workers. The challenge is not to give priority to the flexibility elements and forget the security elements. For flexicurity to be substituting the present streamlined edition of the EES, economic goals and competitiveness is not to be overshadowing social and redistributive goals. This is the danger in the present discourse and policy profiles of the EU institutions.

This brings us to the importance of Social Europe and the possible relationships between flexicurity and a European Social Model.

The ESM

The European Social Model (ESM) is a term and discussion, which has been seen at least 1985, when Jacques Delors introduced the social dimension of the EU. But the concept has an ambiguous and polysemic nature. Therefore, the prospects are difficult to judge in relation to flexicurity: it might be a most relevant frame of reference for a future European identity model and reality if it gives both social and economic responses to globalization understood as changes in the production system and in the regulatory forces of markets and politics. But if the concept and its manifestations build on discourses only or policies and arrangements unlinking economic and social policies - just giving legitimization to neo-liberal developments - flexicurity will have nothing in common with the ESM. The challenge is to give credibility and momentum to a multilateral and ‘polygonal’ policy formula.
During the 1990es, the EU Commission defined the ESM as a set of common values, the commitment to democracy, personal freedom, social dialogue, equal opportunities for all, adequate social security, and solidarity towards the powerless people in society (EU Commission: White Paper on Social Policy, Brussels, 1994). In the new decade, from 2000, the EU Commission is supplying this 'definition' with wordings of 'modernizing' social protection systems and welfare arrangements. It is no elegant way of adjusting a definition to political wishes of reactivating people on public assistance (Pascual 2004). There is a contest on new agendas. But in order to find a proper concept of the ESM we must first consult broader political and academic debates and efforts of definition.

The media, politicians and academics are now discussing the question, whether we have one ESM or we have a collection of national models only (now 27 in the EU)? The question might be wrongly placed. We do have different national welfare systems belonging to different 'groups of families' and by this forming a diversity of concrete welfare arrangements or 'models' (Esping-Andersen 1990). Seen from the side of genetics, these arrangements are outcomes of struggles, defining redistributional mechanisms, income support levels and conditions and thus having national definitions of solidarity. This egalitarian perspective has, however, a functional logic of concrete policy reforms as the other side of the welfare state, constituting, 'modernizing' and changing a diversity of welfare systems. But we also have developed European institutions, which form part of the ESM: comprehensive welfare stats arrangements that define common conditions for living together in a decent and productive way, high percentage of GNP financing the public activities (around 40 per cent with the exception of Ireland), interventionist policies in more policy areas (social, educational, labour market, pensions, health and so on), fundamental rights for workers and citizens, and an important role for collective actors in policy processes and in social regulation (strong collective bargaining systems and strong social dialogues). This marks already existing institutions, justified by common policy choices; but at the same time we have tensions between labour market developments and policy strategies in different countries and between the European level and member states.

The social vision of Commission President Jacques Delors materialized in new initiatives: setting-up social dialogue (Val Duchesse 1985- ), the Community Charter of Social Rights for workers (1989), the Structural Funds, the Social Protocol of the Maastricht Treaty and the social partners as co-actor in social policy field, the Amsterdam Treaty and social exclusion policies, the EES (1997) and the OMC, the Lisbon Strategy's social cohesion targets and social action programmes, anti-discrimination and gender policies, and the social Spring Summit and tripartite social dialogues. To this could be added the Constitutional Treaty and its future acceptance (in unknown shape). The core issues of labour market and social policies at the moment are employment, poverty, and aging, and they clearly have institutionalized model character. But they are often played down by economic policies. To this you also need to add problems of national implementation of EU policies, which are most obvious in the new Member States, but in reality they form a common challenge. At the moment, the room for manoeuvre for proactive social and labour market policies is limited. But flexicurity has already won one important victory: it has delegitimized deregulation approaches!

The question of definition is complicated as the ESM is being seen both as an ex post reality and as an ex ante construction.

This is equal to saying that the ESM has multiple meanings attributed. It is also clear that the ESM must be seen as more than an analytical ideal type, if it is going to have political relevance. Some see the ESM as carved and enshrined in different national welfare systems with generous welfare arrangement, equal distribution and high degree of coordination between political and social actors (Adnett and Hardy 2005, Ferrera et. al. 2001), thereby stressing similarities of existing welfare states. But this in reality is to treat the ESM as an original entity - or an ideal type - that can be used for prescribing institutions and practices elsewhere. The ideal type provides the good model. More fruitfully - and in accordance with the polar academic positions - the ESM can be regarded as already existing European norms and institutions or as a European political project, yet to be constructed (Jepsen and Serrano Pascual 2006). In the first case, common values, views and principles on different issues and their solution in social regulation of the economy are the defining features (Scharpf 2002). In the second case, the ESM is seen as a trans-national model to be evolved, the foundation of which could be the Charter of Fundamental Social Rights as it codifies some of the key principles of such a project: social justice, social policy as a productive factor, social dialogues (Vaughan-Whitehead 2003).

Flexicurity needs to be related to both set of interpretations and meanings of the ESM.
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The ESM seen as common features could have flexicurity as a transmission belt to more intensive and better use of existing ESM institutions and regulations. The concrete way of securing this is an open political (and in research: an open empirical) question. The ESM conceived as a European political project will need dynamic policy-mixes in which flexicurity could have a role to play. Flexicurity will, however, probably not be able to develop into a fully-fledged notion of the ESM, but it might be an articulated roadmap to Social Europe and a mean of supplying strategic resources and political project will need dynamic policy-mixes in which flexicurity could have a role to play. Flexicurity will, however, probably not be able to develop into a fully-fledged notion of the ESM, but it might be an articulated roadmap to Social Europe and a mean of supplying strategic resources and cognitive frames of reference, producing legitimacy and authority. This is exactly what the present EU institutions and practices are lacking: you have power without authority, and mixed wordings (like ‘employ-ability’ and ‘flexi-curity’) without popular policies. Flexicurity might be able to posit a normative reformulation of most pressing economic and social problems in Europe, and it points at the same time to the role of agencies: social partners, public authorities and civic society. It rests on the premise that common problems need common solutions, implying that no individualization of risks and problem solving is acceptable. Collective answers are also important for problem-solving and identity projects to become interrelated. In this new agenda common labour market and social policies themselves would be contributing to building a European identity.

An increasing gap between what the EU is expected to manage and the level of legitimacy enjoyed by the EU institutions can translate into a growing reluctance to grant regulatory powers to the Community. Flexicurity might be able to reduce this discrepancy between challenges and capacities – a discrepancy, which threatens to develop into a vicious circle, having low effectiveness of policies and low legitimacy fuel each another. Efficiency and output legitimacy is not enough, we think: input legitimacy is equally important; and it must build on two interrelated elements: firstly, identity and just criteria for inclusion in the political community and, secondly, just criteria for representation and accountability.

As a political project, still under construction, the ESM is a more action-oriented and agenda-setting reference for supranational regulation – and for elaborating a shared European identity. It is both a social response to globalization (often presented as a non-negotiable economic fact or threat, thereby giving more noise than meaning) and a political vision of solidarity of a new kind, building on cross-border perspectives and imagined solidarity (as opposed to traditional and interest based solidarity). In this respect it is polysemic and highly contested in the discourses. But discourses are also social practice. A multi-level governance project of a united economic and social character and capable of shaping a European identity seems to be the perspective. Some of the basic assumptions might be agreed upon by most actors: that the European economy functions differently from the one of the US, with other deliberate choices taken (for example preferences for leisure) and with two phases of economic development to be identified (Jepsen and Pascual 2005, Goetschy 2005). The US is often rhetorically being contrasted to the EU pole – treated as ideal types and compared empirically. Such kind of exercises might bring new understanding and balances between economic and social actors – but still, the European project needs clear identity marks.

The ESM is constituted more by the dissemination of cognitive frameworks for policies to solve real social and labour market problems than shared values and legitimate institutions. A common language for describing problems, common instruments (as the OMC), and deliberative processes and process tools (as social dialogues) can perhaps be filled by ‘flexicurity’. In such a future role, flexicurity will not only have instrumental value for securing better functioning of labour markets and stronger integration of people in paid work, but will have a much broader role to play as norm-setting frame of reference, as ‘collective memory’, and as European identity mark. The perspective is to elaborate a shared identity based on intervention formulas in relation to labour market and social problems and on participatory democracy. This might be more than challenging. Today you have conflicts of interest relating to both values and to means, making consensus as to a new agenda less likely.

Historical compromises have formed the national labour market and welfare systems and these conflict and consensus-based processes and subsequent institutionalizations have defined and coloured the political culture of each country (Jørgensen 2002). Collective bargaining processes, political compromises and institutional cooperation have articulated collective identities and build norms and values in identity and collective memory. Such collective entities and path-dependent developments are simply lacking at the European level. At the moment the EU has clear economic identity marks and ‘memories’, but is having only a few social identity marks; and they do not seem strong enough to counterbalance the ideological, political and economic power of the internal market, the ECB, the euro, and the in-
Flexicurity and Beyond – Reflections on Nature and Future ...

A Pyrrhic victory for flexicurity?

Flexicurity has become a political celebrity on the European level. This celebrity needs clever political cultivation – not celebration – if it is going to survive and to develop into a lasting formula for the operation and regulation of the European political and professional systems. Complementary policies, cooperative actors and craftsmanship are called for – not more ceremonial cheering at the European level. It needs cemented support and granulation, not chaffying. Flexicurity also needs a more firm analytical foundation. The articles in this anthology stress this very clearly and bring new vitamins to the flexicurity research. Perhaps it is the present lack of a precise and concrete concept of flexicurity used by the EU institutions that has secured the European success and status as a political celebrity. A non-precise meaning can make flexicurity politically harmless. But if the concept and the strategy is defined too broad and all encompassing it will soon be scrapped again – and then you could talk of a pyrrhic victory for flexicurity.

The political challenges for flexicurity are numerous but of different character, when discussing these in relation to the Lisbon strategy, the EES, the OMC, and to the ESM. No static institutional understanding of the ESM is productive with flexicurity as a common denominator, but seen as part of political project for creating a Social Europe flexicurity might have persistent interest and support. This judgement again rests on the premises that no selective downloading of flexibility elements is to take place in the future. This challenge or present danger is observed in many of the contributions in this anthology. Flexicurity is not to be reduced to employment security only. Politically, power and resources will ultimately decide the prospects and future of flexicurity, but European discourses and research is not that unimportant.

Flexicurity bring strong hopes for both politicians, administrators, social and civic partners – and for more researchers as well. Perhaps those hopes are not well directed. Challenges are probably more numerous than visible at the moment. But flexicurity also have strong potentialities and now also opportunities. A policy window has been opened. Here we have stuck our neck out as editors. Flexicurity could be a lasting professional terrain of observations, discussion, conceptualizations, analysis, and policy recommendations, and politically be developed into cognitive framings and practical
policies, thereby overcoming the old dichotomy between the pessimism of analysis and the optimism of will.

References

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