



Employment Security
A European comparative study

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1 Introduction

A globalizing and profoundly changing economy requires rapid responses from national governments, companies and workers. The European Union has formulated its Lisbon Strategy, to be renewed after 2010, to deal with the challenges and the opportunities ahead. Europe must create new and better jobs to manage change and new social risks. The European Commission states that “in order to achieve the Lisbon objectives new forms of flexibility and security are needed, for individuals, companies as well as for member States and the European Union” (EC, 2007). Flexicurity¹, i.e. combining flexibility with *employment security* and reducing labour market segmentation is at the core of the current European employment strategy (Commission of the European Communities, 2007) and it will remain so in the current times of crisis and after 2010.

Employment security, the security for people to get a job, to remain in employment and to progress in the labour market, is a key element of flexicurity. Study three of the SIG programme “Werkzekerheid” addresses how employment security could be provided and organized within a dynamic labour market and economy. The question is raised whether a systematic approach can be observed in the selected countries to warrant new employment opportunities for employees who have been given notice.

2 Analytical framework

2.1 Definition employment security

Wilthagen combined the dimensions of flexicurity and security in a flexicurity matrix in order to analyse, identify, and indicate developments within both flexibility and security. This flexicurity matrix is portrayed below (see Figure 2.1).

¹ Flexicurity is a conjunction of flexibility and security.

Figure 2.1 Flexibility and security modalities: examples

Flexibility/Security	Job security	Employment security	Income security (social security)	Combination security
External numerical flexibility (hiring and firing)				
Internal numerical flexibility (working-time flexibility)				
Functional flexibility (employability)				
Labour cost/wage flexibility				

Source: Wilthagen 2004

Thus, in this perspective employment security is linked to four forms of flexibility commonly distinguished in literature, i.e. external numerical, internal numerical, functional, and labour cost/wage flexibility. Over the last years in the literature various kinds of employment security definitions have been used. In the late nineties of the last century the term generally referred to the insecurity and protection against unfair or unjustified dismissals. In 1994 the ILO reported that “Employment security means that workers have protection against arbitrary and short-notice dismissal from employment, as well as having long-term contracts of employment and having employment relations that avoid casualisation” (Dasgupta, 2001). This definition covers only one category of the labour market and Dasgupta argued that this definition becomes problematic when a large part of the workforce is self-employed. Another narrow definition that covers only ‘the insiders’ – those workers already having a job - comes from the European Foundation for the Improvement of Living and Working conditions that states: “Employment security takes into account the degree of certainty of a worker to remain at work, even if the worker does not necessarily choose the same employer” (European Foundation for the Improvement of Living and Working Conditions, 2008a). In analogy to Wilthagen (2004) Muffels and Luijkx state that

employment security means remaining in secure employment over time but not necessarily in the same job with the same employer (Muffels & Luijkx, 2008). In its definition of employment security the European Commission puts the emphasis on training for people in order to develop their skills. “Security means ‘employment security’ - to provide people with the training they need to keep their skills up-to-date and to develop their talents as well as providing them with adequate unemployment benefits if they were to lose their job for a period of time” (European Commission, 2007b). According to the European Commission flexicurity aims at ensuring that EU citizens can enjoy a high level of employment security and gives the following example: “the possibility to easily find a job at every stage of active life and have a good prospect for career development in a quickly changing economic environment” (European Commission, 2007b).

The Dutch Scientific Council for Government Policy (WRR) wrote in a report for the Dutch Government that² (WRR, 2007):

- Employment security means that individuals have the confidence, based on their experience, that if necessary they will be able to continue their employment career, either in another job with their current employer or in another job with another employer.
- Furthermore, employment security means that people currently (temporarily) outside the labour force can have the confidence of being able to enter or return to the labour market.

This WRR definition of employment security covers not only people who already participate on the labour market but also people who are (temporary) outside the labour market. I use a rather broad definition of employment security that not only covers ‘insiders’ but also ‘outsiders’: *The possibility for workers to remain employed not necessarily in the same job with the same employer (job to job transitions) and the possibility for unemployed or inactive people to make the transition from unemployment to employment.* The aspects of lifelong learning and the development of skills by training are key methods or conditions to *achieve* employment security but not a component of the employment security definition as such in this paper. Project three of the SIG Programme “Werkzekerheid” concentrates on the first part of the definition, i.e. a detailed analysis of ‘job to job’ arrangements. The transitions from inactivity to work will not be discussed further in this paper.

2.2 Employment security system

The flexicurity matrix presents the different flexibility and security modalities. The question remains how these modalities can be implemented. Various actors or coordination mechanisms can play an important role in shaping employment security systems.³ The trade-off between flexibility and security can be coordinated by negotiations between associations (e.g. social partners, i.e. trade unions and employers' associations), by networks (e.g. networks of firms, clients or suppliers), hierarchies (i.e. individual firms), the state (legislation, enforcement) or by markets. Communities can also provide forms of security, especially income and combination security, but they are less influential in providing flexibility and employment security at the workplace. Therefore we will not discuss the communities any further in this paper.

Figure 2.2 below presents a second matrix that entails the coordination mechanisms identified above, the crucial coordination for their operation in general and the forms of flexibility and security the mechanism can provide in particular. The majority of mechanisms has the potential of providing employment security but this has to be related to their potential of providing distinct forms of flexibility.

² In their communication the WRR translates the Dutch word for employment security (*werkzekerheid*) in 'job-security'.

³ The analysis of the role of coordination mechanisms builds on a distinct strand in sociological and administrative science research. See e.g. Thompson et al (1998)

Figure 2.2 Flexicurity Coordination Mechanisms Matrix

	Coordination Mechanisms and the provision of flexibility and security					
Coordination mechanism	Associations social partners collective agreements	Networks of firms, clients, suppliers etc	Hierarchies (individual) firms	State at various levels	Markets including sub markets	Communities family, neighbourhood
Crucial condition for Mechanism	Mutual trust	Mutual interest	Stakeholdership, good employership	Legitimacy and enforceability	Transparency and information	Inclusiveness and responsibility
Type of flexibility provided	Wage Functional Internal	External	Functional Internal Wage	External Internal	External Internal Wage	
Type of security provided	Job Employment Combination	Employment	Job Employment Combination	Job Income Combination	Job Employment Combination	Income Combination

3 Research questions

The main research question of study three of the SIG programme:

“Werkzekerheid” is:

What kind of systems can be distinguished in European countries in order to enhance employment security (job to job transitions) and what lessons can the Netherlands learn from other European countries?

A detailed analysis of ‘job to job’ arrangements is covered in this empirical study addressing the following sub questions:

1. Are there systematic ‘from job to job’ arrangements or systems in Europe? And if so, what are the differences and comparisons?
2. Which actors are involved in the ‘from job to job’ arrangements or initiatives? What are their underlying motives to participate in these initiatives?
3. Are the systems successful in practice? What are the results for de actors involved (employers and employees)?

4. What are the relevant preconditions for the ‘job to job’ arrangements to be successful?
5. What lessons can, from a Dutch policy perspective, be learned from the ‘job to job’ arrangements or systems in the European countries?

4 Research design

Selection of countries

The considerations behind the selection of the countries are theoretically guided but also practical. Not all EU members can be included because of the in-depth approach of this study. Three criteria are used for the selection of the countries; the first criterion is linked up to the historical reference or traditional classification of social security systems; the second to the typology of so called flexicurity pathways and the third one to the typology of welfare regimes.

Table 4.1 Tabular overview selected countries and the selection criteria

Country	Historical Reference	Flexicurity pathway	Welfare regime
Great-Britain	Beveridge (Anglo-Saxon variant)	3 Tackling skills an opportunity gaps among the workforce	Liberal
Sweden	Beveridge (Scandinavian variant)	3 Tackling skills an opportunity gaps among the workforce	Social democratic
Austria	Bismarck	2 Developing flexicurity within the enterprise and offering transition security	Conservative corporatist
Spain	Bismarck	1 Tackling contractual segmentation	Mediterranean
The Netherlands	Bismarck/Beveridge	2/3 Developing flexicurity within the enterprise and offering transition security Tackling skills an opportunity gaps among the workforce	Conservative corporatist/Social Democratic

Methodology

All selected countries will be visited and interviews will be held with various actors and experts in each country. In May 2009 an expert meeting took place at the Dutch Ministry of Employment and Social Affairs. Representatives of key organisations at the Dutch labour market were invited to discuss the Employment Security system in the Netherlands. Furthermore, the question was raised what lessons the Dutch policymaker want to learn from experiences abroad.

The first country that was visited is Sweden. In August 2009 ten face-to-face interviews were carried out with thirteen Swedish experts representing different organizations at the Swedish Labour Market. Prior to the interview the experts received a country fiche in which information from the literature review was elaborated. The aim of the interview is to verify the details in the country fiche to gain more in-depth knowledge of the employment security systems. All interviews will be digitally recorded, fully transcribed and analysed by the Qualitative Data Analysis Software Atlas-Ti. The country visits to Spain, United Kingdom and Austria are planned for the year 2010.

5 First results: an empirical exploration of Dutch and Swedish employment security arrangements

The Netherlands continuously faces various labour market challenges and this calls for the development of a general and effective system of transitions and employment security. In this section the current Dutch arrangements regarding job to job transitions are briefly addressed and compared with the first Swedish results on the basis of the Flexicurity Coordination Mechanism Matrix. Thus, the focus is here on the first part of our employment security definition, i.e. the possibility for workers to remain employed not necessarily in the same job with the same employer. The question is raised whether a systematic approach can be observed in these two countries to warrant new employment opportunities for those who have been given notice.

5.1 Dutch and Swedish performance indicators

The employment rate in the Netherlands and Sweden is high compared to the average of the EU27. Furthermore, the unemployment rate of the Netherlands is lower than in Sweden and in fact one of the lowest in Europe (2.8%). On the other hand Sweden has a share of long-term unemployment (12.8%) that is much lower than in the Netherlands (34.9%) and the EU27 (37.0%). This might mean that

Swedish unemployed people find another job more quickly compared with the Dutch unemployed. Furthermore, it seems that insiders on the Swedish labour market have more employment security than outsiders. Young Swedish people face great difficulties to enter the labour market, i.e. the Swedish unemployment rate under young people is high compared to the Netherlands and EU27.

Table 5.1: Employed persons: employment rates, unemployment rates and share of part-time employment, 2008

	NL	SE	EU27
Employment rate	77.2	74.3	65.9
Unemployment rate	2.8	6.2	7.0
Youth unemployment rate	3.9	10.7	6.9
Share of long-term unemployment	34.9	12.8	37.0
Part-time employment as share of total employment	46.8	25.7	17.6
Share of employees with limited duration contract (%)	18.2	16.1	14.0

Source: Eurostat

5.2 Current Dutch and Swedish job to job arrangements to prevent unemployment

The way the Netherlands and Sweden flesh out new employment opportunities for employees who have been given notice differs. In this section we address the current Dutch and Swedish coordination mechanisms and the crucial preconditions.

Associations

Social partners can negotiate about the trade off between flexibility and security via collective agreements. In new Dutch collective agreements the term “employment security” is used more often, but the meaning of “employment security” differs. Sometimes Employment Security is used as a term for job security. For instance, Menzies Cargo, a company that serves 60 airlines at Schiphol and Rotterdam Airport with modern IT systems with the benefit of being able to monitor the cargo flow, and the trade union reached an agreement in September 2009. In exchange for “Employment security”, which means that the jobs of the employees are warranted until the end of 2010 and thus is actually job

security, the employees surrender a big part of the Thirteenth month⁴. This is a form of wage flexibility.

In June 2009 the Dutch Railway NS and the Trade union reached a new collective agreement in which the employer tries to prevent forced dismissals until 31 December 2010. With this agreement The Dutch Railway NS wants to invest in Employment Security for the employees, but in fact it is focused on job security rather than employment security.

Furthermore, there are examples of collective agreements in which social partners agree that the employer will do his utmost best to help employees to another job in case of redundancy. For instance, in April 2009 one of the largest Dutch banks, the Rabobank, and the trade union reached a collective agreement in which employment security was emphasized⁵. The Rabobank is willing to invest in education for their employees to increase the employee's chances on the labour market not necessarily within the Rabobank, but on the other hand employees should also work on their development and ask themselves the question what he or she wants to achieve within or outside the Rabobank. The crucial condition for this coordination mechanism is *mutual trust*. Employees have to trust the employer in making efforts to help redundant employees to another job outside the company and employers should have the faith that employees work on their employability. Still, the employment security extracts in the collective agreements are quite new and the question arises what the practical implications are regard to flexibility and employment security.

In Sweden trade unions and employers associations play an important role in warranting new employment opportunities for workers who have been given notice. The collective agreements have a special status in the sense that they may replace certain statutory provisions as binding law and can be referred as semi-compulsory (Seebardt, 2006). Although the trade union density is declining in the last few years the figure is still rather high, 72 per cent in October 2007⁶ compared to other countries (the figure for the Netherlands is currently below 25 percent). According to the LO⁷ this fall in membership can be explained by the recent amendments of the unemployment insurance system introduced by the new

⁴ <http://www.penoactueel.nl/arbeidsvoorwaarden/cao-akkoord-menzies-cargo-werkzekerheid-voor-13e-maand-4407.html>

⁵ http://www.cnvendienstenbond.nl/branches-en-bedrijven/financieel/rabobank/artikel/36442/?tx_ttnews%5Byear%5D=2009&tx_ttnews%5Bmonth%5D=04&cHash=99d336a5f1

⁶ Source A. Kjellberg, Lund University, Sweden
<http://www.eurofound.europa.eu/eiro/2008/06/articles/se0806029i.htm> retrieved november 2009

⁷ LO is the central organization for trade unions for the blue collar workers

right wing government. Coupled this trade union density the Swedish collective agreements have an almost statutory nature (Seebardt, 2006).

The first agreements were called ‘job security’ agreements. The idea from LO was that workers should not leave the companies and that companies should get the support to prevent redundancies. There was a shift in focus during the 90ies and the name was changed in transition or adjustment agreements. Aim of these agreements is to help people to another job in case of redundancies and this reflects employment security rather than job security.

Today, almost half of the Swedish workforce is covered by an adjustment agreement, i.e. collective agreements on active and financial support for job-to-job transitions. At this moment the municipal sector does not have an adjustment agreement (yet), but the negotiations have started again. If trade unions and employers association reach an agreement in this sector it will be one of the largest in the Swedish labour market, covering 1.1 million employees, which means that almost all Swedish employees will be covered by an adjustment agreement. There are 16 collective adjustment agreements in Sweden today; employers pay six times a year a certain percentage on the salaries to a mutual fund. However, the adjustment agreements are part of collective agreements and financing these agreements has been taken from money for wage lifts. These transition foundations are utilised for the collection of funds and the administration of the activities stipulated by the corresponding collective agreements, but the method of working can differ between Transition Foundations. For example, TRR is the Transition Foundation for white collar workers and engaged job coaches in their organisation, while TSL, the Transition foundation for blue collars, is much smaller and contracts out the coaching activities to private service suppliers.

The Swedish Confederation of Enterprise is the signing party for white and blue collar adjustment agreements and is Sweden’s largest business federation representing 50 member organizations and 54,000 member companies with some 1.5 million employees. Close to 70 percent of the Confederation's member companies have fewer than 10 employees, while only 1.5 percent has 250 employees or more. Virtually all of Sweden's multinationals are members. Companies can also sign collective agreements directly with trade unions and those companies who do this in practice are almost all small companies. Thus, an estimated 80 percent of companies covered by an adjustment agreement in the private sector are small companies with fewer than 10 employees.

Networks

On the basis of the Gatekeeper Act Dutch employers have to continue paying the salary of the employee during the first two years of sickness or (temporary) disability; the employer and employee are obliged to cooperate in the return to work process of the employee. But unfortunately many Dutch employers were not satisfied with the support offered by (private) professional service providers and the help from governmental public institutions. Therefore, in some Dutch regions employers joined their forces and established so called Gatekeepers centres. These centres “for and by” employers are based upon a *mutual (financial) based interest* of the employers: finding new suitable jobs for sick employees within a regional network of colleague employers. The Dutch government appreciates this employer’s initiative and provides financial support to establish new Gatekeeper’s centres. The Netherlands counts 26 gatekeeper’s centres in September 2009. As a response to the economic crisis and on the basis of their experiences with the re-integration of sick and disabled employees, the Gatekeepers centres are now also involved in job-to-job transitions because of mass redundancy. These coordination mechanism in which self regulating networks of firms work together is especially interesting for small and medium sized companies who cannot provide another job within their own company. The Gatekeepers’ role has extended from return to work processes for sick and disabled employees to enhance job-to-job transitions in a more broad perspective.

Since the early 1990s, Swedish employers’ networks (‘Arbetsgivarringar’ in Swedish) have gained in popularity among private companies and public organisations. In 2004, there were about 50 local networks spread across the country. The main focus of employers’ networks is human resource needs, particularly in relation to people who are returning to the workplace after a period of illness or unemployment⁸.

Hierarchies

Firms that are in “bad weather” and have to lay off more than twenty employees can take the initiative to draw up a social plan, which describes among other things the support and facilities in order to find another job for those who are declared redundant. The employer decides whether or not the trade unions and the works council are consulted when fleshing out the social plan. It is not obligatory

⁸ <http://www.eurofound.europa.eu/ewco/2004/08/SE0408NU05.htm>

to consult trade unions and work councils, but a social plan to which trade unions and works councils have contributed are more valuable than those that are only established by employers. Job to job trajectories can be outsourced to private suppliers, for example to outplacement or re-integration companies. Since the early 1990ies some big Dutch companies laid the foundations for career centres or mobility centres. For instance, the Dutch Railway NS mobility centre was established in 1993 and is one of the first intern mobility centres. Other examples centres are intern mobility centres at TNT Post and the Rabobank (Evers et al. 2004). Only large firms with enough financial scope are able to engage outplacement- and mobility arrangements, which is an attempt to provide employment security.

In Sweden companies with an adjustment agreement are eligible for support in job to job transitions for their employees who have been given notice. Large companies with enough resources can manage these activities by themselves in house. They can set up internal programmes and create special units within their operations to help the workers to find another job in or outside the company. *Good employer ship* and making good will in relation to the trade unions are motives for Swedish employers to attain job-to-job transitions for their employees. A good relationship with the trade unions, based on mutual trust is necessary for the future collective bargaining process.

State

As a response to the current crisis the Dutch government established 33 *temporary* mobility centres throughout the Netherlands in 2008 and 2009. The aim of these centres is to prevent unemployment by helping employees faced with redundancy to find new work as soon as possible within the sector or if necessary, with the help of additional education and training, outside the sector. Both public and private stakeholders (local authorities, employers and the UWV, the agency which is responsible for administrating the unemployment benefit) work together in these centres. This governmental initiative embroiders from earlier experiences in the Automotive Industry. In 2006 the Dutch Public Employment Services CWI took the in initiative to build a Mobility Centre Automotive (MCA), which aimed at supporting job to job transitions for more than 2,000 employees who lost their job at Nedcar or its supply companies. In the region Limburg both public and private partners were willing to work together because there was a sense of urgency. The province of Limburg already had a platform where relevant parties met each other frequently (network). The MCA was a successful instrument for

crisis intervention in the labour market and made it possible to deviate from standard procedures and rules. The aim was achieved: 1,333 employees (85% of the inflow) found a new job in or outside the automotive sector (Andersen et al., 2009).

A feature of the Swedish system is that the government does not interfere in the collective agreements reached by trade unions and employers associations. Employees who have been given notice and are not covered by an adjustment agreement can decide to register at the public employment service, which mediates between jobseekers and employers. The reason for the introduction of the first adjustment agreement was that Swedish trade unions and employers were not satisfied with the governmental agency. They believed that the public agency could not help white collar workers with job matching in a satisfactory way and they introduced the job transition insurance foundation TRR in 1974. The *legitimacy and enforceability* of the state regarding job-to-job transitions was very low and there are hardly any laws and legislation at this point. Thus, the Swedish government plays no active role in warranting employment security for workers who have been given notice.

Markets

In 2002 the Dutch Act SUWI came into force, which is short for Structure for Implementation of Work and Income. An important element of the SUWI operation was to increase more efficiency in the system by introducing competition in the re-integration market. The UWV and municipalities outsourced the re-integration activities to private companies. But also employers can buy these services. Currently, there are over 900 suppliers that provide one or more services at the Dutch re-integration market⁹. One of the preconditions from the parliament to privatise the re-integration market was to have a *transparent* market for the organisations that outsource the return to work activities (municipalities and UWV) and the clients. *Information* about the performance of re-integration companies is necessary to let the market succeed.

Until 1993/1994 private employment services were forbidden in Sweden. The Swedish governmental agency, the Labour Market Board (AMS) had monopoly on job matching activities. On 1 January 2008 the Swedish Public employment service replaced the AMS aimed at achieving a more effective uniform and fair public employment service. Nowadays the public employment service contracts

private companies for example for coaching activities. The theory behind this is that a lot of private suppliers have contacts and relationships with employers that the Swedish PES does not have in such an extent. In Sweden the blue collar transition foundation TSL contracts out the job coaching activities to private service providers. Compared to the Netherlands the outsourcing to private suppliers is in Sweden still in its infancy.

In the next two figures the Dutch and Swedish coordination mechanism in relation to job-to-job transitions are summarized. The ellipses indicate which actor dominates in each country, taking into account that the transparency of the fill colour presents the extent of the strength of these mechanisms.

Figure: 5.2: Dutch coordination mechanisms and the provision of employment security

Dutch Coordination Mechanisms and the provision of employment security (job to job transitions)					
Coordination mechanism	Associations (social partners)	Networks	Hierarchies (individual firms)	State at various levels	Markets including submarkets
Dutch examples	Employment security extracts in collective agreements	Gatekeepers centres	Social plan Intern mobility centres	Mobility centres	Re-integration market; outsourcing activities to private suppliers
Type of flexibility provided		- External	- External - Functional - Internal - Wage	- External	- External
Type of security provided		- Employment	- Job - Employment	- Employment	- Employment

In the Netherlands employment security is primarily shaped by business networks, individual firms and the public employment service that outsources activities to

⁹ See <http://www.blikopwerk.nl/OverBlikopWerk.html>

private suppliers. The role of the Dutch government is limited to the stimulation of establishing temporary mobility centers. The coordination mechanism of associations is quite new in the Netherlands and still fairly weak, certainly in comparison to the Swedish employment security system in which trade unions and employers' associations play an important role. The job-to-job transitions in Sweden are organized by the adjustment agreements, individual firms (in house solutions) or the market, which is less developed compared to the market in the Netherlands. The Swedish government does not interfere in the adjustment agreements but provides money for public employment services.

Figure: 4.3: Swedish coordination mechanisms and the provision of employment security

Swedish Coordination Mechanisms and the provision of employment security (job to job transitions)					
Coordination mechanism	Associations	Networks	Hierarchies individual firms	State at various levels	Markets including submarkets
Swedish examples	Adjustment agreements Transition foundations		Internal programmes	Government does not interfere with adj. agreements. PES provides services	Transition found. TSL and PES outsource activities to private suppliers
Type of flexibility provided	- Wage - External		- Functional - Internal - External		- External
Type of security provided	- Job (first agreements) - Employment (current agreements)		- Job - Employment		- Employment

5.3 Future challenges and policy lessons to be learned

The challenge of promoting, creating and maintaining employment security, defined as the security for people to enter into a job (wage employment or other forms of employment), to remain in employment and to progress in the labour market is a universal challenge that applies to all countries and continents. There is a fundamental insecurity, due to technological developments, demographic

trends and world-wide economic interdependency, about what the new jobs will be like and where these jobs will and can be offered. Both people and business need to enhance their adaptability and innovative capacities and the new dynamism in the labour market and the economy should be paralleled by ‘safe’ transitions to new jobs when the necessity arises.

Countries and continents do vary with respect to their institutional settings and the profile, use and performance of the available coordination mechanisms. International benchmarking and comparison can provide opportunities for mutual learning and inspiration. In this final section we will briefly go into the lessons that can be drawn for the Netherlands and Sweden.

Lessons for the Netherlands

In the Netherlands there is a growing awareness of the need to invest in “job to job” transitions. This became more urgent when the economic crisis hit the Dutch Labour market. As a result the emphasis on job-to-job transitions came on top of the Dutch policy agenda, but the solutions from the government, in the form of mobility centres, are temporary.

Compared to Sweden there is no ‘systematic’ approach in the Netherlands. Although the Dutch social partners were traditionally highly involved in employment and labour market policies the role they play regard to job-to-job transitions is fairly weak in the Netherlands; certainly in comparison with the Swedish system. A feature of the Swedish system is the strong adjustment agreements that are coordinated by social partners without interference of the government. These Swedish transition foundations work like insurance companies to which the companies pay each month an amount. When the event occurs that the employer have to lay off employees the employer can claim money from the transition fund. The first collective adjustment agreement dates from 1974 and these transition agreements are nowadays a structural and important feature of the Swedish labour market.

It seems that in the Netherlands employees who work at large companies benefit the most from job to job arrangements. Large Dutch companies can draw up a social plan, whereas small companies do not have the resources to buy outplacement services. Thus, the Dutch employees working at small companies are less privileged with regard to job-to-job support than workers at big companies. The systematic approach of the Swedish collective agreements based on *mutual trust* results in a peaceful labour market without strikes and quite of lot of people who are eligible on job-to-job support. Half of the Swedish workforce

has an adjustment agreement and an estimated 80 per cent of companies covered by an adjustment agreement in the private sector are small companies with fewer than 10 employees. A challenge for the Netherlands is to explore a more systematic approach in which also more employees working at small companies or with typical contracts can benefit from ‘systematically’ job to job arrangements.

Lessons for Sweden

The coordination mechanism of markets is gaining importance in Sweden whereas the Netherlands has more experience with contracting out services to private parties. The Netherlands developed a re-integration hallmark or certificate, on the basis of self-regulation of the sector, which private service suppliers can obtain if they meet to certain quality criteria. The Swedish employment security system seems to protect the insiders at the expense of the outsiders. People with a fixed term contract are not eligible for the support by the Transitions foundations. Furthermore, youth unemployment is rather high in Sweden compared to the Netherlands and the EU average.

Both countries have good social benefit systems. Most people who are unemployed are eligible for an unemployment benefit and this makes that people do not have to take the first job that is available, but they can wait to a certain extent for the ‘right’ job. A well-developed and comprehensive social security system is needed to prevent people moving down on the productivity ladder. The current Swedish government commissioned the public employment service to put unemployed people in job as quickly as possible, but the problem right now is that because of the crisis fewer jobs are available. Several actors in the Swedish labour market call for more training and education possibilities, so that people can be trained for jobs that will be available when the crisis subsides. The Netherlands and Sweden can both invest more in lifelong learning which is a crucial element to create flexibility for employers and employment security for workers.

Every country has its own culture and approach when it comes to offering support to people moving from one job to another. It seems that that grass is always greener on the other side of the fence. The Netherlands can learn lessons from the way Swedish trade unions and employers reach agreements on labour market issues, while Sweden can take advantage of the Dutch experience with subcontracting activities to private service suppliers. By looking at experiences in other countries lessons can be learned, but it is not possible to take what may be

successful in one country and simply transplant into another. The often long-standing relationship between the different forms of coordination and regulation in any given country cannot easily be undone. The challenge is for the Netherlands and Sweden to develop an employment security system that has a structural character and in which insiders and outsiders can experience employment security to the same extent.

A general lesson to be learned is that where employment security is lacking significantly countries can either revitalize and incentivize coordination mechanisms that are actually available or used or they can seek alternative directions by developing the mechanisms that are absent or under-used. In both strategies the key issue is to scrutinize and improve the crucial preconditions for the mechanism to operate effectively and this will require significant policy efforts and reform. In doing this countries should also take into account the various forms of flexibility and security that can be promoted adequately by the various mechanisms and the positive/zero/negative sum games and trade-offs that are possible or likely to occur.¹⁰

¹⁰ An elaborated methodology for countries to map out their own flexicurity pathway is given by Wilthagen (2008).

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