



# FIS FLEXICURITY INTEGRATED SERVICES

## FINAL REPORT

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## INTRODUCTION

### *The Idea of Flexicurity<sup>1</sup>*

The way European citizens live and work is rapidly changing. Four main reasons can be highlighted: European and international economic integration; the development of new technologies, particularly in the information and communication areas; the demographic ageing of European societies, together with still relatively low average employment rates and high long-term unemployment, which put at risk the sustainability of social protection systems; and the development of segmented labour markets in many countries where both relatively protected and unprotected workers coexist (“insiders” and “outsiders”).

Individuals increasingly need employment security rather than job security, as fewer have the same job for life. Companies, especially SMEs, need to be able to adapt their workforce to changes in economic conditions. They should be able to recruit staff with a better skills match, who will be more productive and adaptable leading to greater innovation and competitiveness. However, Europe is not adjusting as well as it could to the shocks that are imposed on its economy. This may aggravate concerns related to outsourcing and relocation, and increase income inequalities and gaps between skilled and unskilled workers. The EU and its Member States need to progress further towards a dynamic, successful knowledge economy, spreading the benefits of prosperity more evenly across society. There must be more winners from the process of change and more upward mobility. More “have-nots” must be transformed into “haves”.

The EU's overall policy response to the challenges and opportunities of globalization is the renewed Lisbon Strategy for Growth and Jobs. The European Council called on the Member States "to develop more systematically in the National Reform Programmes comprehensive policy strategies to improve the adaptability of workers and enterprises". The Commission, jointly with Member States and the Social Partners, was asked to "explore the development of a set of common principles on flexicurity", as a useful reference in achieving more open and responsive labour markets and more productive workplaces.

The rationale for an integrated flexicurity approach is the need to achieve the objectives of the renewed Lisbon Strategy, in particular more and better jobs, and at the same time to modernize the European social models. This requires policies that address simultaneously the flexibility of labour

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<sup>1</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Towards Common Principles of Flexicurity: More and better jobs through flexibility and security {SEC(2007) 861} {SEC(2007) 862}.

markets, work organization and labour relations, and security - employment security and social security.

Flexicurity aims at ensuring that EU citizens can enjoy a high level of employment security, i.e. 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. It also aims at helping employees and employers alike to fully reap the opportunities presented by globalization. It therefore creates a situation in which security and flexibility can reinforce each other.

The Commission and the Member States, drawing on experience and analytical evidence, have reached a consensus that flexicurity policies can be designed and implemented across four policy components:

- ✓ Flexible and reliable contractual arrangements (from the perspective of the employer and the employee, of “insiders” and “outsiders”) through modern labour laws, collective agreements and work organization;
- ✓ Comprehensive lifelong learning (LLL) strategies to ensure the continual adaptability and employability of workers, particularly the most vulnerable;
- ✓ Effective active labour market policies (ALMP) that help people cope with rapid change, reduce unemployment spells and ease transitions to new jobs;
- ✓ Modern social security systems that provide adequate income support, encourage employment and facilitate labour market mobility. This includes broad coverage of social protection provisions (unemployment benefits, pensions and healthcare) that help people combine work with private and family responsibilities such as childcare.

In recent years, the flexicurity debate has been inspired by favourable employment and socio-economic performances in certain Member States, as underlined by the OECD's restated Jobs Strategy. The OECD characterizes flexicurity broadly as follows: moderate EPL; high participation in lifelong learning; high spending on labour market policies (both passive and active); generous unemployment benefit systems balancing rights and duties; broad coverage of social security systems; and high trade union coverage. The socio-economic outcomes are characterized by high employment rates, low unemployment rates, and low relative poverty rates compared to the EU average. Work done in the OECD, ILO and the European Commission indicates that flexicurity policies have contributed to those favourable outcomes.

In line with the Strategy for Growth and Jobs, flexicurity should be seen in a wider context. Sound and financially sustainable macro-economic and effective micro-economic policies, as well as open and competitive product, services and capital markets create an environment where firms can seize emerging opportunities, fund new commercial ideas and create jobs. Similarly, flexicurity must be

complemented by social policies aimed at the underprivileged and those furthest away from the labour market.

### ***Flexicurity in Times of Crisis***<sup>2</sup>

The economic and financial crisis has influenced the recent developments of the Community social policies. In the climate of great changes induced by the global recession and by the consequent repercussions in the short and in the middle term on the occupation, there is a new focus on the strategy of European flexicurity. Flexicurity, in other terms, is no longer considered by institutions only as a “recipe” of modernization, but even as a “care” to give to European labour markets to answer to new needs and, in the meantime, to bring a suitable social protection to the workers who have lost their job and to those who are under risk.

The current economic situation is difficult and complex and may severely jeopardize the employment targets of the Lisbon strategy and undermine long term sustainability. This should be taken into account when implementing the flexicurity approach.

All the measures taken should aim at maintaining a high level of employment and job creation, and thus promoting the long-term growth potential of the EU economy. In the short term, increasing unemployment and, consequently, an aggravated social situation of the population can be expected; such serious problems will require the definition of an appropriate set of employment and social measures by taking into account their priority, relevance, sequence and feasibility. It is important to ensure that people remain active in the labour market and that early labour force withdrawal is prevented with a view to creating the conditions for a more inclusive labour market in which individual opportunities are used to the fullest.

A climate of trust between the Social Partners and a balance between the rights and responsibilities of all relevant stakeholders are indispensable elements of flexicurity in a time of crisis. The commitment and active involvement of all stakeholders through social dialogue and collective bargaining is an essential prerequisite for an effective implementation of flexicurity principles.

Therefore European Council indicates a set of measures which, as a balanced policy mix, can help the Member States, and the Social Partners when and where relevant, to manage the impact of the global crisis through the application of flexicurity principles; such a set of responses could include:

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<sup>2</sup> [http://www.consilium.europa.eu/uedocs/cms\\_Data/docs/pressdata/en/lisa/108369.pdf](http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/lisa/108369.pdf)

- ✓ Maintaining employment, where at all possible, for example through helping companies operate alternatives to redundancy such as flexible working patterns and the temporary adjustment of working time, where applicable, and other forms of internal flexibility measures within the companies.
- ✓ Creation of a better entrepreneurial environment through a labour market which ensures at the same time the necessary flexibility and security, benefits systems which provide work incentives, appropriate levels of non-wage labour costs, especially for the low-skilled and other vulnerable groups, as well as through better regulation and the reduction of the administrative burden for businesses.
- ✓ Enhancing and improving activation measures and providing adequate income support and access to quality services to people who are hit by the impacts of the crisis, through full utilization of modern social protection systems in line with the principle of flexicurity, subsidiarity and sustainability of public finances.
- ✓ Increased investment in human capital, especially retraining, skills upgrading and labour market needs-matching, including for persons working part-time or other flexible forms of employment and low-skilled workers. Training should be focused on the future demands of the labour market, such as job opportunities in the eco-efficient economy as well as in the social and health service sectors. Better anticipation and forecasting of future skills needs should be promoted. Employers have an important role in training; they should be encouraged to invest in training and to build training partnerships with public and private training providers, and/or with public employment services, taking into account national frameworks. Further support should be provided for reducing youth unemployment and other groups which encounter difficulties in (re)entering the labour market. In this context, those young people who are entering the labour market for the first time require particular attention and targeted measures.
- ✓ Improving the effectiveness of the Public Employment Services in order to be able to tackle the increased levels of unemployment. A proactive preventive approach to facilitate transitions, with more personalized services, early identification of skill needs, job search assistance, guidance and training, is a key element, as well as, where appropriate, cooperation with other employment agencies, social protection and assistance services, training providers and the Social Partners.
- ✓ Adhering to the principle of gender mainstreaming in all responses to implementing flexicurity principles in order to tackle the crisis. It is important that the responses support both women and men in their labour market participation.

- ✓ Facilitating the free movement of workers, in accordance with the Treaties and the Community acquis, and promoting mobility within the EU single market can contribute to tackling the persisting mismatch between existing skills and labour market needs, also during the economic downturn.
- ✓ Implementing adequate responses with a view to adapting, if relevant, employment and labour market provisions in the framework of the flexicurity approach in order to promote flexible but secure transitions from unemployment to employment as well as from one job to another, while supporting reliable contractual arrangements for those in work.
- ✓ Integrating all flexicurity elements and pillars should focus on reducing segmentation and improving the functioning of the labour market.

Further attention needs to be paid to enhancing the quality of working life and to increasing productivity. Long-term working life development measures are an effective way to strengthen organizations' ability to respond to changes, also during the economic crisis.

### ***Lifelong Learning as a Pillar of Flexicurity Strategies***

Investment in education and life-long learning (LLL) is a key pillar of flexicurity. The Social Platform supports the principle that “National lifelong learning strategies should provide all citizens with the competences and qualifications they need”. An active employment policy must seek to increase workers’ competencies and qualifications in order to support the return to employment, but also help the development of those who are not in work.

Despite some rare references to “personal fulfillment” and “active citizenship”, it is worrying that education and training appear almost entirely as employment factors. Education and lifelong learning have much broader individual and social benefits which need to be valued and not undermined. Basic skills training should not be neglected. Non-formal methods of training and education are often more successful for disadvantaged groups or those out of the school system for a long time.

Access to education at all levels must be guaranteed for all including older workers who tend to face restricted access to training and life-long learning compared to their younger counterparts. The role of voluntary activities as a form of learning should also be recognized; it is well documented in several countries that young people take up professions more closely related to their voluntary activities than their academic studies.

Investment in education and training can help achieve all the objectives of the flexicurity approach, benefiting people as individuals and as workers and benefiting employers and the labour market.

Lifelong learning policies would address opportunity gaps among the workforce, starting at the initial education system. Early school leaving would be fought and general qualification levels of school leavers would be improved. Illiteracy and innumeracy problems among the adult population would be addressed. Workforce training would be targeted especially at the low skilled. Combinations of work and training and mobility between training systems would be promoted. Informal learning would be recognized and validated and low-threshold, easy access language and computer training inside and outside the workplace would be organized. Taking into account their diversity and size, enterprises would develop comprehensive skills strategies, allowing all their staff to train and acquire new skills. Public authorities may improve incentives to enterprises to invest in their workforce, using tax allowances or other instruments. But they would stimulate workers, for example by putting in place a system of individual training accounts. Such accounts would allow workers to spend a certain amount of (working) time and money on their personal development, in cooperation with their employers.

Active labour market policies would distinguish clearly between those jobseekers that are sufficiently skilled, and those who need to strengthen their skills. For the first group, emphasis can be on individual job search support. For the second group, however, active labour market policies would focus on providing adequate training to support upward mobility and sustainable, rather than quick, reintegration. Social security systems would offer incentives to low-skilled benefit recipients and monitor the conditionality of such benefits in order to ensure that taking up work pays, if necessary by providing supplementary subsidies or gradual phasing out them. Thus, they would contribute to avoiding problems of the working poor. They would also contribute to reducing non-wage labour costs of low-skilled workers.

Where the role of the Social Partnership is not strongly developed, social dialogue could be revitalized by bringing new issues into the discussion, such as R&D, innovation, and education and skills.

As to sequencing and financing, improvements in initial education would be implemented as a priority, but they will take time to deliver. Improved workplace training would require private investments, supported by public incentives. Effective active labour market policies and social security policies to increase the attractiveness of recruiting the low-skilled have to be enhanced.

## ***The Role of the Social Partners<sup>3</sup>***

Active involvement of the Social Partners is the key to ensure that flexicurity delivers benefits for all. It is also essential that all the stakeholders involved are prepared to accept and take responsibility for change. Integrated flexicurity policies are often found in countries where the dialogue – and above all the trust - between the Social Partners, and between the Social Partners and public authorities, has played an important role. The Social Partners are best placed to address the needs of employers and workers and detect synergies between them, for example in work organization or in the design and implementation of lifelong learning strategies. The Social Partners' support for the core objectives of the Lisbon Strategy is an important asset; translating this support into concrete policy initiatives is a responsibility of governments and the Social Partners alike. A comprehensive flexicurity approach – as opposed to separate policy measures – is arguably the best way to ensure that the Social Partners engage in a comprehensive debate on adaptability.

Experience shows that a partnership approach is best suited to develop a flexicurity policy. Obviously, it is up to the relevant stakeholders, as autonomous organizations, to decide for themselves how to participate in social dialogue on flexicurity policies.

At Member State level, flexicurity would provide the framework for a process to establish national objectives for adaptation and change in the area of employment, productivity, flexibility and security. This process would need increased awareness of the specific needs for change and policy improvements. It would be initiated by public authorities, but seeking the commitment of the Social Partners, and of other stakeholders as appropriate. A national dialogue could be set up with representatives of employers, workers, government and other parties, with the task of formulating a series of policy approaches or negotiating a package of measures. This could lead to the adoption of a national integrated flexicurity strategy. The Commission encourages Member States to work with the Social Partners with a view to including their approaches to flexicurity in the National Reform Programmes.

Industrial relations can contribute to the development of the flexicurity approach in various ways. First, the Social Partners can participate in the definition and management of flexicurity policies, which reflects the ‘political dimension’ of their impact. The relevance of this component probably reflects the different features and characteristics of the various national industrial relations systems. Therefore, the Social Partners will most likely play an important role in the introduction of

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<sup>3</sup> Pedersini R., Flexicurity and industrial relations, EIRO (2009) - <http://www.eurofound.europa.eu/eiro/studies/tn0803038s/tn0803038s.htm>

flexicurity measures in countries where they are part of established social dialogue systems, are recognized as important actors in the decision-making process on labour and social policies, or are represented in the management bodies of the employment services or the social security system in general.

A second component of the influence of industrial relations relates to the contribution of joint regulation and collective bargaining, especially at workplace level, which supplement and integrate the degree of flexicurity warranted by labour market and social security policies. This could be regarded as the ‘regulatory dimension’ of the role of the Social Partners in introducing and implementing flexicurity. While the first dimension introduced above is essentially connected with the position of the Social Partners within the political system, this second element stems more directly from the character and strength of the national industrial relations systems, and notably of collective bargaining. However, if this condition can be regarded as necessary in terms of promoting flexicurity, it is not sufficient to do so, as the actual contribution of collective bargaining to flexicurity depends heavily on the integration of a ‘flexicurity approach’ in the negotiations – something which may be regarded as the openness to search for new ways to balance flexibility and security, and this is particularly difficult.

Finally, the unilateral input of the Social Partners may be taken into consideration. Such a ‘unilateral dimension’ refers to the relationship between the Social Partners and their constituency and depends on whether they provide specific services to their members (and possibly beyond their membership) that add to flexicurity. In some ways, it provides indications of the organizational strength of the Social Partners and their capacity to take on new responsibilities, which may in fact be found in the origins of the trade union movement. Examples of these ‘flexicurity’ services could include job placement, training and supplementary social security schemes.

**Table 1: Analysis of the Social Partners' roles in flexicurity**

		<b>Regulatory dimension</b>			
		<i>High</i>		<i>Low</i>	
		<b>Unilateral dimension</b>		<b>Unilateral dimension</b>	
		<i>High</i>	<i>Low</i>	<i>High</i>	<i>Low</i>
<b>Political dimension</b>	<i>High</i>	Ireland, Luxembourg, Portugal, Sweden	Austria, Belgium, Denmark, Finland, France, Italy, Netherlands, Norway, Slovakia	Bulgaria, Malta	Estonia, Hungary, Latvia, Spain, Romania, Slovenia
	<i>Low</i>	Germany		United Kingdom	Cyprus, Czech Republic, Greece, Lithuania, Poland

As Table 1 shows, while the contribution of the ‘political dimension’ is rather substantial in many countries, with some notable exceptions, the role of collective bargaining and of service provision is far less common. The relevance of social dialogue in policy-making concerning the different dimensions of flexicurity appears as a distinctive feature of the European social model. However, it should be noted that it does not always assure a significant impact on the policy output, as reported, for instance, in the case of many central and eastern European countries, where the partnership approach to policy-making is formally well established.

The assessment of the role of the Social Partners with regard to flexicurity in the political, regulatory and unilateral dimensions, maintains a great degree of subjectivity and is fundamentally based on the interpretation by the author of the information included in the national reports. With this in mind, it could be nevertheless interesting to note that the association of flexicurity with the policy arena is quite significant and probably reflects the efforts of the EU policy-makers – overall, almost three quarters of the countries covered by this report score ‘high’ in relation to this dimension. The contribution of joint regulation and collective bargaining to flexicurity turns out to be substantial in half of the countries covered and this division essentially corresponds to the relative strength of the national industrial relations systems. Finally, the role of unilateral actions on the part of the Social Partners appears to be relevant in just a quarter of the countries covered, seemingly following more idiosyncratic paths and resulting in a more heterogeneous composition in terms of the domestic characteristics of industrial relations and public social security systems.

As for the capacity of collective bargaining to effectively shape flexicurity at national level, a crucial aspect is represented by the views of the Social Partners, which define the position that flexicurity assumes in their strategies.

## **THE PROJECT FIS**

### ***An Outline of the Initiative***

In the light of the evolution of industrial relations towards policies based on welfare to work, the initiative intends to investigate possible methods of organization, services provided and target for delivering training services and replacement, through support and development of people and business, as well as outlining the necessary legal and negotiation framework.

The project aim is to disseminate information and to exchange experiences among partners involved in industrial relations on the issue of flexicurity with particular reference to integrated services in order to support employment and development for managers and companies.

The different experiences of the Social Partners in planning and managing services for the development of skills of workers and the competitiveness of enterprises are characterized by several levels of effectiveness and they depend largely on the ability of representative organizations to successfully implement policies on flexicurity and related services.

Two orders of priorities emerge on this front:

- ✓ the first is to ensure a common framework of information among the main actors on the characteristics of experiences promoted in various areas and especially their level of quality;
- ✓ the second is to promote appropriate meetings and discussions among all stakeholders to get directions and ideas.

For these reasons this initiative is focused on:

- ✓ the collection and systematization of information on national and European experiences about flexicurity;
- ✓ the organization of meetings in order to exchange and to study the main experiences in order to build a first essential knowledge concerning experiences, assessment, priorities.

In particular the project main aims are the following:

- ✓ to promote a European debate on flexicurity, with reference to integrated services provided by the Social Partners for delivering training services, start to work and replacement, supporting and developing managers and companies;
- ✓ to benchmark the best practices at national and European level;
- ✓ to identify the common elements found with reference to the role of industrial relations.

Thanks to comparative analysis it could be possible to promote social dialogue and to facilitate the creation of a core of relations among the Social Partners, universities, service companies, research and training centers and public administration and to support a broadened discussion on new organizational models from agencies that support business and workers at the various stages of their development paths.

In the long period this benchmark could set up the premises to build a permanent European observatory on welfare to work.

The European profile shall also allow stimulating the representatives' associations and the major actors of the training system towards the promotion of new models for delivering training services, start to work and replacement, supporting and developing managers and companies, as well as outlining the necessary legal and negotiation framework.

The European dimension should also strengthen the capacity of intervention over political decision-makers to orient political initiatives in managing change, promoting innovation and improving the labour market towards flexicurity.

The project has been realized with the support of a European Partnership composed of:

- ✓ two Italian Organizations, as promoters, Fondirigenti G. Taliercio, the Interprofessional Fund for LLL of managers in manufacturers of goods and services promoted by the Social Partners Confindustria and Federmanager, the Management Club Association a centre of studies and research created by Fondirigenti, Luiss University and the Social Partners in order to promote the analysis and comparison on the subject of the ruling class and its growth;

and three Organizations active in Greece, Romania, the Netherlands and Belgium:

- ✓ the Hellenic Management Association that aims at the dissemination, development and promotion of the principles, methods and practice of contemporary management.
- ✓ The National Council for Small and Medium Sized Private Enterprises in Romania to promote and protect the interests of small and medium private enterprises

- ✓ Uitvoeringsinstituut Werknemersverzekeringen UWV an autonomous administrative authority (ZBO) commissioned by the Ministry of Social Affairs and Employment (SZW) to implement employee insurances and provide labour market and data services.
- ✓ Inforcadre asbl CNC/NCK the Belgian Confederation of Executives and Managerial Staff.

All the partners have previous experiences in international cooperation projects.

The partnership has been set up considering the specific characteristics of the project that requires the Italian situation to be compared with that of some European countries.

The project plan has foreseen the exchange of experiences among the partners and has been structured into 2 main work packages: desk research and field research.

These activities have been related to each other either through time connection and through logical interdependences.

The desk research has been targeted to in-depth examination of the national overview concerning the demand and offer of training related services for companies and workers provided by the Social Partners and by other public or private organizations.

The research has been developed in order to survey main best practices developed and information necessary to complete the interpretation of the service market in each country.

Particular emphasis has been given to the legal framework focused on welfare to work. It has deepened the nature of the institution providing services, as well as the type of promoters.

In light of the numerous facets of the issue of flexicurity in the countries in question, the study aimed to focus on training, and took into account the entire chain of related services, from needs analysis, to the evaluation of training, to reallocation.

The study has been organized in three main parts.

The first part describes the general framework of the labour market, with particular reference to high-skill professionals, managers, and entrepreneurs.

It then outlines the main elements of the normative and financial framework related to training services and support for worker reallocation, highlighting the role of the Social Partners and the peculiarities of their action.

The second part analyzes some good practices in the field of services for labour market policies with particular attention to those provided by the Social Partners and/or in co-operation with them.

In the last chapter, the study identifies the main elements that characterize distinctive and innovative integrated services in each country.

On undertaking the comparative study into different systems in the partner countries the following factors have been taken into account:

- ✓ Existing models
- ✓ Habitual practices
- ✓ Previous research activities and experiences in this field

The field activity has been organized through focus groups in each country with the participation of the Social Partners, Public Administration, Business Community and main representatives of the national education system.

In each focus group were involved about 15 participants on the basis of a common protocol to manage the meetings.

Focus group have had the following goals:

- ✓ To increase the collection of data and inputs in order to support the European benchmark;
- ✓ To deepen and identify the main trends, critical aspects, and opportunity of development of new training related services for companies and workers provided by the Social Partners and by other public or private organizations.

The debate has been focused on some main topics defined in advance in order to allow the benchmark and some specific questions related to the national overview:

- ✓ Critical aspects in the field of services for market labor policies
- ✓ Suggestion of more best practices
- ✓ Role of industrial relations
- ✓ Main elements that should distinguish innovative services.

## ***Research Activities***

The following chapter is devoted to the presentation of the findings of the research activities. The results of both desk research and field activities are summarized for each country involved in the project. In order to allow a sound comparison of the different national scenarios, the findings will be presented according to three specific categories:

- ✓ the integration of services, which concerns the attempt to combine different kind of policies and measures – training, employment services, benefits, etc – oriented to flexicurity;
- ✓ education and training, which are key components of flexicurity strategies;

- ✓ the role of the Social Partners, here considered of a particular relevance.

## **Belgium**

The Belgian labour market has been characterized by discontinuous trends. The unemployment rate has decreased until 2002 and then again between 2005 and 2008. To coincide with the last financial and economic crisis, the unemployment rate has increased of 1.3%. This last negative trend has affected also the employment rate regarding the category of senior officials and managers, which has recorded a sharp decline between 2007 and 2008.

To cope with the raise of unemployment it can be more effective to adopt an integrated approach based on the combination of different kinds of measures, more specifically training and employment services. It is noteworthy that in Belgium these measures are not really coordinated. An attempt at integration of training and employment services is represented by the VADB, a government organization that analyses the labour market in order to inform job seekers about the competences needed and training possibilities. Yet, this institution is not used by leading personnel, such as managers, and appears limited to the matching of demand and supply of competences for replacement purposes rather than in a more general perspective of mobility and development. Another case of try to combine different measures concerns the FEDERGON (*Federation of Partners for Work*), which group together all the private companies working in the domain of recruitment, search and selection and training. However, this organization is marked by the same limitations of the previous one. As a result, it can be sustained that the integrated approach suffers from some shortcomings. First of all, there is not coordination between the various subjects in charge of providing for the combination of training and employment services. Second, it excludes certain categories of workers. Indeed, leading personnel usually does not resort to organizations offering integrated services, since these lack of the sufficient experience to deal with specific exigencies of managers, senior officials, etc. Finally, the aforesaid examples underlines that the integration of different kinds of measures is characterized by a “reactive” nature, that is to say it is addressed to job seekers in order to favour their replacement. This implies that a scarce attention is paid to the improvement of adaptability and employability of workers as fundamental for mobility and the competitiveness of companies.

As regards education and training, it can be said that in Belgium there is a strong focus on informal training, that is to say all those activities performed within the company and directly related to the job. This tendency is particularly evident for larger companies but varies according to the sector and the region. Despite the growth of informal training, during the last 10 years an increase in

participation to formal training programmes has been recorded. Such an increment has concerned above all elderly employees (over 45 years), whose number has doubled with respect to 2000. The increase in the engagement in lifelong learning is due to a favourable legislation, which entails several provisions to facilitate the participation of workers to training programmes. The first of these regulations is related to *paid educational leave*. This system guarantees workers the possibility to follow training activities on their own initiative and on their individual title. This rule applies only to employees from the private sector and involves full-time workers but also certain categories of part-time workers. The paid educational leave allows employees to be absent from work for a number of hours that corresponds to the period of attendance to training courses. Workers exerting this right retain their normal wage and are protected from dismissals. The resort to paid educational leave is prevalent among blue-collar workers (2/3 of them exercise this right), whereas it is not spread among leading personnel (i.e., managers) and supervisors. In the light of flexicurity, the system of paid educational leave presents two advantages. Firstly, it facilitates the combination of working and training. Secondly, as a consequence, it promotes the spread of the engagement in lifelong learning, thus favouring the adaptability and employability of workers. Besides the paid educational leave, there is another provision that permits the combination of working and training activities. It regards the possibility for employees to take a *career break*, which can take two forms. The first is the so-called *work credit*, consisting in either the suspension of the employment contract or in a reduction of work commitments to part-time. The second concerns a *reduction of work commitments of 20%*, which may take the form of one day or two half-days of leave per week. Since the career break is not restricted to training, it is often used by women to facilitate the conciliation of working and family responsibilities. The regulation in favour of the spread of lifelong learning activities includes a further instrument: the *training clause*, which is conceived to protect employers' investments in training. Indeed, it provides that the worker who takes a course during the implementation of the employment contract at the expense of the employer shall reimburse part of the training cost to the latter if he leaves the company before the end of the agreed period. The training clause shall be laid down in a contract and concern higher employees; its duration shall not exceed a period of three years and shall be determined by taking into account the cost and the duration of the training programme. The aim of this measure is to avoid a situation in which an employer invests in training but the employee resigns after participating in training and starts working elsewhere for a better salary. The effect is the encouragement of the investment in high quality and expensive training for high profile employees. In addition to a favourable legislation, the Belgian model also includes important measures to stimulate a greater participation in lifelong learning both at industry and company level. As regards

industry, article 30 of the Act of 23 December 2005 on the Pact between Generations establishes that all sectors shall reserve at least 1.9% of the total wage sum for training and education; this measure is known as *training credit*. Besides, some sectors are developing instruments to support companies in the elaboration and implementation of training plans. At the company level, there is a trend towards the recognition of experience by means of the validation of on-the-job learning. In this sense, enterprises give their employees competence certificates to attest the skills acquired during the working experience. The validation of informal training is a tool to increase the chances of adaptability, especially as regards low-skilled workers. With respect to higher white-collar workers, the employee and the employer decide by common agreement on the competences to be upgraded and the programmes offered mainly by universities and autonomous institutes. Nevertheless, this system also presents some weak points. Firstly, the right to training is limited in scope since it is generally restricted to specific activities at the company and the industry level. This means that training is often related to the tasks of the employee. In other words, this model favours the “insiders” of the labour market but does not paid sufficient attention to weak groups (e.g., women and migrants) that risk to be excluded. Secondly, there is a limited control over the effective participation in training activities. Finally, apart from the training clause, there are no specific provisions or actions for leading supervisory personnel like managers. Indeed, most managers have a high level of education (e.g., an university degree), and therefore it is generally believed that they do not need further training to improve their mobility chances. In some cases, they are even regarded as over qualified. According to Belgian stakeholders, the real problem to be addresses is the managers’ scarce ability of self-management: managers are not able to organize their own mobility. This is due mainly to two causes. On the one hand, managers cannot take free from their jobs for a prolonged period of time, otherwise their function is gone. On the other hand, they often work towards a burnout in the sense that, as their job become more enclosing, they start a closed loop of more and more work with less and less incremental results, leading to burnout. In other words, managers usually lack of the right personal attitude that induces them to consider their own career as a project to be planned and followed accurately.

With respect to the Social Partners, their contribution seems really limited. The sole initiative that entails the support of these actors is the so-called *social advancement* (or *adult learning*), which refers to the opportunity for employees under 40 years to be absent from work to attend courses for the perfecting of their intellectual, moral and social education. These courses have to be organized by youth organizations or representative employees’ associations, possibly in cooperation with employers. Contrary to what happens in the case of paid educational leave, here there are no guarantees for the wage nor against dismissal. As a consequence, it can be inferred that, while

labour legislation contains several provisions in favour of the conciliation of working and training activities and there are also initiatives at the industry and company level, the Social Partners only play a marginal role.

## **Greece**

The current trends of the Greek labour market are alarming because of the highly instable economic environment. In the first semester of 2011, 23% of companies have reduced their personnel. This situation also affects managerial staff, whose employment outlooks are negative in all sectors with peaks of -20% in retail and wholesale, -27% in manufacturing and -34% in tourism.

Despite this worrisome situation, there is a lack of a suitable combination of various kinds of actions that can bring about an increase in adaptability and employability of workers. In other words, there is not proper integration between education and training on the one hand and employment policies on the other. The sole subject that tries to combine different kinds of services is the Greek Manpower Employment Organization (OAED), which is in charge of assigning the implementation of training programmes to public and private bodies and of other significant activities like placement, social insurance, apprenticeships and support for the unemployed by the Employment Promotion Centres. In this respect, it is noteworthy that, besides promoting and implementing continuing vocational training activities, this organization provides employment services both to unemployed and to people who are currently employed. The institution offers personalized interviews with candidates so as to enhance the matching between the supply and demand of skills and competences. Notwithstanding, there are at least three relevant shortcomings related to the integration of services for the employability of workers and the development of companies. The first is the scarce allocation of resources to the development of infrastructures and active employment policies. The second is the lack of good organization and cooperation between different institutions and subjects, such as the OAED, the General Confederation of Greek Workers and the Federation of Greek Industries. The last shortcoming refers to the lack of an appropriate mentality that can lead to the combination of various services and policies by means of the involvement of a larger variety of stakeholders. Hence, as regards this first variable, it can be concluded that, in spite of attributing a great relevance to the idea of the integration between education and employment policies, conditions are still far from being favourable to the promotion of combination of different activities oriented to flexicurity.

To a certain extent, it can be sustained that the adaptability and employability of workers and companies' development are pursued mainly by focusing on education and training. In this regard,

it is remarkable that Greece has a complex regulatory framework for the running of vocational training, which is divided into two ambit: initial and continuing vocational training. As regards the first ambit, law 2009/1992 has established a National System for Vocational Education and Training aimed at improving the quality of training provision by introducing a national accreditation process. In order to better combine training and employment, law 3191/2003 has created the National System for Linking Vocational Education and Training to Employment, which is responsible for the coordination of national policies on training with employment. Such a linkage has been further improved by the establishment of Vocational Lyceums, that is to say schools combining general secondary education with specialized technical knowledge. With respect to the second ambit, that is continuing vocational training, the Greek legislation provides the OAED. Moreover, the legislation establishes public Vocational Training Centres, which supply training for both workers and unemployed. As regards the institutional structure, it is as articulated as the regulatory framework and is characterized by the same distinction between initial and continuing vocational education and training. It is the Ministry of Education and Religious Affairs that is responsible for designing, developing and implementing policies related to initial vocational training. These decisions are applied at either central and regional level by several institutions, such as the Organization for Vocational Education and Training, which controls the public Vocational Training Institutes. In this regard, the Social Partners are mainly responsible for the monitoring the needs of the labour market at regional and local level. As far as continuing vocational training is concerned, the main institution in charge is the Ministry of Employment and Social Protection, which designs, coordinates and supports basic education and lifelong learning for the adult manpower and people at social risk. The continuing vocational training is provided by means of a series of organs that act at three levels: national, regional and local. In this respect, it is noteworthy that the continuing vocational training publicly promoted is provided by a nationwide network of Vocational Training Centres run by the OAED. This kind of programmes aims at covering the needs of a wide range of people, from unemployed to self-employed and vulnerable groups, and reaching the following objectives: the training of employees, the integration of the unemployed in the labour market, the implementation of European mobility programmes, counseling and guidance for enterprises and people. The training plans provided by the OAED are implemented also by training institutions related to other ministries. For instance, the Ministry of Rural Development and Food has its own Organization of Agricultural Vocational and Education, Training and Employment. At regional and local level there are smaller organs, such as the Adult Education Centres, offering services for adult training. As regards the Social Partners' contribution in the

publicly promoted lifelong learning, it concerns the implementation of training policies by collective agreements and the formation of occupational profiles.

Such complex lifelong learning programmes promoted by the government denotes that the great relevance attributed to education and training is not supported by an adequate system. Indeed, according to some Greek stakeholder, the Greek educational system suffers from some shortcomings that can be improved. With respect to the administrative and organizational level, there is a lack of coordination between the training providers and between the budget allocation procedures among different funding organizations. As regards the content of vocational training, the main margin of improvement concerns the identification of training needs. In this sense, some stakeholders hold that need analysis should be carried out at different levels (e.g., sectors and territories) in order to avoid the “tyranny” of training providers and to adapt training activities to the real needs of both employers and employees. These shortcomings/margins of improvement are applicable also to the training system for managers. In fact, since managers are trained mainly within university, a stronger interaction between these subjects and enterprises is needed to provide better practical skills to students with the purpose of meeting the managerial exigencies of employers.

As far as the Social Partners are concerned, they play an important role in need analysis by monitoring the labour market trends and in the formation of occupational profiles. In addition, the Social Partners promote and implement their own training initiatives. Remarkably, the Account for Employment and Vocational Training (LAEK) is a major companies’ programme for the continuing vocational training. It is based on the joint contribution of employers and employees (0.45% of the total wage of each worker) and run by a Tripartite Committee which allocates resources to eligible firms to cover the cost of training activities. The LAEK receives the technical support of the OAED, which is responsible for examining the training proposals and inspecting each programme that has been approved. Besides the LAEK, all the four Social Partners have training institutions. First, the General Confederation of Greek Workers has its own Labour Institute in charge of carry out studies on lifelong learning and implementing training actions. Second, the General Confederation of Professional, Craftsmen and Tradesmen has a Vocational Training Centre that provides training for employees, self-employed, workers and employers of small commercial and manufacturing firms. It also supports SMEs in planning and implementing training activities. Third, the Federation of Greek Industries has founded the Institute for Industrial and Vocational Training which runs an accredited Vocational Training Centre for workers and unemployed. Finally, the National Confederation of Hellenic Commerce has established the Development Centre of Greek Commerce that has various training structures aimed at providing training to employees, unemployed and

entrepreneurs. As a consequence, it can be inferred that the involvement of the Social Partners is characterized by two specific elements, which are connected. The first one is the exclusive focus on training; these actors are not engaged in the provision of other services like placement. The second one concerns the characteristics of the training initiatives promoted by the Social Partners. It has been pointed out that workers' and employers' organizations have their own training institutions and launched training programmes. However, all these initiatives appear "isolated", in the sense that they are performed on an individual basis rather than by cooperation between the Social Partners. In this respect, the Greek relevant stakeholders hope for a greater involvement of the Social Partners either as training providers and in the integration of different kinds of services oriented to flexicurity. For instance, the Social Partners could cooperate with the government in relation to policy-making on economic and social issues. Moreover, they should participate in the implementation of labour market policies and act as advisors regarding employment services.

## **Italy**

Managers are 10% of the total Italian workforce. They are characterized by a quite high average, since 57% of them is over 45 years, and high levels of education. There is a strong gender gap: only 29% of managers and 27% of executives are women. A substantial difference can also be registered at the regional level with a clear prevalence of managers in the North, especially as regards the manufacturing sector (70.5%). The last evolution of the international economic scenario have affected the manager labour market; in 2009, 10,000 managers were excluded from the labour market and nowadays the unemployment rate is around 10%. Such a negative trend has two main serious implications. First, it hits hardest the managers over 50 years, thus entailing the risk of a loss of a significant knowledge base. Second, it creates obstacles in the recruitment of young people.

In order to face the challenges recently experienced, Italy has tried to apply some reforms towards an approach oriented to welfare-to-work and flexicurity. This has implied a gradual reform of the employment policies and services in order to achieve decentralization and a service-oriented approach respectively by shifting responsibilities from the central level to regions and provinces and replacing the employment list system<sup>4</sup> with Centres for Employment entitled to actively support job-seekers. Most importantly, it has been acknowledged the need to integrate employment, training and social policies with the purpose of increasing employment rates. This integration has been

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<sup>4</sup> This system was based on a simple registration on a list, from which job-seekers were picked according to the requests of employers.

grounded on the idea that different kinds of intervention – training, employment policies, social policies – should not be isolated and self-referential but combined, since each of them influences the labour market. Despite this awareness, the importance attributed to the integration of services is merely normative. Concretely, no combination of training and employment services has been realized yet; segments of various activities, such as the promotion of training and counseling and support for companies, already exists but are still disconnected. According to some stakeholders, the great obstacle to the effective achievement of the integration of services comes not much from the existing legislation but from a problem of different spheres of competences. Indeed, currently there are “borders” between the public and private sector as regards training and employment. Indeed, according to the present regulation, regional authorities are responsible for initial and continuing vocational training but of course this does not prevent private initiatives. By contrast, with respect to employment services, there are public Employment Centres but also private agencies that are allowed to offer services for the matching of the demand and supply of labour and to engage in brokerage activities. However, in practice, the role of private employment agencies is restricted to matching activities, because employment brokerage is still costly, not really profitable and lacking of a link to welfare support system. Hence, it is evident that the Italian system suffers from a contradiction between the importance theoretically awarded to the integration of training with other services and the effective implementation of this principle. Managers are even more penalized by the discrepancy found in the various countries concerning the combination of different policies and measures. Besides their peculiar training needs, managers cannot benefit from the public employment services, as they are not fast, well structured and efficient enough to provide a suitable response to the exigencies of this category. The solution could be found in private agencies. Yet, as long as they are poorly developed and do not adopt an integrated approach, these agencies are far from being a means to promote flexicurity.

In regard to the educational and training system, the first thing to be remarked is the poor investment in training: only 32% of Italian enterprises invest in training with respect to a European average of 60% and only 25% of workers receive training. Actually these data refer only to formal training and do not take into account the informal learning that if certificated and recognized could positively increase the scenario. However, there are noteworthy differences in engagement in training activities. For instance, large companies invest more than SMEs, especially in relation to the tertiary sector. In addition, there is a great propensity to engage in training in the Northern regions than in the Central and Southern ones. Finally, the system is characterized by an “unstructured” approach to education and training, in the sense that in the majority of cases (80%) companies carrying out training activities have no formal plans and few of them devoted a specific

budget to this kind of actions. These peculiarities are due to three relevant limitations suffered by the educational and training system. The first one is the structural weaknesses of the public support system, which has been defined as “low-cut” because of the lack of ties with the national economic and social context. Furthermore, training supply has been often regarded as of low quality, since subjects and methods are traditional and do not adjust to changes. Indeed, the Italian conception of training is related to the institutionalized channels of the educational system, that is to say school and university. This kind of education activities is principally theoretical in nature and do not take into sufficient consideration the needs of the labour market. In this respect, some stakeholders have pointed out the difficulties in letting companies’ training needs emerge and the consequent need to award a greater importance to competence assessment. The second limitation concerns the fact that the majority of firms still do not perceive training as correlated to the increase in productivity and competitiveness. This explains the scarce propensity to invest in training, above all in period of crisis. The last shortcoming refers to the consolidated practice of informal learning within companies, particularly as regards SMEs, which prefer to rely on informal training because of its lower costs and response to particular needs. On-the-job training is not perceived as proper training and therefore is not certified; as a result, it is easily dispersed. Such an approach reflects a cultural misconception according to which education and training make reference to those activities performed in class. Consequently, it has emerged the necessity of recognizing and certifying informal learning and to make more investigations on this issue to increase the awareness of SMEs that on-the-job training is training indeed and to foster greater investments. The particular features and limitations of the Italian educational and training system are especially problematic for managers. This is probably due to the specific training needs of managers, which do not find an adequate response in the public educational system, affected by the structural weaknesses previously remarked. The high-quality education needed by this category of workers also discourages initiatives at the company level because of the high costs of formal training and the impossibility to resort to informal practices.

As far as the Social Partners are concerned, they have gradually acquired a great role in the decision-making process regarding employment and social policies by means of a consultative strategy based on negotiations between the government, trade unions and employers’ organizations. Coherently with the gradual development of the European social dialogue and in the light of the recent economic and social transformations, consultations have increased and resulted in the launching of a new initiative of concrete partnership: the joint inter-professional funds. These funds are associative entities established by Social Partners in order to foster vocational training, directly managed by firms. They are financed with companies’ contributions corresponding to 0.30% of

total wage sum devoted to INPS (*Istituto Nazionale per la Previdenza Sociale – National Institute of Social Insurance*). Among these organs, Fondirigenti “G. Taliercio”, the fund for the training of manager created by Confindustria (*Confederazione Generale dell’Industria Italiana – General Confederation of Italian Industry*) and Federmanager (*Federazione Nazionale Dirigenti Aziende Industriali – National Federation of Industrial Executives*) stands out for its peculiar approach. Indeed, it places training at the centre of an integrated system of active policies implemented thanks to the involvement of both the Social Partners. More specifically, the services provided by Fondirigenti are encompassed into three macro-areas of activities. Firstly, Fondirigenti aims at promoting entrepreneurial and managerial culture by means of studies on the labour market. Secondly, it fosters the spread of continuing training with services and instruments for the financing of companies’ training plans drafted in conjunction with the Social Partners. Lastly, it tries to improve employability through experimental projects targeting unemployed managers, competence assessment and services to match the demand and supply of managerial positions. Consequently, Fondirigenti not only entails the involvement of the Social Partners in the promotion and development of training activities but represents also an attempt at combining different kinds of services oriented to flexicurity. Clearly, the experience of Fondirigenti can be considered unique for its peculiar features, particularly as regards the relation between the Social Partners that constitute it, which makes cooperation possible. Indeed, the interaction between the Social Partners can be quite problematic because of a certain dissimilarity of visions and strategies. Hence, stakeholders suggest that, in order to achieve a sound and effective cooperation, it is necessary to recover the dialogue between institutions and the Social Partners and to overcome the divergences between the Social Partners themselves.

## **The Netherlands**

The labour market of managers in the Netherlands has been characterized by a slight decrease of the amount of managers to coincide with the last financial and economic crisis (-0.1%). Between 2008 and 2009 the number of managers as share of working population has stabilized around 1.6%. As regards managers’ main features, it can be asserted that the average age is quite high (over 45 years). Most Dutch managers are male (around 90%) with high levels of education.

With respect to integration of services, it can be sustained that the Netherlands places itself in a peculiar position. Indeed, there are some elements that denote a certain combination of different measures. In particular, the Dutch system of welfare to work has been reformed to correlate income security with active labour market policy. More precisely, thanks to the reform of 1990s the

eligibility to unemployment benefits has been subordinated to activation of the unemployed, that is to say to the engagement in effective job searching activities. In addition to this shift to activation, the Dutch system is characterized by the mobility centres introduced in March 2009. The 33 mobility centres are managed by the UWV; in these bodies, the UWV works together with municipalities, temporary work agencies, companies and education institutions. The main focus is to help firms faces with mass dismissals. Mobility centres have existed from the beginning of the 1990s, and were then introduced by a number of large firms such as the Dutch national railways<sup>5</sup>. In the following years, similar internal mobility centres were established. The mobility centres introduced in 2009 are regionally oriented and are cooperatives between multiple (semi-) public and private parties. In 2009 and 2010 the mobility centres helped over 100,000 workers per year to find a new job quickly. Of these 10.000-13.000 were still working but faced with dismissal. In addition, around 90,000 people found a job within 3 months after their dismissal. The success of the mobility centres in 2009 and 2010 has been attributed to the very low levels of unemployment in 2008

Employers can contact the mobility centre for information and advice about crisis measurements, subsidies, and job-to-job services of the UWV and the government. Between 2009 and 2010, job-to-job agreements were made with 839 organisations. Most activities take place in the sectors industry, construction and financial services, as those sectors were hit hardest by the recession.

This combination of different measures is not thoroughly comprehensive in a flexicurity perspective, in the sense that it does not include all its fundamental components. In fact, training and education are encompassed in the welfare to work system but they are not at the core of this system. This implies that in periods of crisis the government cuts the budget devoted to training, thus reducing the possibilities for vulnerable groups outside the labour market to rely on the public sector to engage in training activities.

This peculiarity of the Dutch welfare to work model appears in contradiction with the characteristics of the training system, which proves efficient. In this regard, it is noteworthy that the Netherlands is characterized by a high engagement of workers in lifelong learning initiatives. Indeed, participation to training activities is above the EU average either for the total workforce and for the specific category made up of managers, professionals and technicians. In this country training for employees is organized by means of a system of sectoral funds for education and development. The funds are financed by companies that are their members according to the specificities of each fund, which are negotiated between the Social Partners and laid down in collective labour agreements. The subjects in charge of managing the funds are the Social Partners.

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<sup>5</sup> Borghouts – van de Pas and Wilthagen (2009) *Flexicurity and Employment Security: The Dutch Way*. Reflect Research Paper 10/001, p. 20.

The main focus of these funds, which cover around 85% of employees, is on work-related training, since education is seen as an instrument to improve employability. However, a major problem of the sectoral funds is that most of them focus on people already working in their specific sector or, alternatively, they elaborate training and development initiatives to attract high-skilled personnel. Hence, their activities are oriented to those who are already in the labour market and focus less on the so-called “outsiders”. Remarkably, the majority of persons participating in training programmes is constituted by people who are already in paid work (47% in 2008). Besides the focus on “insiders”, the sectoral funds are marked by a clear division; in other terms, there are barriers between the funds that impede the organization of cross-sector training actions to favour cross-sector mobility. Other problems related to the current training system and identified by Dutch stakeholders are the lack of ties between education and the requirements of the labour market and the non-validation of informal training. As regards the first point, the stakeholders suggest that education and training should be more demand-oriented in order to respond to ever changing exigencies of either employers and workers with the objective of increasing competitiveness of firms and employability of workers. With respect to the second aspect, the proposal is to formalize informal learning by transforming the CV into an E-portfolio that encompasses the traditional CV and overviews of skills learnt on the job, diplomas, certificates and feedback from colleagues and superiors.

As regards the Social Partners, the research has demonstrated that their role is quite limited; more specifically, it is restricted to training. Indeed, since 2002 the participation of the Social Partners in the design and execution of welfare to work policies has been almost abolished. The sole contribution they can bring expresses itself in the advisory role and the implementation of policies through collective bargaining. On the contrary, as far as training is concerned, it has already been clarified that the Social Partners are involved in the managing of the sectoral funds. Although the majority of sectoral funds focus on training, around 30% of them also aims at stimulating job-to-job transitions. In this respect, the Ministry of Social Affairs and Employment has recently set up nine job-to-job projects with the purpose of promoting job transitions, even across sectors, and the development of knowledge industry. The Social Partners have a leading role: both employers and trade unions are responsible for these initiatives either separately or jointly by a sectoral fund. The objective of such programmes is the facilitation of the transition to another job for those workers facing dismissal, and their focus is on training activities, which can also allow for mobility across sectors. Indeed, the structure of the projects and the actors involved vary: they can concern one sector and one region or cover various sectors within a given territory. Each project is financed through the government funds for combating the effects of the economic crisis; at least 50

employees considered at risk have to participate. It can be inferred that both the sectoral funds and the job-to-job projects entail a form of cooperation between employers' and employees' associations. However, the initiatives previously described are not exempt from limitations. More specifically, both the sectoral funds and the job-to-job projects seem to favour a certain labour market segmentation, since their activities are directed to "insiders" and take "outsiders" into account only to a minor extent. Moreover, the central point of these programmes is still the upgrading of worker's skills, and there is only a little attention on other active labour market policies. Hence, there are great margins of improvement for the involvement of the Social Partners. Indeed, by combining training initiatives with some forms of employment services it could be possible to compensate for the weak role awarded to them in the present welfare to work system.

## **Romania**

The Romanian industrial context is characterized by the marked preponderance of SMEs, which are the 99.7% of the total number of companies. In more than 90% of cases the entrepreneur holds the position of manager. These entrepreneurs/managers are mainly men (62.45%) with an average age of 42.8 years. However, the proportion of young entrepreneurs (28.29%) is higher than the European average (around 24%). The level of education is high, with 64.78% of entrepreneurs/managers having university studies. Recently, the Romania labour market has been affected by negative trends: after a decrease between 2005 and 2006 the unemployment rate has increased and it reached 8.1% in April 2010.

This sharp raise of unemployment is transversal in the sense that it hits all the sectors and the professional groups. Therefore, it would require a sound response grounded on the combination of different measures regarding training, employment services and the promotion of entrepreneurship and managerial culture, which seems of crucial importance given the abovementioned feature of the industry of this country. However, the research activities have revealed that the integration of various policies and initiatives is still lacking. More precisely, there are no linkages between education and training programmes on the one hand and employment services on the other, especially as regards the public sector. By contrast, if one considers the entrepreneurial and managerial context, it is interesting to note that some attempts at combining training with the promotion of managerial culture have arisen at the initiative of the Social Partners. In this respect, it is remarkable that the National Council of SMEs in Romania (CNIPMMR) has a wide experience in implementing projects for the promotion of entrepreneurship and the development of human resources. Similarly, the National Foundation of Young Managers (FNTM) carries out studies on

management and launches initiatives for the spread of entrepreneurial and managerial behaviour as well as training programmes. Notwithstanding these actions, the proper integration of different kind of services is still far from being reached. To achieve this purpose, Romanian stakeholders hope for the redesign of employment services and a greater cooperation between the governmental authorities, the Social Partners and the enterprises.

As regards the educational and training system, there are several important actors to be considered. The first is the Ministry of Education, Research, Youth and Sports that plays a major role in by setting priorities, imposing quality standards and developing instruments for the assessment and accreditation of adult education programmes. This institution is also the main responsible, together with the Ministry of Labour and Social Protection, for the financing of continuing education and training, because companies' contribution is very low. A second relevant player is the National Adult Training Board, which is a tripartite body having two main functions. On the one hand, it has an advisory role in the promotion and substantiation of adult training policies and strategies. On the other hand, it coordinates and controls the authorization of training providers, the development of occupational standards and the assessment and certification of competences. Other actors involved in the organization of vocational training are research institutes, professional associations, employers' organizations and trade unions. In the case of employees, the providers of vocational training are, in general, small and unspecialized institutions, which usually offer programmes for level 2 qualifications, courses for computer use and learning of foreign languages. In this regard, there are various initiatives, among which the FiaTest stands out. FiaTest is a group of companies in consultancy, training, audit and applied informatics for quality management. This organization has two main branches. Firstly, there is the FiaTest-TMQ, which is focused on research, design, consultancy and training for quality management. Secondly, it has an educational centre providing language courses tailored for companies. Such a centre has recently started to offer services for distance learning and HR management. With respect to managers, there is a clear prevalence of university and post-university education, which is provided by universities and other institutions having managerial perfecting as a vocation (e.g., business schools, foundations, public institutions). This kind of education and training is theoretical in nature and lacking of connections with the requirements of the labour market.

On the whole, the Romanian educational and training system is characterized by the participation of a large number of actors from either the public and the private sector. Nevertheless, there is a remarkable lack of coordination between these subjects and the activities that they implement. Indeed, as some stakeholders point out, Romania is wanting in a national project in education, in the sense that there is no univocal long-term strategy but different visions of the educational and

training system. This implies difficulties in establishing connections between the various players and in supplying training that responds to the actual needs of enterprises. As a result, training is predominantly theoretical and not related to the requirements of the labour market. Therefore, there is a poor interest in lifelong learning, which does not receive enough attention by companies which still prefer relying on informal on-the-job training on the basis of their specific exigencies. Participation to training activities is often formal, restricted to high-profile workers like managers and oriented to the acquisition of a certificate to maintain the current position or progress into a better one.

As far as the contribution of the Social Partners is concerned, the research has shown that it is mainly related to training activities. As stated above, the Social Partners are among the actors involved in the provision of education and training by the development of specific initiatives. Two concrete examples emerge just from the entrepreneurial and managerial context. The first one concerns two projects developed by the CNIPMMR. The programme ANTREMAN (*Establishing the School for Entrepreneurial and Managerial Studies – an innovative approach to promoting entrepreneurship in Romania*) is aimed at promoting entrepreneurial culture and developing the ability of individuals to start and run successful businesses. This initiative is centred on the creation of a school for entrepreneurial and managerial studies for the provision of highly pragmatic and innovative training services. The NETIMM project (*Designing SMEs networks – innovative method to increase the competitiveness and adaptability of the Romanian SMEs*) has the objectives of fostering the spread of entrepreneurial culture and increasing the adaptability and competitiveness of SMEs by establishing networks for the exchange of experiences and the elaboration of common and individual development strategies. The second example of the Social Partners' contribution in training makes reference to the FNTM, which usually realizes research and training sessions on management. In particular, this foundation has recently launched the project *Rural-Manager* to develop knowledge, abilities and modern managerial behaviours for young entrepreneurs/managers from the rural environment. As previously remarked, the activities of these two organizations reveal an interesting case of combination of training initiatives with the fostering of the spread of entrepreneurship and managerial culture. Yet, in spite of these practices, the Social Partners' contribution can be considered still limited and focused on training, though it is fragmented due to the abovementioned lack of coordination between the various players of the educational and training system. In this respect, it is worth underlining that Romanian stakeholders hope in a greater involvement of the Social Partners not only in the elaboration and development of training projects but also as concerns the integration of services. Indeed, they assert that, thanks to their clear and

practical knowledge of the labour market, the Social Partners can propose a more effective scheme for the combination of different policies and measure.

## ***The Outcomes***

From the foregoing analysis of the research activities performed in the countries involved in the project interesting conclusions can be drawn. Indeed, even though each national scenario is peculiar, it is possible to identify some common outcomes regarding the integration of services oriented to flexicurity, lifelong learning and the involvement of the Social Partners.

In particular, the investigation has demonstrated that there is a contradiction between the importance theoretically attributed to the combination of different kinds of policies and actions and the effective realization of this integration. In most of the cases, training, employment services, subsidies and the promotion of entrepreneurship and managerial culture are almost completely disconnected. The reasons for this lack of linkages are to be found in the scarcity of resources devoted to the integration of services but most importantly in the problem of different sphere of competences awarded to the private and public sector and the Social Partners. In some countries there are attempts to combine different policies and services oriented to flexicurity. Nonetheless, such tries suffer from several shortcomings. Generally, this integration is partial, in the sense that it does not include a wide range of activities but only few interventions, such as the subordination of the eligibility to benefits to the engagement in active job searching. Attempts at the combination of services are also mainly of a “reactive” nature, that is to say focus on replacement rather than on the general improvement of workers’ employability and companies’ development. In addition, the integration of services often lacks of a proper coordination of the subjects in charge of combining different activities. Finally, it usually excludes certain categories of employees, especially high-profile workers such as managers.

As far as lifelong learning is concerned, it can be inferred that in some countries continuing education and training are not perceived as pillars of mobility, development and competitiveness but rather as a reaction to incidental exigencies. In these states, training is only formally considered relevant and is not supported by adequate systems. This implies that employers have a scarce propensity to invest in training activities, above all in periods of crisis, but prefer relying on informal learning. Indeed, on-the-job training is still widespread in all the countries examined, since it is less expensive than formal interventions and responds to the contingent needs of the employers. Yet, in most of the cases informal learning is still not officially certified or validated, therefore it is

not recognized as proper training but dispersed. As regards formal training, the systems analyzed suffer from significant limitations. First of all, they are influenced by diverging points of view of the various subjects involved, which impede the design and implementation of univocal long-term education and training strategies. Second, at the content level training activities are generally distant from the actual requirements of the labour market. In this respect, it is worth remarking that training is often of a mere theoretical character, especially in relation to high-profile workers like managers who rely principally on university and post-academic education. Third, participation in training programmes is frequently only formal and not sufficiently monitored. The scarce practical relevance attribute to training is even more evident in relation to managers. Indeed, as they often have a high level of education, managers do not perceived training as necessary for increasing their mobility opportunities. In some cases, they are even considered over qualified. This implies that they are generally not used to regard their own careers as personal project to be planned and developed by resorting also to means like competence assessment, counseling and training programmes. On the contrary, when they face redundancy, managers are more likely to resort to their own resources, such as personal networks.

With respect to the Social Partners, the research activities have underlined that they play a marginal role in the promotion, development and implementation of services oriented to flexicurity. Indeed, in all the cases examined the contribution of the Social Partners is restricted to the ambit of vocational training. In this regard, these actors undertake several initiatives and realized specific programmes, which anyway are characterized by two negative aspects. First, they are generally addressed to people already working in specific sectors. This implies that they focus almost exclusively on “insiders” of the labour market and do not pay sufficient attention to vulnerable groups such as long-term unemployed and migrants. Consequently, they contribute to labour market segmentation rather than combating it. Second, the Social Partners’ initiatives appear as “isolated”, in the sense that they are performed by the various organizations on an individual basis rather than jointly. This is due to diverging points of view and strategies that make the interaction between the Social Partners problematic. In this sense, the Italian joint inter-professional funds represent an innovative method to foster the cooperation between the Social Partners with the purpose of promoting training. In particular, Fondirigenti stands out since it poses the training of managers at the centre of a more widen approach providing for the combination of different actions devoted to the matching of demand and supply of managerial competences and positions. Clearly, Fondirigenti is in a peculiar situation because of its quite stable partnership, which is not to be taken for granted in other sectors and contexts. To play a greater role in the promotion and realization of integrated

services the Social Partners should overcome their divergences and start a dialogue also with the government.

## **A POSSIBLE NEW ORGANIZATIONAL MODEL**

### ***The Integrated Agency***

In the face of increasing demands on developing workers' skills to ensure employability and competitiveness of businesses - including in the achievement of the Lisbon objectives - there should be new organizational models from agencies that support companies and workers in various stages of their development paths.

In particular, a role can be played by organizations promoted by the Social Partners, for their ability to interpret the needs of enterprises and workers. With a view to the evolution of industrial relations towards the welfare to work, we need to investigate possible methods of organization, services provided and target of a new pattern for delivering training services, start to work and replacement, through support and development people and businesses, as well as outline the necessary legal and negotiation framework.

In this process, the management of public and private organizations, with his responsibility in development human capital, plays a fundamental role in managing change, promoting innovation and improving the labor market towards flexicurity.

Our research suggests that there is still an ample margin for integrating a new type of agency that can provide different kinds of services to individuals and firms with the activities of the various private and public subjects already active in the employment and development fields.

In particular, our research shows that an employment agency can be an effective tool for pursuing labour policy goals.

The subjects most interested in using such a tool are the Social Partners, since they are institutionally compelled to protect their associates either directly (through traditional activities) and indirectly (through the establishment of a functional labour market).

Our desk and field research show, for example, that employment agencies provide very segmented services, which almost exclusively consist of matching workforce supply and demand.

In particular, a very obvious shortcoming regards the lack of integration between welfare support policies and services that match labour supply and demand. Welfare support policies are not used in an integrated manner with regards to active policies and, most importantly, they are not targeted at

achieving the definitive re-employment of unemployed workers. This weakness is particularly evident in the public sector, including from a structural point of view.

There is thus a need to put together a series of integrated services that include the identification of training needs, the provision of training, and income support.

Employment agencies can thus become engines for development, since they no longer merely respond to the requests from the existing market, but they can also anticipate its needs and potentially even steer its future development.

The distinguishing feature of the agency is that it could offer an series of integrated services rather than, as is often the case, individual and isolated activities. Such a combination is possible thanks to two main structural elements of the services of the integrated agency: personalization and integration.

Personalization means providing a service that is “tailored” to the needs of each individual client (firm/manager); services integration means offering a sequence of multiple integrated actions as well as activating inter-organizational networks to support the provision of services.

**Table 2: Targets and services of the integrated agency**

TARGET	SERVICES	TYPE OF SERVICE	WHO PROVIDES IT
MANAGERS	Reception of unemployed manager	TRADITIONAL	AGENCY
	Job search		
	Guidance		
	<i>Counselling on competences</i>	INNOVATIVE	INTEGRATED AGENCY ALONE OR WITH OTHER ORGANIZATIONS
	Forward analysis of trends		
	Training		
	Professional communities		
Social buffers			
FIRMS	Contract with the firm	TRADITIONAL	AGENCY
	<i>Job analysis</i>		
	Search and Selection		
	Analysis of employment and training trends	INNOVATIVE	INTEGRATED AGENCY ALONE OR WITH OTHER ORGANIZATIONS
	Training		
	<i>Counselling on incentives and opportunities</i>		

The “core” activities of the Agency can be summarized concisely as follows: research on and analysis of trends; guidance and competence assessment; search and selection; training; income support; incentives for firms. These services are offered in an integrated way.

This means, firstly, that they are not provided one by one as automatic and isolated answers to the user’s request but rather as a package adapted each time to the specific needs of the beneficiary. Secondly, services integration means that each of the processes does not involve exclusively the agency but it includes also other actors who up till now were involved in giving answers to the exigencies of beneficiaries only sporadically. In fact, all services can be offered directly by the agency or with the support of other partners, according to the dimension and the complexity of the activities to be carried out and the competences to be activated.

This flexibility and ability to activate inter-organizational networks makes it possible to offer different services, both in the individual and the integrated form, and to contain management costs. It becomes essential to create national and local networks in advance, so these can then be activated with partners who have the same objectives, way of working, professionalism, instruments, methodologies, procedures, etc. In other words, the innovativeness of the agency lies above all in its ability to provide services at the integrated and sequential system level, that is to offer a sequence of different actions thus increasing the potential and the overall quality of the consultancy offered and the advantages for the client.

In essence, the various services of the integrated agency can be grouped into three macro areas that presuppose a high degree of integration: a) analysis, study and research on competences and the labour market; b) funding services for training plans shared by the parties and delivery (direct or indirect) of unemployment subsidies; c) matching of the supply and demand of managerial jobs.

Personalization and integration are aimed at two macro-categories of interlocutors: employers and all those who are involved in the labour market.

Just a few concrete examples of how the agency could function for natural persons/managers.

The agency can offer first-level basic services, in different manners according to the different contexts, to all those who turn to it: among the most widespread services, we find assessment, guidance and support for all job seekers. If users do not manage to find a job in this first phase, they then go on to receive the next types of services. It is with this type of activity that the characteristics of personalization and integration emerge most clearly. Let us take the case of competence assessment. At this stage, the client needs a detailed and tailored assessment since it is on the basis of this that it will be possible to recognize and identify the initiative to undertake in order to tackle

the specific situation (including training). It is obvious that if the agency does not have the professional competence needed to tailor its intervention, then assessment shall be done by experts who are outside the agency but are contacted by the latter. In any case, the agency offers an integrated service because it does not abandon the user in his/her search for the best supplier. On the other hand, for a number of reasons, including financial reasons, the agency may not necessarily have all the expertise needed for services that go beyond the initial contact and search in-house all the time. Therefore, just as the agency has to build up an ever better and updated network of contacts and information with employers, it must also do this with the bodies that are able to perform specific actions.

Let us now turn to other users, that is to say the employers. Traditionally, the first level of information requested by the employment agencies has to do with job opportunities determined by vacancies. However, contacts between the agency and employers have to do with a more general reflection on the adequacy of the competences present in the former given the market situation of the firm and the strategies it has defined. This allows the agencies to extend the range of services they can offer to include development and innovation as well as assessing needs and designing training plans (targeted at persons with jobs and persons who risk losing their job). It is useful to note that this allows the agency to contribute for preventing unemployment from rising (impacting on the potential job-seeking clients) and means that it corresponds to a large extent to the group of persons who risk losing their jobs and have already received adequate intervention.

### **The Functioning of the Agency in Periods of Development and Crisis**

In a positive situation with high rates of development and employment, the action of the integrated agency is aimed at pre-empting the needs for professional development in favour of workers and firms. Here, what is of fundamental importance is the service of research and analysis of trends constantly provided by the agency in collaboration with the Social Partners and the main research institutions present in the area concerned. Modalities and targets shall be shared with the Social Partners so the surveys are concrete and carried out with the direct involvement of firms and managers; whereas, partnerships for designing and implementing data collection, for interpreting the results and for their subsequent use for training shall be created with universities and training centres. Thanks to these analyses, which will be disseminated as broadly as possible, the agency will be able to provide information on future trends to firms, profiles of competences needed but not available on the labour market in the area to training institutions so they can deliver the proper training, and will also offer information to workers as regards the forward trends of the employment market to be taken into account when making future job choices.

On the basis of the results of the studies mentioned in the previous paragraph, businesses in the area receiving timely information from their association will be able to turn to the agency to activate a process of search and selection of staff to employ, and maybe also ask for information on any incentives and training activities that may be available. This would permit the agency to respond to these needs of companies with a single integrated action. As first step, it would offer each firm a consultancy service based on the profile needed in order to better meet its business exigencies. When providing this service, the agency can activate synergies with networks of certified professionals with proven experience in various fields. After having provided this first support, the agency would invite the firm to record its request in the on-line database so it can check the availability of these figures in real time in the CV database activated by that same agency (which can list among its skills the fact that it took part in re-motivation and re-qualification initiatives created by the very same agency, which triggered entitlement to the income subsidies laid down in the institutive bilateral agreement) or in databases belonging to public and private organizations, which are linked to the agency's one.

When providing the profiles of the selected candidates, the agency can also offer the firm information on incentives that can be activated for the recruitment of qualified staff with specific characteristics and supply it with the necessary support to obtain the incentive from the competent authorities. Once the profile has been identified, the firm may request information on possible training opportunities to be activated in order to complete/update the competency of the worker to match the job requested (a similar need may be voiced by a worker present in the database, who intends to answer the vacancy viewed on the online platform). The agency may respond to this request directly by activating a competence assessment of the selected candidate in order to identify possible training gaps to be addressed.

At this point, the Social Partners or other actors in the area (e.g., consultancy firms, training bodies) would intervene to interpret the indications coming from the analyses made available by the agency to draw up and come to agreements on training plans able to meet the needs. Then, the agency would offer the firm the possibility to take part in a territorial training plan for that professional figure. Alternatively, the company may present a training plan for a given figure or activate resources and funding through a voucher aimed at the manager concerned. Still, the agency may help the enterprise to identify high quality training bodies to whom it could send a request for integrated training in order to meet specific needs.

The agency's action would not end there; it may include a series of services to monitor and assess the results of the training after that the manager has been recruited by the firm, so that it realizes the advantages of having turned to a single integrated services provider. The agency can offer the

manager a continuous service of information on the training activities activated in his/her area and quarterly reports on the main labour market trends; it may also offer him/her the possibility to remain in contact with colleagues thanks to the website community. In addition, it provides on-line services such as on-line competence assessment and search for further job opportunities for his/her professional future. The agency also supplies firms and persons with continuous information on all available incentives and investments for innovation by working in synergy with other local development actors (e.g., associations, chambers of commerce, regional finance companies, etc.).

Now, let us turn to study the role of the agency in crisis situations. In this scenario, it is possible to imagine that companies and managers turn to the agency for support services able to make the crisis less of a burden for the community and for individuals and also to identify innovative professional and business situations and opportunities. As for businesses, they could ask the agency to activate a series of tailored services to retrain managers who risk losing their job or even outplacement. The agency will find financial aid to fund training plans with these objectives, as well as all the preliminary activities linked to maintaining and transforming managerial competency (e.g., assessment, re-motivating, etc.).

Once a manager who risks losing his/her job or is unemployed is recorded in the agency's database, he/she will receive these training and individual counseling services and will be entitled to the subsidy provided. This benefit will be paid to the manager so long as he/she is recorded in the databank and follows a professional development plan aimed at a new job. This development plan will be focused to a large extent on the specific competence, experiences and professionalism of the individual who will become a member of the community that will constantly offer training plans and competence checkups aimed not only at finding a new job as a manager but also at creating new business initiatives.

In particular, the agency may also help the manager to devise and design his/her own business idea, may train him/her to embark upon new self-employment professional paths (not only as an entrepreneur but also as a consultant or lecturer for example) possibly with other managers who are members of the community (incubators). The agency may also help these managers benefit from company start-up incentives granted by public and private bodies in the area. Furthermore, the agency can communicate the profiles of the managers in the databank to the firms interested in employing suitably trained and motivated managerial staff, and offer them information on the incentives available upon recruitment.

## **The Organizational Structure: an Overall Picture**

The most important trait of the organizational structure of the Agency, in line with its mission, shall be that it uses the logics of internal and external integration and focuses heavily on enhancing the territorial dimension and the role of the Social Partners. In particular, in the case of the integrated services Agency, the organizational model must be based on certain salient characteristics, able to typify this operator's activity in such a way as to make it stand out among others. The organizational model should not replicate the typical structure of public and private subjects already on the market but it should be structured in such a way as to enhance its bilateral nature.

Therefore, this pattern should not be based on traditional organizational units (human resources, general management, etc.) but it should envisage the presence of figures whose task is, for each service process delivered, to enhance the structures of the Social Partners already on the territory, and utilize all those able to help it to carry out its activity. Indeed, the Social Partners already provide services that, when taken one by one, run the risk of having limited effectiveness (just think about the bilaterally agreed social buffers, training activities, etc.).

The Agency's flexible organizational model should be aimed at leading these services back into a network logic, including the network of operators, the network of services and the network of users. This would allow the integrated agency to supply services that are consistent with its institutional aim, which, as we have seen, is to foster the development of persons and businesses. The various segments of service that the agency offers must be coordinated by someone ("head of service") who has specific experience in this field and who will have the task of organizing and linking together the service structures that already exist. The head of service should therefore "link together" the various segments of activity already carried out by the Social Partners or other public and private bodies; the added value of this activity consists in networking the existing services that will no longer be managed individually, but rather will become segments of broader services.

The organizational structure of the agency presupposes favouring strongly the territorial and the decentralization dimension. It is therefore necessary to identify a limited range of activities as well as strategic, general coordination and guidance functions that will be kept at central level (national) and then allocate the more operational and service functions to the territorial level and the various agencies. Here, the IT network of the agency is of fundamental importance both from the internal organization point of view, to manage the flows of information and the services with the territorial layout, and from the point of view of relations with firms and managers and external relations with other bodies and institutions.

Another element that marks the integrated agency model is the central nature of inter-organizational relations. Here, we must recall that the peculiarity of the integrated agency model we are proposing

is based on the principles of a network organization that combine effectiveness and managerial efficiency. Basing an organization on the network logic makes it possible to set ambitious objectives, targets and services without necessarily having to make the structure overly cumbersome, thus working in a context that is traditionally on the borderline between pure market logics and purely public logics, fully in line with the associative spirit that denotes the action of the members who promote the agency itself.

We have already said that the optimal integrated services Agency should have a bilateral origin and entail the active participation of the Social Partners. The logical consequence of this is that the members of the agency should stem from the organizations that represent the enterprises and workers of a specific field (or specific workers, e.g., managers); this composition should therefore go hand in hand with a governance system based very much on equal representation of members in the governing bodies of the agency.

The efficacy of the action of the integrated agency will be determined by the quality of the web of relations that it will succeed in developing with the main public and private reference actors, both at central and territorial level. In particular, we are referring to the agency's relations with:

- ✓ the Social Partners: both in the governance system and in the various territories for activity planning but also promotion and to develop services;
- ✓ central and peripheral public administration: over and above those resulting from control and reporting obligations imposed by law and relating to ministerial authorizations, further cooperation possibilities will be explored, especially at the planning and the assessment of results stages;
- ✓ other public and private bodies and organizations: contacts to be struck up with regional finance companies, employment agencies etc. with possible synergies for the various types of service envisaged.

### ***Partners Comparative Evaluation***

The proposal of an integrated Agency has been discussed in occasion of national focus groups in order to verify if this model could be realized in other countries than Italy.

As concerning the integration between active and passive policies for welfare to work, Partners underline the need to integrate instruments for the support to managers with active labour market policies. It has been stressed the necessity of linking the promotion of training to more general

counseling functions and to a system of support to companies, especially to those that are experiencing problems.

They agree that a collaboration and interdependence between training and employment services throughout Europe would lead to a more efficient and effective labour market, with higher performance indicators and a decrease in the levels of unemployment. An integration between the two would enable the matching of demand and supply of skills and competences, since employment services would be informed on the labor available (in particularly the skills and competences of the labor force), integrating the needs of training and education and therefore leading to a better skilled workforce depending on specific exigencies.

In Greece during the last few years, a number of pilot projects had been undertaken to match training providers with employment services or employee's organizations. Analysis and evaluation of these projects revealed, that these efforts had been successful in a large number of cases. This experience could be transferred to new projects and further more to support the establishment of a relevant framework. The core concept was that no training project proposal should be funded unless the training provider presents a concrete proposal of trainee's employment after the training period. It means that the training provider should arrange for a placement with different organizations (public or private sector) who have agreed to offer job placements to certain trainees.

One of the condition that partners think absolutely necessary is that the Agency works closely and together with local authorities, governments and public and private employment and labor agencies. The Social Partners should have a strong involvement in managing the Agency.

Collaboration of all stakeholders would lead to policy making that would take into consideration all groups and would therefore receive acceptance by the overall public and institutions involved in the process.

As regards the main role of the Agency, Partners think that this organization should not try to do the actual training job or market research job themselves, but should function as a coordinator and an enabler of activities that already exist but currently are disconnected.

It should bring greater coherence, consistency and coordination to the way employment services are provided nowadays.

The Agency's mission should include the provision of advice on good employment practices and assistance with the development and implementation of employment policies and services. It should also propose and elaborate training programmes.

Partners agree that the agency should work as an extension to existing institutions (as for example the National Employment Agency) but focused on managers and entrepreneurs.

The existing offices for promoting employment should enlarge responsibilities and should be brought under the coordination of local or regional partnership committees.

In Romania's point of view, the Agency should be half public and half private but independent of government. The coordination of the Agency should be determined by a Board consisting of a Chairman and other members appointed by the Minister of Labour. Members of the Agency's Board must be appointed on the basis of their knowledge of and experience in employment relations. The Board should comprise members from employers' organizations, trade unions or those who have a relevant academic or employment law background.

It has been underlined that the coordination of a wide range of subjects implies difficulties in governance, that is to say in the managing of multiple relations. It has been stressed that the personalization of services can be not only costly but also difficult to achieve. Furthermore in Italy there are "borders" between public and private activities and these borders should be eroded but maintained. As a consequence, it can be inferred that the feasibility of the integration of services is not much hampered by the existing employment legislation but by a problem of different spheres of competences of the public and private sectors. Another factor that can be a hindrance to the feasibility of integration of services refers to the divergences existing between the Social Partners. These actors represent different interests and, therefore, their cooperation is affected by the dissimilarity of points of view that usually characterize the industrial relations system. In this regard, all Partners have expressed the exigency of recovering the dialogue between institutions and the Social Partners and overcoming the divergences between the Social Partners themselves.

Considering the demanding process and the objective obstacles, it would be preferable to start with a working group and a pilot project to put the agenda of the subjects been discussed, clarify a road map towards integrated actions and after that, if necessary, to establish the integrated agency. The experience gained could be transferred to other regions, and then at the national level. This experimental project should be characterized by:

- ✓ internal monitoring and evaluation of the results achieved;
- ✓ innovative and more dynamic training programmes and activities;
- ✓ adjustments in regulation in order to ensure a form of standardization;
- ✓ public sector responsibilities with the purpose of assuring safeguard.

## FINAL REMARKS A reflection at the European level

The results of the various phases of the investigation (desk analysis, field activities and the European benchmark) were presented and discussed during the final conference, held in Brussels on the 21st of October 2011.

This event was characterized by the intervention of high level representatives of all the partners involved in the project, of the Social Partners at the European level and of the European Social Fund (ESF). More specifically, the participants were the following:

- ✓ Renato Cuselli, *President Fondirigenti*
- ✓ Giorgio Usai, *Vicepresident Fondirigenti*
- ✓ Pietro Fiorentino, *Director Fondirigenti*
- ✓ Oana Bara, *Projects Department Coordinator CNIPMMR*
- ✓ Siegfried Aikman, *Programme manager UWV Mobility Centre*
- ✓ Herman Claus, *President CNC-NCK*
- ✓ Yannis Kalivas, *Head of the EU Affairs Department HMA*
- ✓ Georges Liarokapis, *President CEC-European Managers*
- ✓ Steven D'Haeseleer, *Social Affairs Director Business Europe*
- ✓ Jader Canè, *Deputy Head of Unit ESF European Commission*

The closing meeting gave the possibility to extend the reflection on flexicurity issues and the role of the Social Partners in the provision of integrated services for the development of managers and companies.

Indeed, such a moment of exchange of experiences and opinions was enriched by the interventions given by representatives of the Social Partners at the European level, that is to say CEC-European Managers and Business Europe, and of the ESF.

These contributions focused on three main issues:

- ✓ the concept of flexicurity;
- ✓ the problems related to training;
- ✓ the role of the Social Partners, both at national and at the European level.

As regards the first topic, the various interventions were aimed at clarifying the principle of flexicurity itself and its implications for both enterprises and workers. What emerged is that this concept shall be understood as the attempt to overcome the traditional dichotomy between flexibility and security, according to which the former would only benefit employers while the latter would be advantageous for employees. By combining flexibility and security, the idea of flexicurity tries to reconcile the alleged diverging interests of companies and workers. Enterprises are surely interested in the flexibility of the environment in which they operate but, at the same time, they also need security consisting of having a skilled and highly competitive workforce at their disposal. Similarly, workers are obviously concerned about security, in the form of unemployment and income protection, but many of them are also interested in the possibility to move freely and voluntarily around the labour market to meet their specific exigencies.

Despite the theoretical combination of employers' and workers' preferences, the concept of flexicurity is not easily and equally applicable across Europe because it deals with different perceptions of risk and the willingness to get in risky situations. More specifically, the implementation of flexicurity has to do with the extent to which the workforce is prepared to renounce part of security to meet the flexibility requirements of the market and, on the other hand, it deals with the extent to which employers can finance security to get more flexibility out of workers. Bearing in mind this peculiarity, what it is important to consider for implementing flexicurity is to assured that it will establish a win-win situation; in other words, it shall allow companies to cut costs and improve competitiveness while it favours the creation of jobs. Achieving this kind of win-win situation would have more general positive repercussions. For instance, it would mitigate the rigidity of the labour market and increase the levels of mobility. In addition, it would imply the getting out of the crisis and the improvement of the sustainability of public finances. In this regard, it is noteworthy that if a reform succeeds in getting more people into the labour market it will contribute to the widening of the tax basis and therefore it will help to restore the credibility of public finances and to increase the amount of public resources to be devoted to further flexicurity measures.

With respect to the present training systems, there is one fundamental problem highlighted in each intervention: it is the so-called *skills mismatch*, that is to say the lack of correspondence between the competences of workers and those effectively required by the market. This means that the training systems of the majority of the EU countries provide young people and workers with skills that are often completely irrelevant for the labour situations they are supposed to face; in other terms, they are not able to produce the skilled workforce that enterprises need.

The skills mismatch implies negative effects on both sides of the labour relations. On the one hand, it affects the transitions from training to work as regards young people and the adaptability and employability of workers in general. On the other hand, it has repercussions either on the competitiveness of companies, whose major source of competitive advantage nowadays is to invest in human capital, and on the whole society, because, as stated above, improving workers' employability means reducing unemployment and consequently enlarging the tax basis.

For these reasons, the representatives of the European Social Partners and of the ESF agree on the need to make efforts with the purpose of facilitating the matching of the supply and demand of competences. In order to make workers' skills more responsive to the market's requirements, more resources should be invested, for example, in the needs analysis, that is to say in those practices that allow to identify companies' exigencies and to design training programmes accordingly. This kind of measures can constitute a fundamental contribution to the harmonic development of an economy and to the increase in productivity and competitiveness.

As far as the Social Partners are concerned, there was a common agreement on what shall be their role in the reform of European labour markets. Notwithstanding the main responsibility of national and EU institutions for promoting reform programmes across Europe, the Social Partners are considered placed in a privileged position to identify the exigencies of both companies and workers. Consequently, their peculiar nature and their functions as promoters of employers' and employees' interests confer them a crucial role in encouraging a shift towards policies and measures oriented to flexicurity at various levels: local, sectoral, national and European.

In particular, the Social Partners are regarded as responsible for negotiating economically viable solutions by means of the collective bargaining processes through which they agree upon wage and working conditions. In addition, it was stressed the importance that the Social Partners accompany and develop initiatives aimed at creating new jobs and offering opportunities for replacement to people expelled from the labour market. In this sense, the intervention of these actors become fundamental insofar as they are able to make up for the aforesaid skill mismatch and favour a better matching of demand and supply of competences. Hence, the Social Partners should be directly involved in needs analysis processes and in the elaboration and realization of training and employment services.

Interestingly enough, the role of the Social Partners is regarded as crucial for the channeling of specific instances and issues related to the labour market either to national and EU institutions. In this respect, it was underlined that the successful negotiations between the Social Partners can contribute to break the political deadlock that arises, especially at the European level, with reference

to the debate on flexicurity and its implications on companies, workers and public finances. As a result, if they reach an agreement on how to reform labour markets, the Social Partners can exert a noteworthy influence on national and EU authorities for the adoption of policies oriented to flexicurity.

## **ANNEXES**

1. F.I.S. Flexicurity integrated services - Desk Analysis in Italy
2. F.I.S. Flexicurity integrated services - Desk Analysis in Romania
3. F.I.S. Flexicurity integrated services - Desk Analysis in Greece
4. F.I.S. Flexicurity integrated services - Desk Analysis in Belgium
5. F.I.S. Flexicurity integrated services - Desk Analysis in the Netherlands