Malta-EU Steering & Action Committee

EMCO reports on Flexicurity indicators

OVERVIEW

The concept of flexicurity, combining the principles of flexibility and security on the labour market, stems from developments related to globalisation and technological progress and the consequential need to adapt faster at the level of both workers and enterprises.

Company restructurings are increasingly common, thus the need for constant renewing of skills has become more evident. New kinds of security (as opposed to jobs for life) are required to help citizens remain in employment, and these must inadvertently go beyond the specific job and ensure safe transitions into new employment.

As a concept it is seen as crucial to both maintain and improve competitiveness whilst preserving the European social model. The basic principles behind the flexicurity approach are very much in line with the central elements of the EU strategy for growth and jobs. The revised Lisbon Strategy is aimed at promoting an active response to the challenge of globalisation.

Flexicurity encompasses four main elements:

- Contractual arrangements
- Life-long learning
- Active labour market policies
- Modern social security systems

Playing a vital part of the EU's policy response to the economic crisis, on 24 June the EU's Employment Committee (EMCO) approved a report showing how flexicurity policies can be monitored. The report highlights a series of indicators that provide a basis for analysing flexicurity policies in each Member State.

The reports contain data on Member States, using various indicators outlined focusing on input, process and output. These indicators are further explained:

• Input indicators for the flexicurity components are quantitative assessments of rules and regulations, for example concerning benefit coverage or provision of services. Indices have been developed to describe the rules and regulations of some policy areas but they must be interpreted with caution since some relevant information will always be excluded from such a numerical value. Provision of financial resources, for example public expenditure, is seen as an input indicator even though it does not include the aspect of effectiveness.

• Process indicators for the flexicurity components are the shares of particular groups of persons affected by or participating in policy measures. Indicators will show and measure the extent to which policy measures are being implemented.

• Output indicators should be identified for the four components. Flexicurity principle number five points out that upward mobility needs to be facilitated as well as between unemployment or inactivity and work and indicators related to labour market dynamics can be used to monitor/ analyse mobility. Indicators drawing from longitudinal surveys would be better than those from cross-sectional surveys.

The report provides a detailed list of indicators including definitions for each.