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Flexicurity, Flexigurança, Evasfaleia... Different perceptions through major European newspapers

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Introduction

Discourse has largely been neglected until relatively recently by the policy studies, social and political science and economics when studying policy making. However, discourse as an analytical framework is quite helpful, if not enlightening, when studying the politics of economic adjustment and, therefore, the introduction and implementation of reforms.

The transition to post industrialism has generated a range of new tensions between welfare state and labour market performance, challenging the reform capacity of countries around the globe. The EU promotes employment friendly reforms, activation and work-family conciliation within the context of a flexicurity approach.

The aim of this paper is to present the flexicurity discourse as it unfolds in European quality press columns, through which the need and appropriateness, namely the legitimization of the reform is communicated to the public. In the first section, I discuss the importance of discourse to (reform driven) change. The second section is dedicated to the short history of flexicurity and the particular importance of discourse in the context of flexicurity. The third section is an attempt to outline the flexicurity discourse in three EU member states with no corporatist tradition, namely Greece, Portugal and the UK as it unfolds in quality press columns. The enumeration of the launched reforms towards flexicurity in the three member states follows.

1. Discourse and Reforms

Discourse has largely been neglected until relatively recently by the policy studies, social and political science and economics when studying policy making. The

growing dissatisfaction with the limitation of existent theories and more precisely the rationalist mainstream of policy analysis has turned attention to language and led to the appreciation of the central importance of discourse for policy analysis, offering new possibilities (of analysis and explanation of inertia and progress through change) to the study of the political process.

G. Majone's "Evidence, Argument and Persuasion in the Policy Process" (1989) contributed greatly to this direction and shed light to the important role of rhetoric and argumentation in the policy process and change. During the '90s and henceforth, the relative literature was further extended (see, among others, Throgmorton 1991, Fischer and Forester 1993, Hajer 1995, Gottweis 1998, Dryzek 2000, Campbell and Pedersen 2001, Kjaer and Pedersen 2001, Schmidt 2000, 2002a and b, 2006 and 2008). Although there are various approaches with their own specific priorities, focus and objectives (rhetoric, literary criticism, post-structuralism, democratic theory, new institutionalism), discourse has already stepped to the fore to make a significant contribution to the way policy making is studied, as an analytical framework and a methodological tool filling the gap left by existent research practice and analysis.

Discourse as an analytical framework is quite helpful, if not enlightening, when studying the politics of economic adjustment and, therefore, the introduction and implementation of reforms, mainly the reform of well-established and historically formed institutions (e.g. welfare state and labour market reforms)(Schmidt 2002a, b and 2005). Institutionalism or better, new institutionalism provides different approaches to explain and analyze political reality focusing on the importance of institutions. Rational choice, historical and sociological institutionalisms attempting to interpret political action through institutions differ on the one hand, in terms of the object under study: a) rational actors' behavior, b) institutional structures and practices and c) culture and on the other hand, in terms of the explanatory logic: a) economic interest, b) path-dependency and c) appropriateness. The explanatory dynamic of the aforementioned institutionalisms, however, is finite, because of their static nature. They fail to explain change, i.e. reform driven institutional change.

The forces of globalization and Europeanization have, indeed, generated huge changing processes in the fields of economy, institutions and ideas. Countries responses to the rapid change of economic environment and the technological developments though, vary greatly. The reason is, obviously, the state of the economy (relative vulnerability and soundness), the capacity of the established (economic and labour market) institutional structures and the certain policy initiatives introduced. Nevertheless, to promote much needed reforms and successfully implement them, governments are bound to the dynamics of political interaction. The relevant policy actors and the public should be convinced to agree on the forthcoming reform initiatives. In every reform, but especially, when the narrow interests of large groups of the electorate are affected (e.g. labour market and welfare state reform), governments face difficult task ahead in their effort to persuade the public and keep the electoral majority on their side. And the only powerful weapon available to governments in democratic polities is discourse.

V. Schmidt adds a fourth new institutionalism approach "discursive institutionalism". Discursive institutionalism focuses on the substantive content of ideas and on the interactive process of discourse that serves to generate those ideas and communicate

them to the public (Schmidt 2000, 2001, 2002a and b, 2005, 2006a and b and especially 2008, Radaelli and Schmidt 2004). This new approach may, indeed, provide a better view of political reality, insights into the dynamic of change and explanatory evidence for the promotion of reforms and the success or fail of their implementation process. Discourse defined as whatever policy actors say to each other and to the public in their efforts to generate and legitimize a policy programme, encompasses a set of policy ideas and an interactive process of policy construction and communication (Schmidt 2002b, p. 210, 2008). It provides policy actors with a common language and ideational framework through which they construct together a policy programme and agree to proceed to its implementation (coordinative function of discourse). Then, remains the public to be persuaded that the programme developed at the coordinative phase is necessary and appropriate (communicative function of discourse). So through discourse, it is revealed to us how governments manage to gain agreement for change (i.e. reforms) in policies and thereby overcome entrenched interests and well embedded rights, historically established static and obsolete institutional structures and cultural obstacles to change. Discourse sheds light on how some governments altered successfully long established policy legacies against cultural values and historically established policy preferences, even though, they challenged national values and the narrow defined interests of large groups of the population (Schmidt 1997a, b and c, 2001a, 2002a and 2005, 2008).

Discourse has its own significant role as an ideational and interactive component of (reform driven) change. Policy actors, through discourse, create an interactive consensus for change depending on the way they communicate to the general public and the social partners on the one hand the need to proceed to reforms and on the other hand the appropriateness of the proposed reforms (i.e. logic and necessity of the reform programme). Moreover, discourse is not only considered as a means to generate change introducing reforms responding to the challenges of globalization and Europeanisation, but also to legitimize them, as change occurs, or is, usually, formed from the top down. Furthermore, in democratic polities, governments have to make legitimate decisions or at least present them as such, for reelection is (among) their main concern. More precisely, discourse has a cognitive and a normative function, on the one hand to define the purpose and the objectives of the reform initiative offering specific solutions and the policy instruments to implement them successfully and on the other hand to define the political goals and ideals that are related to the historically formed or emerging national values and therefore appeal to the public (Schmidt 2005, 2006a and b, 2008).

The transition to post industrialism has generated a range of new tensions between welfare state and labour market performance, challenging the reform capacity of countries around the globe. The EU promotes employment friendly reforms, activation and work-family conciliation within the context of a flexicurity model. The next section presents the short history of flexicurity and discusses the importance of discourse within the specific context of a flexicurity model.

2. The Flexibility – Security Discourse

2.1 The short history of flexicurity

Labour markets come often upon severe changes of the world economy. In recent years, globalization has intensified the competitive pressure and increased the pace of structural change in many economies. The rapid development and introduction of new technologies equally changes the produced products and the supplied services. Both workers and enterprises need to meet the exigencies of the current challenging times showing the required **flexibility**. Enterprises, on the one hand, by focusing on the design and the production of innovative products and the supply of optimal services. Workers, on the other hand, are called on to make the best of the contemporary circumstances by the continuous upgrade of their qualifications and their readiness and adaptability to the forthcoming changes.

In continental Europe, the welfare state is of major importance, an instrument for accomplishing the desirable social cohesion and an expression of solidarity (European values). The welfare state should offer essential protection throughout the employees' working life, assure the necessary income **security** in order to obtain the requisite qualifications to confront the new challenges, help them remain inside the labour market, and balance career and familial and social responsibilities.

The EU (European Employment Strategy, Guideline 21, Kok Report, 2004) premises a congruent combination of flexibility and security (of enterprises and employees) in the labour market as an adequate model, a policy option, capable of achieving the objective of the Lisbon Strategy: making the EU 'the world's most competitive and dynamic knowledge-based economy'. The relaunched Lisbon Strategy (2005) focuses on the economic development, production and competitiveness of European economies, jointly and severally, though, with the greater social cohesion. Its aim is double, on the one hand the promotion of sustainable development, on the other hand the creation of more and better jobs. The EU promotes a flexible labour market organisation along with a minimum desirable level of security for the employees. The right balance between flexibility and security is defined by and depends on the particularities of the member states' labour market and the preferences of the social partners.

The concept of **flexicurity** (a lingual product of modern coinage, a portmanteau of flexibility and security) was first coined in the Netherlands in the mid 90's. The Netherlands had a restrictive dismissal system of permanent workers, which led enterprises to hire temporary workers on fixed-term contracts. Temporary workers enjoyed low levels of social and employment security compared to permanent workers. The aim of the 1999 labour law reform, the "Flexibility and Security Act" was to correct the imbalance of the created dual labour market, namely the inflexible main labour market and an increasingly growing insecure labour market (Wilthagen and Tros 2004). Flexicurity is based on the idea that both dimensions, flexibility and security, not only are not contradictory, but rather mutually supportive, especially in the new reality of globalisation (Commission EC, Employment in Europe 2006).

Since flexicurity is a relatively new term, the related bibliography is limited and consequently there is no single definition of the concept universally accepted. However, there are two main, partly overlapping, definitions. According to Wilthagen and Rogowski (2002), flexicurity is a policy strategy that aims to enhance labour market, labour relations and work organisation flexibility (labour mobility, fixed-term contracts) on the one hand, and employment and income security, in particular of the

sensitive social groups that are located at the margin of labour market on the other hand.¹

The second one, as noted by Wilthagen *et al.* (2003 and 2004), is a more comprehensive definition and applies, mainly, to the (most successful in terms of labour market performance) flexicurity model developed in Denmark. Flexicurity is defined as a degree of job, employment and income security that strengthens the labour market position of sensitive social groups (unskilled, young and older employees, women, immigrants, minorities etc.) and promotes high labour market participation and social inclusion, providing at the same time numerical, functional and wage flexibility that facilitates the in time adjustment of labour markets to the rapid pace of the challenging global changes, upgrading productivity and, therefore, increasing competitiveness.²

The central characteristic of flexicurity is the deregulation of employment protection legislation (e.g. low level of dismissal protection). It is based, however, on a generous Nordic style welfare regime of high social security (relatively high unemployment benefit levels), the activation of unemployed whilst searching of a new job and the facilitation of a successful quest (upgrade and modernisation of skills) through the active labour market policies (ALMPs) and the continuous and lifelong learning programmes aiming first of all at the unemployed and secondly at the already employed (Plougmann and Madsen 2002).

Flexicurity is first coined in an official EU document in the 1997 Commission's Green paper "Partnership for a New Organisation of Work", where was stated that the right balance between flexibility and security should be the main issue to preoccupy the labour market agents, social partners and policy makers. From 2000 and hereafter the discourse on the accomplishment of the optimal balance between flexibility and security keeps on, however with no specific policy measures and guidelines to be followed in the context of European Employment Strategy (EES) and Lisbon Strategy until 2006.

The Brussels European Council (March 2006) calls on member states *to direct special attention to the key challenge of "Flexicurity" (balancing flexibility and security)* and invites them *to pursue in accordance with their individual labour market situations, reforms in labour market and social policies under an integrated flexicurity approach, adequately adapted to specific institutional environments and taking into account labour market segmentation.*³

The 2006 Green paper "Modernising Labour Law to meet the Challenges of the 21st Century" (22.11.2006 Com (2006) 708 final) aimed at launching a public debate on how labour law can evolve to support the Lisbon Strategy's objective of achieving sustainable growth with more and better jobs in a constantly changing environment. The Green paper brings forth the important role the policy choice of flexicurity should play in the successful creation of a sound up-to-date and competitive knowledge

¹ This first definition applies, mainly, to the Netherlands.

² For different definitions of the concept of flexicurity see Klammer (2004), Keller and Seifert (2004), Madsen (2006) and Eamets and Paas (2007).

³ For the full text see Council of the European Union, Presidency Conclusions 7775/1/2006 REV 1.

based economy, whose inclusive labour market would facilitate the integration of sensitive social groups.

The Commission, member states and social partners jointly explored the development of a set of common principles on flexicurity in an attempt to achieve *more open and responsive labour markets and more productive workplaces*. In July 2007 the Commission's publication "Towards Common Principles of Flexicurity: More and better jobs through flexibility and security" defines flexicurity as *an integrated strategy to enhance, at the same time, flexibility and security in the labour market*. The Commission and the member states have reached a consensus that flexicurity policies can be designed and implemented across four policy components: a) flexible and reliable contractual arrangements, b) comprehensive lifelong learning, c) effective ALMPs and d) modern social security systems. All these four elements combined shall improve total and of sensitive labour market groups employment, at-risk-of-poverty rates and human capital.

The 2008 Brussels European Council underlines that flexicurity helps both the employees and employers to seize the opportunities globalisation offers. Furthermore, since *flexibility and security are mutually reinforcing through out the lifelong circle, intergenerational solidarity should be considered within all four components of flexicurity*.⁴

The Commissions clearly states that social dialogue among the relevant stakeholders is of key importance to the development of a comprehensive flexicurity policy. It may lead to the adoption of an adequate national integrated flexicurity strategy that would be accepted by policy actors and the public, if it succeeds to promote consensus building (Commission EC 2007). The importance of discourse within the context of a flexicurity model is discussed to the following section.

Box 1 The Flexibility-Security Nexus

There are four different types of flexibility according to Atkinson (1984): a) External numerical flexibility, b) Internal numerical flexibility, c) Functional (organisational) flexibility and d) Financial (wage) flexibility.

External numerical flexibility refers to the freedom of enterprises to adjust employment to product demand fluctuation. It is largely defined by institutional factors, namely the institutional framework of a labour market. In other words, the relaxation of employment protection legislation facilitates the external numerical flexibility that is to say easing hiring and firing regulations, adjusting the number of employees to the enterprise needs.

Internal numerical flexibility or working time flexibility refers to the freedom of enterprises to adjust working hours and schedules according to their work-load. It includes part-time, flexi-time (flexible working hours/ shifts, i.e. night or weekend), working time accounts and leaves such as parental leave or overtime.

⁴ For the full text see Council of the European Union, Presidency Conclusions 7652/1/08 REV 1.

Functional flexibility refers to the extent employees can be transferred to different activities and tasks within an enterprise. It has to do with organization of operation, management and workers training. It can also be achieved by outsourcing activities.

Wage flexibility is related to wage adjustment to altering labour market conditions, namely to what extent pay and other employment costs reflect labour supply and demand. A non-centralised wage bargaining system in which wage levels are not decided collectively and there are differences between the wages of workers, increases the flexibility of employment cost for enterprises.

Labour market security for the employees, on the other hand, has a four dimensional content: a) Job security, b) Employment security, c) Income security and d) Combination security (Wilthagen *et al.* 2003, Andersen and Mailand 2005).

Job security refers to the possibility of keeping a job with the same employer. It is related to the degree of external numerical flexibility. Employment security is dissociated from individual job security since it has to do with the ability of being not only in the labour market but also continuously in employment during the entire working life. Continuing, further education and life-long training systems are important contributors to employment security enhancement. They guarantee that the workforce obtains much needed up-to-date qualifications. Active labour market policies also contribute to ensure the reemployment of the currently unemployed workforce.

Income security is ensured by a generous social security system serving as a protection net against unemployment. In other words, it is related to income maintenance, when paid employment ceases (i.e. high unemployment benefits replacement rate), in order unemployed to be able to keep their standard of living.

Combination security allows employees to combine paid employment with other forms of civic activities and obligations (family life and social responsibilities, education *etc.*). A flexible organized labour market offers employees the right to temporarily suspend their working life (i.e. maternity, educational and sabbatical leave schemes) and then return afresh to ordinary employment.

2.2 Discourse and Flexicurity

Due to its outstanding success, the Nordic flexicurity model, especially the Danish combination of a flexible labour market and high social security⁵, has been cited by OECD as a role model for other European countries (OECD, 2004, chapter 2). The EU (European Employment Strategy, Guideline 21, Kok Report, 2004) premises a congruent combination of flexibility and security (of enterprises and employees) in the labour market as an adequate model capable of achieving the objective of the Lisbon Strategy: making the EU ‘the world’s most competitive and dynamic knowledge-based economy’. Discourse could play an important role to the promotion of integrated flexicurity policies. Through social dialogue the state, the social partners and other stakeholders negotiate and (hopefully) agree upon the adequate combination of flexibility for the enterprises and security for the employees in the particular labour market of each and every member state (for the central role of social dialogue to Danish flexicurity model see among others Wilthagen and Tros 2004, Andersen and

⁵ In connection with EU’s employment strategy, and in individual EU countries such as Germany and France, Denmark has been used as a textbook example of how a member country can combine a dynamic economy, high employment and social security.

Mailand 2005, Bredgaard *et al.* 2005, Keune and Jepsen 2007). Nevertheless, problems differ among member states as also do public preferences, due to different culture, history and institutional structures (see among others Algan and Cahuc 2006, Zingales *et al.* 2006).

The concept of flexicurity rests on the assumption that flexibility and security are not contradictory, but complementary and even mutually supportive. Flexicurity denotes an optimal configuration of flexible labour market legislation and secure social protection. But how much and which combination of flexibility and security is desirable and therefore accepted in the specific labour market of a member state? Social dialogue, in the context of industrial relations, is the key tool for carrying out the main objective of modernising the European social model ensuring greater (more desirable) social protection for workers, while at the same time allows the competitiveness of the labour market to increase in light of globalisation (the well-known combined aim synthesised in the neologism “flexicurity”) (European Foundation for the Improvement of Living and Working Conditions 2007, Commission EC 2007).

The 2006 Spring European Council (European Council 23/24 March Presidency Conclusions, No 31) stressed the need for more comprehensive policies in order to improve the adaptability of markets and enterprises. It made clear, though, that member states should launch reforms in labour market and social policies under an integrated flexicurity approach in accordance with their individual labour market institutions, their specific institutional environments. As the interim report from the Flexicurity Expert Group (2007) underlines, one of the main components of flexicurity is supportive and productive social dialogue between employees and employers, the social partners and the latter and the state, crucial factor for introducing comprehensive flexicurity policies.

Flexicurity may even be understood as a reinterpretation of the one hundred year tradition of social dialogue of the Nordic (corporatist) countries, where labour and capital do not operate antagonistically, but rather collaborate. But what about those non corporatist member states, where such a tradition is not well embedded and the relation between employers and the trade unions have historically been much more confrontational, the Mediterranean member states for example or the UK, where by the late 20th century, after both a hostile economic environment and hostile governments under Thatcher and Major, British trade unionism had fallen in size from its 1979 peak and was no longer much consulted by governments, leaving no room for social dialogue...

In those (non-corporatists) member states, where the social dialogue tradition is limited, newfangled and therefore not well embedded, the governments in order to launch comprehensive flexicurity reforms and ensure the consensus of social partners and the majority of the electorate, should promote the communicative function of discourse (Schmidt 2002, pp. 210-1) through the public presentation and deliberation of their reform programme. Note that single actor polities, such as Greece, Portugal and the UK channel governing activity through a single authority (the elected government), statist policy making process and unitary institutional structures (Grewe 1998, Schmidt 2005, 2002a). Consequently, they are capable of imposing reforms, provided they have persuaded the electorate body in fear of protests and elections.

Note that in these cases the coordinative function of discourse is limited and therefore governments should focus on the communicative function of discourse (see first chapter, p. 2). Through discourse, rhetoric in particular, they may succeed to legitimise their political action and convince the public about the necessity and the appropriateness of the proposed reform plan, counterbalancing the opposition of trade unions. Discourse could place emphasis on internal numerical flexibility, on work/family conciliation and on employment and income security (see Box 1).

A convincing argumentation could focus on the how precarious a job is the more exposed an economy to international competition is, explaining to the public that due to the rapid pace of technological progress it is inevitable (*de facto*) the capital-labour ratio to increase and consequently to afflict un/less/skilled labour demand and therefore render the EPL practically impotent. A strict employment protection regulatory framework may indeed decrease labour turnover rate, although Messina and Vallanti (2006) have shown that in the rapidly developing sectors of the economy this ramification emaciates. Moreover, it can be argued that a strict employment regulatory framework has little positive impact on total employment and not at all on total unemployment, nevertheless, increases long-term unemployment and impedes labour distribution. Women, young and older workers are the labour market groups most affected by strict EPL unlike young and middle-aged men (Young 2003, Commission EC 2006, Cazes and Nesporova 2003). The deregulation of EPL would therefore lead to the reduction of long-term unemployment and the increase of vulnerable workforce groups' employment. Combined with ALMPs, could at the same time reduce long-term unemployment and contribute the employment maintenance of those workforce groups most afflicted by flexible industrial relations directing them to the more dynamic sectors of the economy. Hence, the increased flexibility of enterprises due to the relaxation of employment protection regulatory framework may not harm, but rather enhance employees' security.

Furthermore, governments could be persuasive, overcoming negative reactions, if they place emphasis on the provision of generous unemployment benefits that ensure worker's income, safeguarding (income) security⁶ in case of dismissal. However, it is argued that the provision of generous unemployment benefits weakens job search efforts and therefore distorts the labour market. Additionally, the high unemployment benefit replacement rate exerts upward pressure to nominal wages afflicting unemployment. To limit the aforementioned impact, certain conditions for granting unemployment benefits should be determined (i.e. limited duration of benefits, active job search *etc.*). ALMPs, in turn limit considerably the implications of granting high employment benefits (Commission EC, 2006). Governments may also underline the important role of ALMPs in a labour market model combining flexibility and security as they improve the process of matching job vacancies and unemployed workers in terms of time and quality, allocating more efficiently the increased flows from

⁶ According to Young (2003), in the case of strict EPL, employees exchange the security provided by it with the mitigation of wage demands. Although a looser EPL would most probably encourage increased wage demands as a means of heightening employees' sense of security in case of dismissal, a generous unemployment benefit system would enhance employees' income security. That is to say the employees shouldn't be too hesitant to accept a lower redundancy level, without demanding higher wages, if the unemployment benefit replacement rate is high. Besides, unemployment benefits are an effective means to ensure income security as the particularity of every case is passed into (OECD, 2004).

unemployment to employment, caused by the deregulation of EPL. Enterprises face problems to fill job vacancies with the right worker, especially when there is increased flow from unemployment to employment because of the limited number of unemployed (Blanchard 2000). ALMPs through retraining programmes and employment search services provided facilitate the matching process even in periods of high flows from unemployment to employment, helping the unemployed to find more rapidly a new job according to their skills, needs and interests.

In addition, governments could also argue that lifelong learning strategies will be introduced to meet the employees' aspirations to grasp new knowledge and know-how in order to evolve in their professional careers and reassure that professional learning and training will be provided for every worker. Moreover, it could be underlined that workers will benefit from flexible working arrangements and working time flexibility as career and family responsibilities can be effectively combined. Paid employment can more easily be combined with other forms of civic activities and obligations (family life and social responsibilities, education *etc.*). A flexible organized labour market offers employees the right to temporarily suspend their working life (e.g. maternity, educational and sabbatical leave schemes) and then return afresh to ordinary employment.

Governments shouldn't left any doubt that flexicurity is not about less security but another security that responds to the insecurities related to modern economic and labour markets reality and that it also provides opportunities for working-family life balance. Concluding, they could counterbalance social partners' opposition and gain the electorate's support using comprehensive arguments that appeal to them and do not contradict national values and culture.

In the following section, I present and analyse the flexicurity discourse as it unfolds in quality press columns. The press is a common communication medium that keeps the public informed and facilitates the projection of the views and actions of both government and social partners and other relevant stakeholders, when there is no well-embedded social dialogue tradition or any other long-standing consultation procedure (non- corporatist tradition). Press favours freedom of speech and therefore provides the floor for discourse to evolve acting as a mediator between governments and the public, facilitating a communicative discourse about the necessity and appropriateness of reform programmes.

3. Flexicurity Discourse unfolding in European Quality Press Columns

This section is an attempt to outline the flexicurity discourse in three EU member states with no corporatist tradition, namely Greece, Portugal and the UK, as it unfolds in quality press columns. Articles are gathered from *H Καθημερινή* (The Kathimerini) for Greece, *Diário de Notícias* for Portugal and *Financial Times* (also references to *The Guardian*) for the UK. Quality, high circulation, non- (evident) alignment (with a certain political party), free archive accessibility via internet are the criteria that led to the selection of the aforementioned newspapers.

As I have already argued, it is expected from governments to use (public) discourse (its communicative function) in order to persuade the public, social partners and other

relevant stakeholders about, on the one hand, the necessity of reforms and on the other hand, the appropriateness of their reform programme. As the concept of flexicurity is rather newfangled, governments have to ignore political legacies, switch the perceptions of problems and therefore influence public preferences, if they want to launch an integrated flexicurity reform according to the incitements of the European Commission. What does flexicurity discourse reveals us about the governments' efforts in Greece, Portugal and the UK?

The Greek Case

The flexicurity discourse in Greece as it unfolds in the newspaper *The Kathimerini* (The Daily) mirrors the reluctance of Greek governments, socialists or conservatives⁷, to launch integrated reform policies in fear of public unrest and re-election. Instead, they announce the initiation of social dialogue, a newfangled consultation process for the Greek political reality. The social partners, and especially the General Confederation of Greek Workers (GSEE), sooner or later, deny participation or pull back and the government, measuring public opposition, either postpones the introduction of reforms, due to major strikes, or implements fragmented and therefore ineffective reforms. Note that the Greek labour market is among the highly regulated and segmented in the EU (highly regulated public and broader public sector, a more flexible private sector and an extended black market).

Each and every article, from a total of 48 between 2003, when the neologism flexicurity (evasfaleia in Greek) is for the first time quoted in *The Kathimerini*, and 2008, is related to a major European event or action (European Councils, Summits, Commission announcements, proposal or publication of reports) and published just before, the same day or the day after. Even though, 2003 seems quite early for relevant articles to appear, it is explicable, however, as Greece was holding the rotating EU presidency at the time. It is remarkable that the vast majority of the articles are only of informational nature, containing simple references to the flexicurity as a model of labour market organization that combines flexibility for the enterprises and security for the workers without expanding to its core. However, there are articles that consider flexisurity inappropriate for the Greek labour market due to its high implementation cost (welfare state and ALMPs financing) and the particular Greek values and legacies, the cultural differences that impede reforms towards a Danish-style flexicurity model. One may read in *The Kathimerini* ‘...flexicurity is a clumsy attempt to interrelate the American lifestyle, the Chinese way of working and the so called European social model’ and further down ‘The Danish model may sounds a good idea, but there, tax evasion is extremely limited and the income tax extremely high.’ (29.1.2006), ‘...we should take into account a major cultural difference, the highly developed sense of civic responsibilities and obligations of the state.’ (2.4.2006), ‘Do we in here in Greece have a strong welfare state, high unemployment benefits, a fair taxation system and unemployment less than 5%?’ (14.4.2006). It is even quoted that the Prime Minister K. Karamanlis favours the Irish labour market model (*The Kathimerini*, 2.4.2006).

The Greek government seems almost indifferent; there is hardly any sign of an attempt to counterbalance the social partners' opposition and the public negative

⁷ Two are the Greek political parties that feud for the formation of government i.e. the conservative governing New Democracy party and the socialist movement PASOK (official opposition).

reactions about the necessity and the appropriateness of the reforms proposed. The 48 articles quote only six statements made by politicians belonging to the governing party, five by Labour Ministers, three by former ones (S. Tsitourides and V. Magginas) and the other two by the current Labour Minister (F. Petralia) in the margin of relevant European Labour Ministers councils and on the occasion of the presentation of the report redacted by the Committee of Experts for the reform of the Greek labour law⁸. The two former Ministers embrace the model, with reluctance though, emphasizing the importance of social consensus and declare the initiation of social dialogue (*The Kathimerini*, 2.12.2006, 30.1.2007, 6.12.2007). For example, S. Tsitourides stated that ‘the only realistic rational and socially accepted labour law reform is towards the direction of balancing the needs of employers and employees and safeguarding social cohesion’ (*The Kathimerini*, 7.12.2006). In the contrary, the current Labour Minister ignored the report of the Committee of Experts and made clear that, ‘even though the government is conservative, its priority is to enhance the security of the employees, especially because of the financial crisis’ (*The Kathimerini*, 11.6.2008). Note that even though there was an attempt to Burke the report of the aforementioned Committee because its recommendations were in the context of a flexicurity model, the head of the Committee (law professor Ioannis Koukiades) decided to give a press conference (22.4.2008) to present the recommendations proposed. *The Kathimerini* dedicated five articles to the issue (13, 16, 22, 23 and 26.4.2008). The newspaper quotes also a speech of G. Alogoskoufis, the former Minister of Economy and Finance at Oxford University (*The Kathimerini*, 19.2.2008). G. Alogoskoufis favors greater labour market flexibility, combined with better education and welfare financing and R&D investment: ‘There not many countries, with exception of the Nordic ones ready to accept the high taxation that comes along with Flexicurity. On the other hand, in Central Europe and the Mediterranean there is widespread skepticism about the labour market flexibility of the Anglo-Saxon model. Reforms should include elements from both models. Better financing of the welfare state, more labour market flexibility and more emphasis placed on education and R&D is needed’.

GSEE, the major trade union is opposed to the deregulation of EPL and the modernization of labour law in order to facilitate policies in the context of a flexicurity model. At last, GSEE refused to participate in the social dialogue for integrated flexicurity policies (*The Katimerini*, 30.1.2007 and 15.9.2007). The president of GSEE stated that ‘flexible working arrangements are a reality in all EU member states and Greece, of course. The main issue is the security of the employed under flexible working arrangements’ (*The Katimerini*, 22.2.2007).

In accordance with the above findings, it is more than evident that there is hardly any sign that the government put effort into persuading the social partners and the public about the necessity of an integrated flexicurity policy and the appropriateness of the launched reforms, let alone to alter the perception of problems, redefine economic interest and influence public preferences. Note, however, that former Labour Ministers, Tsitourides and Magginas, articulated a reluctant pro flexicurity discourse. The highly segmented Greek labour market and the increased insecurity faced by all those who work in precarious jobs demand reform and certain flecicurity policies

⁸ S. Tsidourides, former labour minister gave the Committee the mandate to make recommendations in accordance with the European Commission’s Green Paper on ‘Modernising labour law to meet the challenges of the 21st century’ (22.11.2006).

could work. It is at governments hand to decide, launch and implement reforms towards flexicurity. There is no doubt that in terms of cultural values and civic attitudes Greece differ from the Nordic member states (see among others Algan and Cahuc 2006, Zingales *et al.* 2006), but the relevant discourse is also not at all helpful. If (public) discourse ameliorates and focuses not on obsolete perceptions of security that are supposed to promote social cohesion and solidarity in an effort to maintain the electoral majority, but rather on comprehensive argumentation (see section 2.2) to legitimize much needed reforms, may launch and implement integrated (flexicurity) reform plans and not fragmented and ineffective piece meal reforms as section 4 reveals.

The Portuguese Case

Diário de Notícias (News Diary or a free translation: Daily News) is a Portuguese well-known daily newspaper being regarded as a newspaper of record. Although *Correio da Manhã* (Daily Mail), another major daily national newspaper, is regarded as the most read national newspaper in the country, it is considered tabloid. Therefore *Diário de Notícias* is a more appropriate choice. It contained 44 articles related to the concept of flexicurity, (4) less than the Greek newspaper, *The Kathimerini*. Nevertheless, the quality of the communicative discourse is, undoubtedly, higher. References are made to expert's opinions and scientific studies. A paper by Algan and Cahuc (2006), for example, is used to verify that '*The Danish model cannot be imported by other countries such as Portugal, France, Greece and Bulgaria. The reason is that the Danish model is based on 'public spiritness' that does not exist in social and labour market institutions of several European countries.*' (*Diário de Notícias*, 19.10.2007). Furthermore, it is argued that '*In Portugal, social protection is lower than in most of the developed European countries, because of less generous unemployment benefits, of their shorter duration period and also of low wages.*' (*Diário de Notícias*, 19.10.2007). On the contrary, there is an interview of Claus Hjort Frederiksen, the Danish Labour minister about the Danish flexicurity model and the way European countries should move towards that direction (*Diário de Notícias*, 7.7.2007). One may read that '*...it should be explained what it is all about. Be realists and honest. It is important to prepare this model after one or two years of extended discussion*'. Note that the first reference to flexicurity is quoted relatively late i.e. 2006.

The Portuguese government articulates a relatively organized public discourse. Vieira da Silva, the Labour Minister is the leading voice. Initially, his words revealed reluctance and cautiousness. For example, before the presentation of the European Commission's Green Paper for the modernization of labour law, he stated that '*it will only contribute to the general discussion*' (*Diário de Notícias*, 27.3.2007). With time passing, he favored reform policies in the context of flexicurity openly and more decisive. He even blamed the political parties of the opposition that they tried to avoid a flexicurity debate: '*We cannot have an easy and misleading attitude as if the debate over flexicurity does not exist*' (*Diário de Notícias*, 30.10.2007). It is made clear that the government's will is to launch reforms towards that direction. As noted in *Diário de Notícias* (19.10.2007), '*If flexicurity does not come in through the door, it will use the window. That's why it is better to regulate it than to leave it loose and wild*'. The arguments are concrete and in alignment with those used by the European Commission. It is not merely a coincidence as Portugal was holding the EU presidency at the second semester of 2007. Vieira da Silva underlines that the social

model should be reformed to address the contemporary challenges. Moreover, insists that a flexicurity approach could be beneficial for Portugal explaining the benefits of flexibility for both enterprises and workers, stressing out that job security is obsolete due to globalization, but that there are also other dimensions of security to be enhanced in order employees to privilege by more efficient social security schemes (*Diário de Notícias*, 6 and 7.7.2007 and 19.10.2007). One may read that ‘*...there various dimensions of security that should be enhanced. However, this does not mean more regulated EPL*’ (*Diário de Notícias*, 7.7.2007). Furthermore, he stated that policies towards flexicurity are not limited to the deregulation of EPL trying to reassure the unions that the Labour Law reform is not an attempt to empower employers and harm employees. As noted in *Diário de Notícias* (19.8.2007) ‘*It would be quite simplistic to say that flexicurity is limited to the (revision of the) labour law*’. He keeps repeating there are not fit-for-all solutions. Portugal, like every other EU member state, should find the appropriate flexicurity policies according to labour market particularities, mapping out its own route. One may read in *Diário de Notícias* (14.9.2007) ‘*A solution that works in a country doe not necessarily fits all. The common base on which we agreed allows every country to select its own way*’.

The Portuguese Confederation of Employers is reluctant towards a flexicurity reform process, being afraid that employers would carry the burden of a potential implementation of high taxes for the financing of the security component of flexicurity. CGTP, the General Confederation of Portuguese Workers are also opposed to the concept of flexicurity, being, in turn, afraid of its first component i.e. flexibility, accusing the government for isolating unions from relevant processes. One may read that ‘*The debate over the so called flexicurity started badly! Nevertheless, we shouldn't have illusions, it is an important issue that came to stay...The unions see only the flexibility part and the liberalization of individual dismissals, the employers defend themselves against a potential rise of social contributions.*’ (*Diário de Notícias*, 8.12.2006). They argue, on the one hand, that flexicurity would phase out their social rights and, on the other hand, that the labour market is flexible enough (20% precarious fixed-term contracts), insisting that more security is what should be pursued. As it is noted: ‘*This type of Portuguese flexibility is responsible for the number of fixed-term contracts used, which already correspond to the 20% of employment*’ (*Diário de Notícias*, 19.10.2007). Moreover, it is also quoted that there is no tradition of employers-employees negotiations in Portugal. It is noted in *Diário de Notícias* (29.11.2006) that ‘*...collective bargaining...the particularities of the education system and the dynamism of the small and medium sized enterprises are presented as factors of the success of a flexicurity model. Interestingly, none of these factors is found in Portugal*’.

Even though, the Portuguese government is more decisive than the Greek government and states its will clearly, does not seem to persuade the social partners. Although the communicative discourse articulated is consistent and the arguments used comprehensive have not persuasive enough to convince about the appropriateness of promoting an integrated flexicurity reform programme, Nevertheless, the social partners recognize the need to proceed to labour market reforms. The case here is that the government failed to change the public perception of the problem (in/security, unemployment). National/ cultural values were not successfully incorporated to the discourse articulated and new ones did not emerge. For example, the “other” dimensions of security underlined by the Portuguese Labour

Minister were not incorporated to a discourse about the (historically formed) values they serve or, if this is not the case, the new emerging values they bring to the fore, which the public should be persuaded to embrace, replacing the old ones. Consequently, the reforms launched in Portugal, where limited.

The British Case

The *Financial Times* (FT) has published, between 2005 and 2008, 25 articles related to the concept of flexicurity, while *The Guardian* 11 between 2002 and 2008. The articles mirror the distinctiveness of the UK and the distance that separates the British (not in terms of geography, but rather in terms of mentality, idiosyncrasy, the way things are viewed) from the rest of Europe. Discourse unfolds in a distinct, nevertheless, presumable way. It seems to be detached from the developments at the EU level. As it was noted in the FT '*If you are already familiar with the term "flexicurity" the likelihood is that you spend more time in Brussels than in London or New York.*' (15.2.2007). Note, however, that the French reform initiatives are regularly reported especially by *The Guardian*, providing food for thought regarding the flexicurity concept.

The Anglo-Saxon model is presented as an alternative to the Nordic model of flexicurity. One may read in the FT '*Could it (the Danish model) be replicated? Substantial tax rises to increase welfare support are as unpalatable to electorates as more liberal working practices are to trade unions. Yet the UK has shown that more flexible working arrangements can be achieved where there is a dialogue between employees and managements.*' (15.2.2007). It is argued that the Anglo-Saxon model is quite successful and effective as the labour market performance reveals, and it has to be protected! An article of the FT is titled '*A streamlined EU must keep British labour law flexible*' (18/5/2007).

The European social model is viewed reluctantly and the reforms proposed are considered inadequate, too focused on Europe omitting the importance of the global framework. One may read in *The Guardian* (9.3.2007) '*In the European year of equal opportunities the reform of the European social model is at the top of the political agenda. Tax dumping, international competitiveness and the right balance between labour market flexibility and social security are the central points of debate. On a general level however, the discussion about the reform of the European Social Model suffers from a structural shortcoming: it is too much focused on Europe itself and thus omits to adequately consider the importance of the global framework.*'.

Moreover, emphasis is placed on the long history and tradition of the Anglo-Saxon model. The success of the Nordic model is attributed, among other things, to the protestant leisure ethic that replaced the protestant work ethic of other times. As it is noted in the FT (17.1.2007) '*Now that Germany has taken over the EU presidency, it may be the right time to reveal the secret behind Nordic success. It is not about taxation. It is not about the public sector and absolutely nothing to do with the Scandinavian welfare model. It is all about culture. It is about the rise of the Protestant leisure ethic.... So how can the Protestant work ethic help to explain the success of the Nordic countries? The answer is that citizens of the Nordic countries are as serious about leisure as they are about work. Having a good balance between life and work is considered as important as working hard once was. Nowadays, a good work-life balance is seen as a sign of being among the chosen ones. In other*

words, the Protestant work ethic has been complemented by the Protestant leisure ethic.'.

The prominent argument is that countries (Nordic and Anglo-Saxon) with very different laws and institutions have performed just as well economically and therefore they have much to learn from each other and not only from a specific labour market model (e.g. the Nordic flexicurity model). One may read in *The Guardian* (25.6.2006) '*...countries with very different laws and institutions have performed just as well economically, and have less wage inequality and a higher quality of working life for their citizens'. We have as much to learn from them as the other way round. Interestingly, the only elements of flexibility the 'Anglo-Saxon' and 'Nordic' models have in common are wage flexibility and competitive product markets. But getting people to adapt wage demands to circumstance can be achieved in two ways. Anglo-Saxons leave it to the free market;*'.

There is diffused fear of the consequences of the over-regulation of the labour market. As it is noted '*The British government has signaled that it is unhappy with draft EU legislation that would give Britain's 1m temporary workers the same rights as permanent staff. The government fears that the commission is in danger of over-regulating the British labour market, which uses more temps than any other country in the E.*' (*The Guardian* 19.2.2002). Nevertheless, the aforementioned models have something in common i.e. wage flexibility and competitive product markets. The problem rests on the second component of flexicurity i.e. security. Nevertheless, Unions in the UK start to bear pressure for higher levels of security in the labour market. As it is noted, '*While employers see new waves of EU-inspired employment legislation, the unions see the flow drying up. The latter want what Mr Bradley calls "flexicurity" - European-style security in exchange for flexibility, including that of employees to determine their own work-life balance*' (*The Guardian* (2.9.2003)).

The flexicurity discourse as it unfolds in the British case study reveals that there is no intention anyone to be persuaded about the need to launch reforms towards flexicurity and in accordance to the recommendations of the European Commission. One may read in the FT '*While this works for Danes, it is questionable whether a system based on trust and tradition could be transferred easily to a country with a very different history*' (10.6.2005). On the contrary, the Anglo-Saxon model is promoted as an alternative model, capable of addressing the challenges of globalisation and defends its long tradition, counterbalancing the pro flexicurity argumentation.

4. Reforms in selected EU Member States

This section briefly describes the major reforms carried out in line with Lisbon Strategy's goals and EU Employment Strategy's guidelines by the national governments of Greece, Portugal and the UK⁹. Many EU member states have introduced and implemented reforms initiatives towards either flexibility or security as a result of a negative or simply changing macroeconomic environment and/or of the alteration of social partners' preferences with strictly regulated labour markets

⁹ The Labour Market Reforms Database (LABREF) and the National Reform Programmes of Greece, Portugal, Spain and the UK unveiled the launched labour market reforms.

started to introduce reforms towards more labour market flexibility, in a halting manner though. On the contrary, the UK, in the aftermath of a period characterised by the deregulation of industrial relations, promoted reforms towards ALMPs and income security for those who are most threatened by marginalisation and social exclusion.

ALMPs

The Greek state offered subsidies to unemployed belonging to sensitive labour market groups and young unemployed, who wanted to set their own business. Moreover, the out of date, Greek vocational training system was also reformed. In the case of Portugal, an apparent turn from passive to active labour market policies is described. Vocational training programmes for the unemployed and unemployed monitoring programmes, especially for sensitive social groups, like INSERJOVEM and PAIJVA (Programme for the Integration of the Young in Working Life) were launched. In the UK, the New Deals for Young People, For Long-Term Unemployed, for Disabled, for Lone Parents and for Musicians involve a cluster of different policies designed to getting the jobless back to work. Furthermore, subsidized employment programmes aimed to increase employment and decrease unemployment were launched by the British, Greek and Portuguese administrations.

Working Time Flexibility

As regards working time, there were no major reforms carried out by EU member states in general, with the exception of France, of course, and the Aubri I and II laws, which established the 35-hour workweek. In Greece, the reforms carried out reduced the overtime work cost and allow enterprises to adjust the working time to production activity variation due to extended seasonal slump, financial troubles, *etc.*

Employment Protection Legislation

EU member states seem to be particularly hesitant and indecisive towards reforming the existent employment protection legislation. Moreover, there is no clear general tendency accruing, regarding the direction of the launched reforms. Nevertheless, the exception of the Anglo-Saxon member states on the one hand, that tend towards increasing security for the employees (mainly income security) and some of the Nordic member states on the other hand, that increase their labour markets flexibility, worth mentioning.

By and large, EU member states waver between either the implementation or the abolition of certain regulations and, at length, promote reforms in order to tackle the problems arose from already existent regulations and earlier launched reforms. UK, for example, abolished in 1993 the minimum wage (except in the agricultural sector), but in 1999 a statutory national minimum wage came into effect for the first time. Its implementation influenced adversely none but marginally the employment of adult women.

None of the member states attempts to deregulate the institutional framework of standard employment. Instead, reforms towards more flexible non-standard employment are promoted. In Greece, the 2000 reform conduced to a stricter employment protection institutional framework regarding businesses employing less than 50 employees (the crushing majority of Greek businesses belongs to this category) and to a looser one regarding businesses employing 50-150 employees.

Furthermore, permanency status of the civil servants was abolished and the public sector is allowed to hire under fixed-term private law employment contracts.

Benefit Systems

The unemployment benefit replacement rate increased in Greece. In Portugal, the duration of benefit payments is expanded. In the UK, the lowering of unemployment benefit replacement rate and the shortening of the duration of benefit payments, the reduction of income taxation and the rise in the tax exempted income threshold resulted to the reduction of wage labour cost.

Studying the launched reforms we reach the following conclusions: a) reforms were promoted towards more flexible work time arrangements, b) member states with highly deregulated labour markets promoted reforms towards more security, on the contrary countries with strictly employment protection legislation introduced reforms towards more flexibility) and c) launched reforms were indecisive, fragmented without a comprehensive action plan.

5. Concluding Remarks

A more consistent, determined and integrated discourse could contribute to the implementation of much needed (welfare state and labour market reforms) reform programmes to address the challenges of globalisation. In the EU case, integrated flexicurity policies are promoted as the solution to emerging problems and the instrument to meet the objective of the Lisbon Strategy. The concept of flexicurity may be familiar to Nordic EU member states and relatively easy adopted by member states of corporatist background. Although in the case of member states with no corporatist background and not well-embedded social dialogue tradition, it contradicts national values, hard-fought policy legacies and rights based on historically established institutional structures and strong time-proofed public preferences. Through discourse, governments could persuade social partners and the public to agree on reform programmes, only if they use comprehensive argumentation relating the aim of the proposed reform to cultural values and traditional public preferences. However, in the distinct case of the UK, discourse serves to promote, maintain and reinforce the long-standing tradition and the historical formed values of the Anglo-Saxon model, counterbalancing the pro Nordic style flexicurity model voices. In the Greek case, discourse is fragmented and lacks argumentation. Its limited extent mirrors the reluctance of the government to stand up to social partners' pressures. In Portugal the consistent argumentation of the government does not manage to appeal to the public. National values and well established public preferences are not incorporated into the reasoning of the proposed reform. The failure of discourse to persuade and therefore to promote integrated reform policies towards flexicurity resulted to the introduction of fragmented, piece-meal reforms.

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