



EUROPEAN COMMISSION
IMPACT ASSESSMENT BOARD

Brussels, 23 May 2007
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Opinion

Title **Impact Assessment on: Flexicurity**
(draft version of 24 April 2007)

Lead DG **DG EMPL**

1) Impact Assessment Board Opinion

(A) Context

The 2006 Spring European Council asked the Commission to explore the development of a set of "common principles of flexicurity". One year later, the Spring European Council declared that it expects the Commission's forthcoming communication on flexicurity to be instrumental in preparing a range of flexicurity 'pathways' to find the right mix of policies tailored to labour market needs.

(B) Positive aspects

The executive summary is a good example of how one page can be sufficient for addressing all the main issues contained in the main text of the IA report.

(C) Main recommendations for improvements

The recommendations below are listed in order of descending importance. Some more technical comments have been transmitted directly to the author DG.

General recommendation: The IA report should more clearly set out the substance of what is being proposed, better explain why certain policy options were discarded, and more specifically address the obstacles for successful implementation.

(1) The substance of the flexicurity pathways should be set out in more detail. The IA report should set out what concrete measures make up the pathways (and whether for instance the minimum wage is part of it). This will also help in understanding why the Open Method of Coordination is proposed as the best vehicle to move things forward. The IA report should explain why no other or additional pathways were presented, and whether for instance the selected pathways are the only feasible or 'stable' combinations of the various flexicurity components. Furthermore the IA report should bring out clearly

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what changes and value added the common principles and pathways bring to the Lisbon and Employment guidelines (which elements are new and which elements exist already).

(2) Buy-in of stakeholders and budgetary constraints should be more elaborately discussed. The IA report should give a better overview of stakeholder views of both the content and the process of the proposed initiative, and assess what it implies for the implementation of the policy and how any problems in this respect could be solved. Also budgetary constraints should be more explicitly addressed. Statements that in the longer term the financial costs will be offset by higher labour market activity rates should be well explained and substantiated.

(3) The option to regulate should not be discarded solely on the ground that it is deemed to be politically unfeasible. The justification provided for discarding this option should include an analysis of the underlying reasons for the limited political support they enjoy, and present these in more objective terms such as subsidiarity and proportionality. The same applies to a lesser extent to the dismissal of the option of 'one flexicurity approach for all'.

(D) Procedure and presentation

It appears that all necessary procedural elements have been complied with. On presentation, the IA report should avoid presenting the proposed solution as the objective, and should more clearly link the various indicators to the objectives.

2) IAB scrutiny process

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