

Summary Table of Peer Country Comments

	National approach to flexicurity	Assessment of the policy measure	Assessment of success factors and transferability	Questions
Belgium	<ul style="list-style-type: none"> ▪ Belgium's flexicurity profile is traditionally more oriented towards job security and income security than it is towards employment security and combination security. ▪ The crisis years have focused energies on crisis measures while not favouring fundamental policy reflections. ▪ Belgium was able to reduce the short-term labour market damage of the crisis significantly but it has mostly done so by avoiding transitions and through direct job creation schemes. 	<ul style="list-style-type: none"> ▪ Working time and work flexibility have increased since the crisis, while wage moderation has become more imposed. ▪ A new single dismissal law status for blue collar and white collar workers includes an activation component, but its implementation remains uncertain. ▪ The right to outplacement in case of dismissal has been extended and will become a duty for the worker too. ▪ Increased activation, also among older workers, and increased gradual benefit reduction are part of a reform of unemployment insurance. 	<ul style="list-style-type: none"> ▪ Flexicurity has not yet entered the DNA of the Belgian labour market organization and its stakeholders. ▪ The crisis has not enabled decision makers and stakeholders of the Belgian labour market to coalesce around a shared ambition for improvement and reform. ▪ Like Denmark, Belgium spends a great deal on unemployment insurance and ALMP, but it spends it very differently. ▪ In view of institutional changes and the political intentions of the new governments, flexicurity's moment may actually be about to arrive in Belgium. 	<ul style="list-style-type: none"> ▪ How has Denmark succeeded in sufficiently reuniting labour market forces around a comprehensive flexicurity approach with mutually reinforcing components, where all stakeholders are expected to take part of the responsibility? ▪ What has triggered the Danish success in the area of life-long learning, and what are the components of its durability during the crisis?
Croatia	<ul style="list-style-type: none"> ▪ Labour market flexibility was unfavourable in Croatia primarily because employment protection regulation was among the strictest in Europe. ▪ After a long and intense public discussion, in 2003, the Parliament accepted a new Labour Act. ▪ The latest Labour Act from 2014 introduced more flexibility in the organization of working time, night work and rest, and the possibility to assign workers 	<ul style="list-style-type: none"> ▪ Croatia had a system of a labour legislation that provided relatively generous social protection both to workers and the unemployed, at the price of raising labour costs and discouraging labour mobility. ▪ In the regulation of labour relations, greater attention was devoted to maintaining existing jobs than to the creation of new employment opportunities. ▪ Croatia has diverse characteristics regarding different forms of labour flexibility: high share of newly employed with fixed-term contracts 	<ul style="list-style-type: none"> ▪ Croatia should learn many things from Danish experience, but due to many reasons possibilities for positive transfers of foreign practice are relatively limited. ▪ Working time regulation was very complex and there are many cases of unnecessary hindrance and inflexibility. ▪ Industrial relations in Croatia are characterised by low level of mutual trust and disrespect, which seriously undermine possible improvements in terms of labour market flexibility. 	<ul style="list-style-type: none"> ▪ How to develop a mutual respect of social partners related to labour market flexibility? ▪ How to explain and promote among trade unions and workers the positive side of labour market flexibility and security? ▪ How to through communication campaigns improve the knowledge and understanding of citizens and various interest groups on necessary social reforms related to flexicurity? ▪ How to clearly show the

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	<p>to other employers.</p> <ul style="list-style-type: none"> The new Labour Act improved labour market flexibility so composite EPL index decreased from 2.32 to 2.23. to 2.23. 	<p>and a low share of employees who usually work in the evening and at night.</p> <ul style="list-style-type: none"> The possibility of working at an alternative workplace - at the worker's home or outside the employer's premises - despite rapid technological development is not used very often. 	<ul style="list-style-type: none"> The best protection against unemployment people could obtain is their own enhanced employability that is the foundation of labour market flexibility. 	<p>advantages and importance of life-long learning and adult education as important parts of to flexicurity?</p>
Finland	<ul style="list-style-type: none"> Finland has a 'de facto' flexicurity model meaning that... ... it has not adopted the concept as an overarching organising principle... ... but the four pillars of flexicurity are there ... and aiming at consensus and win-win is the key to the Finnish political tradition. 	<ul style="list-style-type: none"> Finland is actively developing effective labour market policies, comprehensive life-long learning and social protection systems. Finland is now taking new steps towards a service-based economy. "It is about creating new jobs". A new level of collaboration is now called for. 	<ul style="list-style-type: none"> Consensus politics is a common feature among Denmark and Finland. Also Finnish flexicurity is under stress because of budgetary factors. However, learning from each other, is not about "copy-pasting". 	<ul style="list-style-type: none"> Has there been any debate in Denmark about how the flexicurity concept and/or practice should be developed further? Are the four pillars still valid or should they be changed or modified or should there be some new pillars? Is there a threat that either trade unions or employers could say farewell to flexicurity?
Greece	<ul style="list-style-type: none"> externally determined policy measures and labour market reforms in an unfavourable socio-economic context (fiscal adjustment programmes, 25% recession, 27% unemployment) drastic changes in the industrial relations and collective bargaining systems unilaterally imposed by government through a questionable 	<ul style="list-style-type: none"> balanced measures: reduced income security off-set by more targeted active measures and the introduction of severance pay for some categories of workers resilience of the main elements of the flexicurity regime, despite changes in the policy mix effective response of Danish policies in addressing recession and growing unemployment through a series of 	<ul style="list-style-type: none"> strong institutional complementarities of the various elements of the model adaptability of the model to changing external conditions and internal pressures strong automatic stabilisers long-established consensus culture and partnership approach enabling compromises and long-term 	<ul style="list-style-type: none"> Are there any elements of the Danish flexicurity regime (the 'golden triangle') that are exclusive to Denmark and not transferrable to other national settings Is the flexicurity model a positive-sum game for all categories of workers in Denmark, or does it leave out precarious and contingent workers, in order to

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	<p>parliamentary procedure</p> <ul style="list-style-type: none"> ▪ increased flexibility and reduced security for the workforce, resulting into a significant reduction of the EPL index ▪ absence of an adequate safety net to compensate for the sharp wage cuts, the soaring unemployment levels and the alarming increase of LTU ▪ radical reforms introduced created new forms of labour market discrimination and exclusion, without improving the economy's competitiveness and productivity: a pointless sacrifice? 	<p>policy initiatives</p> <ul style="list-style-type: none"> ▪ difficult to assess the degree to which the flexicurity model contributed to the successful response to the crisis 	<p>planning</p> <ul style="list-style-type: none"> ▪ weak transferability of the model to countries with fundamentally different labour market and welfare systems: not a 'one-size-fits-all' model 	<p>protect the core workforce?</p> <ul style="list-style-type: none"> ▪ Would the expansionary measures introduced in 2009, in order to boost employment and mitigate the impact of the crisis, have been possible if Denmark was a member of the Euro zone? ▪ What proportion of the unemployed continues to be without a job after the expiry of the 2-year duration of the unemployment benefit? ▪ Are there any plans to extend the right to severance pay to other categories of workers, in the near future? ▪ Could the gradual erosion of the Danish welfare system pose a threat to the viability of the flexicurity model, as unions might be inclined to demand more traditional job security to compensate for the loss of income security?
Ireland	<ul style="list-style-type: none"> ▪ Ireland is consistently placed at the higher end of the European flexicurity scale. ▪ Ireland has low EPL, high external numerical flexibility, working time and wage flexibility and relatively low 	<ul style="list-style-type: none"> ▪ The Danish labour market model ensures adequate levels of flexibility combined with active social inclusion. The particular attraction of the model is its focus on maintaining and developing the individual worker's job prospects rather than focussing on job security in relation to specific jobs. 	<ul style="list-style-type: none"> ▪ In the context of its institutional reorganisations, of interest to Ireland from the Danish experience, are the regional and local structure of ALMPs in Denmark and the approach to LLL as key tools of flexicurity. ▪ The recent OECD LEED review 	<ul style="list-style-type: none"> ▪ Has Denmark reduced the transaction costs involved in establishing a quasi-market for PES delivery? ▪ What are the main key success factors in the Danish PES performance management model, in the context of

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	<p>labour market segmentation.</p> <ul style="list-style-type: none"> ▪ This is accompanied by an active labour market policy that combines Active Labour Market Measures (ALMMs) with a relatively generous package of compensation for low-wage workers, in periods of unemployment. ▪ The latter has created welfare traps and currently about 13% of social welfare beneficiaries on Job Seekers Allowance/Benefit have a net replacement rate of over 100%. ▪ New measures are in train to make work pay. 	<ul style="list-style-type: none"> ▪ In many respects the approach to and level of flexicurity in Ireland is similar to that in Denmark with regard to employment protection, social security supports, ALMP expenditure as a proportion of GDP but less so on Life-Long Learning (LLL). ▪ Participation in lifelong learning in Ireland for those aged 25-64 is lower than the EU average (7.3 %, as compared with EU Average of 10,7 % in 2013) and much lower than the Danish level of 31.4%. In 2013 responsibility for workforce adult initial and continuing vocational training has been transferred from the old Training and Employment Agency (FAS) to 16 new Educational and Training Boards (ETBs). ▪ Like Denmark, Ireland has implemented reforms of the social welfare system and the institutional structures that deliver services to jobseekers ▪ Two major current PES innovations are the introduction of econometric profiling of jobseekers clients and the imminent contracting out of employment services for an LTU cohort of 100,000 to the private sector, based on payments per progression/placement, similar in some respects to the Australian PES model and the Danish approach. 	<p>specifically recommended that the Irish authorities look to the example of Denmark where flexibility is provided by allowing local offices to identify and prioritise special target groups within their locality for targeted activation measures and granting more flexible funding streams.</p>	<p>flexicurity?</p> <ul style="list-style-type: none"> ▪ How does the Danish approach to skills development address functional flexibility? ▪ What efforts are being made to improve the quality of vocational training to reduce drop-out rates and increase the number of apprenticeships in Denmark ▪ How does the VET funding model impact on the quality of outcomes?

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Montenegro	<ul style="list-style-type: none"> ▪ Montenegrin model is still focused more towards stability ▪ Montenegrin model has higher employment protection related to job security than Danish ▪ Montenegrin model has lower support for unemployed persons 	<ul style="list-style-type: none"> ▪ Labor legislation was significantly improved towards flexibility since 2011 ▪ Efficiency of ALMPs is still questionable as there are no data on monitoring and evaluation ▪ Unemployment benefits are not a generous supporting measure 	<ul style="list-style-type: none"> ▪ Flexibility increase should be the goal of further improvement in Montenegro ▪ Shift from job security to employment security, ▪ Increase of the overall activity of population ▪ Increase of mobility of labor force through job destruction and creation ▪ Targeting of security measures 	<ul style="list-style-type: none"> ▪ What are the examples of most efficient ALMPs? ▪ How is the process of monitoring and evaluation of ALMM organized? ▪ Are and how information from monitoring and evaluation of the AMMM are used in the selection and prioritization of ALMPs? ▪ What are most successful LLL programs?
Norway	<ul style="list-style-type: none"> ▪ Norway can be regarded as a 'milder' version of Denmark. ▪ Danish flexicurity model and the Norwegian model seem to be converging in some important aspects. 	<ul style="list-style-type: none"> ▪ More employment protection at the individual level. ▪ More flexibility at the firm level; more flexible collective dismissals. ▪ Less sanctions. ▪ Lifelong learning less attached to the ordinary educational system. 	<ul style="list-style-type: none"> ▪ Danish liberalization of temporary employment. Norway is heading in that direction. ▪ Norway is about to implement a municipality reform with several of the same qualities and objectives as the Danish municipality reform implemented in 2006. ▪ A systematic and comprehensive research database on outcomes of labour market policies. 	<ul style="list-style-type: none"> ▪ What about the increasing numbers who are not members of the UI system? ▪ Long term effects of a liberal temporary employment legislation? ▪ Going on auto-plot and automatic stabilising mechanisms?
Romania	<ul style="list-style-type: none"> ▪ Certain delay in implementing flexicurity measures. ▪ Structural reform of the labour legislation in 2011. ▪ Few of the flexicurity policies implemented through social dialogue 	<p>Certain measures adopted during the economic crisis:</p> <ul style="list-style-type: none"> ▪ Working Time Flexibility ▪ Fiscal policy initiatives ▪ Initiatives to combat youth unemployment 	<p>Transferable policies:</p> <ul style="list-style-type: none"> ▪ Life long learning ▪ EPL ▪ Special policies for vulnerable groups. 	<ul style="list-style-type: none"> ▪ Role of social dialogue ▪ The asymmetric effects of flexicurity measures in terms of the male and female labour force.

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		<ul style="list-style-type: none"> Measures against long-term unemployment. 		
Spain	<ul style="list-style-type: none"> Traditionally, flexibility in the Spanish labour market has been provided by non-regular contracts (flexibility on the margin) although the aim of recent Reforms (2010, 2011 and 2012) has been to reduce the large gap in EPL between permanent and fixed term contracts. At the same time, different changes in the collective bargaining system have been made to increase the capacity for Spanish firms to adjust their labour costs in bad times. On ALMP, different measures have been adopted to increase training and education activities for the large pool of unemployed. 	<ul style="list-style-type: none"> External flexibility: Recent reforms have placed Spain among the countries with a lower level of EPL, only above Ireland and United Kingdom. Internal flexibility: Another key element of recent reforms in the Spanish labour market has been the goal to increase wage flexibility, trying to reduce the need for employment adjustment after a negative shock in economic activity. Also different changes have tried to promote working hours adjustment. Social Benefits: In July 2012, mainly due to budgetary restrictions, the replacement rate was decreased and the conditions to access some assistance benefits were harden. ALMP: A key distinction between the Spanish and the Danish models lies in the role of activation mechanisms. In the Spanish case, these activation mechanisms are virtually inexistent in practice, although they are present in the legislation. Recently, the design of the ALMP system in Spain is being renewed trying to adopt a new strategy redefining the relative role of the different agents. This is still an 	<ul style="list-style-type: none"> The main issue to be solved in the Spanish labour market is how to share the flexibility needed by firms and the security demanded by workers among permanent and fixed-term workers. Danish success in integrating into the labour market the long-term unemployed is especially appealing for the Spanish labour market. Taking into account fiscal restraints, it is far from feasible to have an increase in public spending in ALMP to a level similar to the one observed in Denmark but it is absolutely crucial that the new design increases the effectiveness of ALMP in Spain. 	<ul style="list-style-type: none"> What are the key elements to ensure the effectiveness of ALMP? What are the reasons behind the shortening of the unemployment benefits maximum duration adopted in 2011? Was it due to the identification of negative effects of long durations of unemployment benefits on job search efforts? Spanish experience points to negative effects of excessive labour turnover on productivity and human capital investment. But labour turnover is also high in the Danish labour market, is there any evidence of similar effects? Or are they mostly compensated by a better functioning of lifelong learning programmes and shorter unemployment durations after the loss of employment? What are the key elements of this decentralization of wage bargaining in Denmark that could be transferred to the Spanish labour market?

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		ongoing work but the ultimate goal is to define a system with a larger link between results and financing.		
United Kingdom	<ul style="list-style-type: none"> ▪ The UK Government does not use the concept domestically nor do the majority of its stakeholders. ▪ There has traditionally been a focus on flexibility, rather than measures to ensure greater job security. 	<ul style="list-style-type: none"> ▪ A key consideration for the UK is to provide employers with sufficient flexibility to ensure optimum productivity and enable reaction to economic change. ▪ The UK has maintained an approach of providing weak EPL. Strictness of EPL for both regular and temporary workers is far lower in the UK than the average for OECD countries. ▪ UK expenditure on education is proportionately much lower than Denmark's (though still above the EU average) and there is a stronger culture of lifelong learning in Denmark than in the UK. ▪ Expenditure on LMP is greater in Denmark than in the UK. This is perhaps one of the most significant differences between the Member States because it highlights one of the starker differences in flexicurity models. 	<ul style="list-style-type: none"> ▪ The prospects for the UK following the Danish model appear to be both unlikely and, perhaps, undesirable if one accepts the view that a number of flexicurity paths and combinations of flexibility and security are possible. ▪ Compared with much of the rest of the EU, the UK has consistently followed an economic liberalist and free market economy agenda. In this respect it is not similar to the Danish model. ▪ Swapping one model for another is neither possible nor realistic. The truth is that country's economic specialisms are, if not ingrained, then certainly an expression of its particular history, culture and circumstances. 	<ul style="list-style-type: none"> ▪ Is there any evidence that the relatively high level of investment in LMP has led to welfare dependency? <ul style="list-style-type: none"> ○ Does this differ for particular groups (young people, older people)? ○ Does it differ for regions and localities with higher unemployment? ▪ How have the main LMP reforms been received by unemployed persons – has the increased focus on job outcomes and regular contact altered the relationship with advisors? ▪ Is it likely that there will be further LMP reform to increase conditionality and / or a reduction in numbers eligible to receive benefits?