

Flexisecurity in hiring, consensus on the labour reforms and opening up to external market, are the recipes experts from Denmark, Austria and Germany for Spain to reduce unemployment rate

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This afternoon the Austrian Counsellor for Employment, Labour and Social Affairs at the Permanent Delegation of Austria to the OECD, Eva Belabed, the former Dutch Minister of Finance and Foreign Affairs, Mogens Lykketoft, and the Deputy Director of the German Institute for Employment Research, Ulrich Walwei, encouraged all Spanish companies and social agents to wager for the so-called flexisecurity as an instrument which, together with the search for consensus on labour relations collective bargaining and greater opening to external market, can efficiently contribute to reduce unemployment rate in Spain.

At the Symposium on “Employment and workplace relations: experiences from Austria, Denmark and Germany”, organized by IDEAS Foundation in collaboration with the Friedrich Ebert Foundation, the representatives from Austria, Denmark and Germany noted the efficiency of flexisecurity, because on one hand, it allows companies to reduce costs without firing people under difficult situations and, on the other, it allows workers to keep their jobs and even balance their work with their family and/or academic life.

During the presentations, Lykketoft affirmed that, it is essential to face up to the crisis, adopt measures to favour the adaptation of small companies to the changes of the market and for the State to keep the high levels of investment in education, technology and infrastructures. He reminded that Denmark undertook structural reforms of the labor market between 1993 and 2000, which resulted, among many other advantages in the integration of women to skilled jobs, forcing the State to elaborate on the socialization of the protection to children, ill people and the elderly. As he noted, the success of the reforms was due to investment in training and re-training of workers, who had to work in positions different from the previous ones and, in general, to the so-called “active” labour policies. In any case, as Lykketoft noted, the demographic trends will force painful restructurings to be made within the EU states, like the increase of retirement age, for which he called for the maximum consensus.

As for the representative of Austria, after reminding that in 1994 his country was one of the most advanced in the world in terms of quality of life, competitiveness, wealth and economic growth, in 2005 it experienced an increase of unemployment and a decrease of wages which resulted in less tax collection by the State. This forced the State to adopt a series of measures, of economic stimulus, labour policy and other special ones for the youth, succeeding in keeping and recovering 100,000 direct jobs. He insisted again the importance of

flexisecurity as an instrument of success of these measures, because it allows the redistribution of time among workers and to keep jobs in periods of deceleration.

Eva Belabed highlighted the role of social consensus and continuous between social and economic agents, based on rigorous analysis and technical studies carried out by the so called Labour Councils. As an example of the strong role of social agents, he cited the fact that today they are part of the Public Employment System of Austria.

Finally, the representative of Germany, Ulrich Walwei, explained that flexible contracts together with other measures like the improvement of the efficiency of employment programs and the reduction of longtime jobless people, have avoided the decrease of the German GDP in 2009 to result in a drain on employment, as it is the case of Spain. Specifically, he focused on the efficient implementation of temporary reduction of the working day and in a selective way, on job keeping which otherwise would have been destroyed (around 1.5 million as he said). In this sense he noted that affected workers receive an unemployment subsidy proportional to non worked time or a partial subsidy, and the costs are jointly taken on by the companies, the workers and the State, which is an important aspect to guarantee the temporary and suitable use of this. In any case, he announced that the new changes the EU will go through, and of course Germany, will oblige to take hard decisions, because the majority of the work force will be lost due to the decrease of the working population.

The symposium was inaugurated by Jesús Caldera, Vice President of IDEAS Foundation who briefly defended the reforms towards a change of production model, because as he said, it is the model that determines the labour market, not the opposite.

After the brief speech by Caldera and the greetings from the Director of the Friedrich Ebert Spain, Lothar Witte, and a discussion on the Austrian, Danish and German models, there was a roundtable with Francisco Avendaño, head of the Collective Bargaining Unit and Workplace Relations of CEOE (Spanish Business Organization), Rita Moreno, head of the Collective Bargaining Unit of CC OO (trade union) and José Calleja, lawyer at the technical office of UGT (trade union). They all agreed in positively assessing the draft of the reform presented by the Government of Spain and showed their confidence that a definite agreement will be reached as early as possible.

Regarding the Danish, Austrian and German models, they all agreed that they are not exactly comparable to Spain; some aspects can be interesting for the reform being undertaken in our country. On this matter, the representative of UGT considered that the high rate of temporariness in Spain is the distinguishing factor. For her part, Rita Moreno, from CC OO, drew attention on the historic role and advances made by collective bargain, while Francisco Avendaño advocated for the Right to Work to be accompanied by the necessary measures for job creation, since, as he noted, is not enough in itself.