

## **EVOLUTION AND TRENDS OF FLEXICURITY IN THE CURRENT CONTEXT OF ECONOMIC AND SOCIAL DEVELOPMENT**

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### **Abstract**

*The level of uncertainty and risk that economic actors are currently confronted with, be they individuals, companies or other categories of organizations, is high, the more so since the whole process of economic decision-making is regarded with extreme circumspection. The heightened dynamics of contemporary economy and the difficulty of predicting its evolution have brought about the need for every measure targeting the labour sector to have a wide range of interventions in order to make a contribution to balancing the demands of real economy with the ability of the labour supply of adapting itself to the fast changes in the economic environment. Given this overall context, flexicurity policies play a central part in all development strategies yet there isn't always an institutional and administrative capacity of implementing in a correct, coherent and prompt manner all the measures called for to reach the targets set in terms of employment, sustainable economic and social development, strengthening the knowledge-based economy, etc. The present paper sets out to outline some clarifications pertaining to the conceptual and methodological framework of flexicurity. Moreover, we will attempt to outline some of the main lines of flexicurity policies in EU countries, given the significant existing lags between developed countries and those recently joining the EU27.*

**Keywords:** labour market, employment, economic neoliberalism, flexibility of the labour market, labour security, flexicurity

**JEL Classification:** E24, B25, J21, J88

### **1. Introduction**

The first consistent indications regarding the accelerated diversification of the issues the labour market is confronted with began to take shape in the early 1980, following the strengthening of the position of the neoliberal doctrine and the increased consistence of neoliberal policies, applied at an increasingly larger scale in the economy. The response of decision-makers on the labour market to this amalgamation of influences, some of which particularly strong, started to take shape a decade later, respectively during the last decade of the 20th century, through the gradual reconstruction of old structures and institutions and through designing an institutional framework that was better grounded in economic reality and able to comply with the demands of all factors involved (Munteanu, 2011). In this overall structure, flexicurity policies play an extremely important part when it comes to harmonizing the demand for skills and competences with the ability of the labour

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market to respond to these requests, in a safe and inclusive labour market. The paper is structured so as to contribute to the clarification of notions related to the concept of flexicurity, the models and methodology of flexicurity, at the same time revealing the main trends in this field at European level.

## 2. What is flexicurity?

The concept of flexicurity isn't new in the theory and practice of economics. The origins of the concept date back to the early 1990, when a process of combining notions of flexibility and security on the labour market began at European level, in an attempt to reconcile employers' needs with workers' interests, in the new economic and social context. As it is well-known, the labour market, as a derived market, is confronted with an extremely varied range of perturbing factors, which affect its functionality, its structure and, not in the least, its balance.

To summarize the evolutions with a profound impact on the institutional framework of the economic environment, we'd like to highlight the crumbling position of unions; the increased power of management and employers' associations; the rapid development of new technologies and their equally speedy introduction on the market; the sustained support for entrepreneurship, etc.

The above-mentioned issues have made a decisive contribution to the "downgrading" of the labour market from its previously central position in the 1980s to make room for the financial market, which has only served to add to the exposure of labour to the perturbing factors originating from processes and phenomena typical for the various sectors of global economy, with a strong influence on employment.

Various approaches to flexicurity can be found in specialized economic literature, and not only, taking into account the fact that the concept needed to cover several stages before imposing itself. We will start by underlining the fact that flexicurity, with its twin components: the flexibility of the labour market and the security of employment has been an intensely debated subject during discussions around social policies and employment in the European Union for more than two decades, starting in the early 1990s.

The first ideas taking into account the combination of flexibility and security in the labour market were introduced in 1993 by the Delors Commission in the White Paper on *Growth, Competitiveness and Employment*". As a term, flexicurity appeared in 1996, with its introduction in the Green paper of the Commission of the European Union on *Partnership for a New Organization of Work*".

Several of the key moments in the consolidation and development of flexicurity are outlined in a document of the Association of Romanian Entrepreneurs (2009), respectively:

- 22 November 2006, the Green Paper of the European Commission on *Modernizing Labour Law to Meet the Challenges of 21st century*;
- 22 November 2006 – 31 March 2007, initiating and holding an open (on-line) debate on *Adapting labour law to ensure flexibility and security for all*,

- 8-9 March 2007, the first debate on the definition of flexicurity, its conclusions referring to the need to prepare *a range of flexicurity pathways to find the right mix of policies tailored to labour market needs, including increased labour-market participation* (Presidency Conclusions - Brussels European Council, p. 7)

- 27 June 2007, the European Commission publishes the first document solely dedicated to flexicurity, respectively *"Towards Common Principles of Flexicurity: More and better jobs through flexibility and security"*;

- On 29 November 2007, the European Parliament published the resolution on the *Common Principles of Flexicurity*, following which the European Council adopted the *"8 common principles of flexicurity"* on 5 December 2008;

- In December 2008, the Council of the European Union published the report on the *"Implementation of the common principles of flexicurity within the framework of the 2008-2010 round of the Lisbon Strategy*, following the launching of an action plan called *"Mission for Flexicurity"* on 1 February 2008 (Ciucă, Son, Paşnicu, 2009) etc.

Starting with 2007 and 2008, flexicurity policies are considered efficient tools, techniques and methods of fighting the negative effects of the economic crisis on the labour market (EMCO Reports, 2009, p. 2).

A revision of the four components of flexicurity follows below.

**Table no. 1 Components of flexicurity (C1, C2, C3, and C4)**

<b>Crt. nr.</b>	<b>Name</b>	<b>Content</b>	<b>Meaning</b>
1.	<b>C1</b> Contractual arrangements/ clauses, from the point of view of both employer and worker	More flexible and secure labour contracts.	These entail modern labour laws, collective agreements and effective work organisation.
2.	<b>C2</b> Comprehensive lifelong learning (LLL)	Clear and well-defined strategies for a large scale implementation of the concept.	They ensure the continual adaptability and employability of workers (their chances of finding and keeping employment), particularly for the most vulnerable segments of the population.
3.	<b>C3</b> Active labour market policies (ALMP)	Various effective policies implemented on the labour market.	They can help people cope with rapid change, reduce unemployment spells, ease transitions to new jobs, etc.
4.	<b>C4</b> Social security systems	Modern, adequate to the development period and, most	They provide adequate income support, encourage employment and facilitate labour market mobility.

		importantly, sustainable.	
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*Source:* Summarized from the *Joint Employment Report-JER*, March, 2011, pp. 10-26

We would like to point out the fact that the four above-listed elements outlining the components of flexicurity form in fact the operational concept of flexicurity, used by the European Commission in drawing up its strategies and policies, as well as in defining the framework of analytical tools and methodologies for this field.

Given the variety of opinions and concerns in this field, it is difficult to present a unitary definition of the concept of flexicurity. We will therefore outline a summary of the most representative definitions of flexicurity:

1. It refers to the unbreakable links between the changes occurring in terms of the legal and social rights of core-workers on the one hand, and those of temporary, atypical or flexible contract-based employees, on the other hand (Wilthagen, 1998, p. 1);

2. A policy strategy that attempts, synchronically and in a deliberate way, to enhance the flexibility of labour markets, work organization and labour relations on the one hand, and to enhance security - employment security and social security, notably for weak groups in and outside the labour market on the other hand. (Tangian, 2007, p. 10);

3. It promotes the idea of compensation of labour market deregulation / flexibilization) with advantages in employment and social security / securization (Wilthagen & Tros, 2004, p. 170);

4. A strategy aimed at mitigating the imbalances manifest on the labour market, as well as a specific framework for analysis, which can be used to identify the coordinates underlying the operation of this market (Pavelescu, 2010, p. 19);

5. A political approach attempting to reconcile employers' need for a flexible workforce with workers' need for security (FEICVM, 2009, p. 1);

6. Flexicurity policies can be analysed as types of combinations between different forms of flexibility and security which might involve individual workers, groups of workers or certain sectors or the economy as a whole (Viebrock & Classen, 2009, p. 9).

We can therefore infer that it is difficult to come up with a sole, clear definition of flexicurity. Nevertheless, a synthetic definition of the concept could be coaxed in the following terms: in contemporary economy, flexicurity represents a stage in the evolution of the institutional and legal framework specific for the labour market, which aims at fighting back the negative effects of a score of influences coming from the dynamics of real economy during the past three decades.

We would like to stress once again the fact that the changes in the economic and social field, some positive, some quite on the contrary, are owed to the development of globalization and the consolidation of a knowledge-based economy. Moreover, we should also bear in mind the impact of putting neoliberal policies into practice, which have been predominant since the 1980s and which have in fact

triggered these profound changes in all contemporary economies as, naturally, in the world economy.

### 3. Flexicurity: Models of Representation

As is the case with attempting to provide a unitary definition of the concept, it is hardly possible to impose a strict model of application for flexicurity policies, particularly given the sizeable variety of the countries involved, notably in terms of economic, social, structural, political and geographical criteria. However, various authors have managed to outline three distinct stages in the history of the evolution of this concept (Tangian, 2010, p. 2), each with its own clear coordinates pertaining to the significance and content of the "model of choice" at the respective time, as can be seen in Table 2.

**Table no. 2 Stages and Traits of Flexicurity**

Stage	Period	Specifics	Significant Traits
I	1995 - 2001	Security for the "flexibly employed"	<ul style="list-style-type: none"> <li>✓ In-depth labour market reforms in the Netherlands;</li> <li>✓ The beginning of the academic debates on flexicurity, without involving social partners;</li> <li>✓ The stakeholders were primarily interested in protecting atypical workers against the negative consequences of labour market deregulation.</li> </ul>
II	2001 - 2006	Flexibility–security trade-off	<ul style="list-style-type: none"> <li>✓ The European social partners began to be involved in the discussions around flexicurity;</li> <li>✓ A wide variety of entities involved (EC, EU, OECD, etc.) "deemed" the flexicurity approach appropriate for implementing their respective employment strategies.</li> </ul>
III	2006 - today	Security through flexibility	<ul style="list-style-type: none"> <li>✓ The consolidation of the concept of flexicurity, in the sense of "<i>securing flexibility by adapting labour force to flexible employment, primarily by lifelong learning</i>";</li> <li>✓ Flexicurity is credited with providing "more and better jobs";</li> <li>✓ It is considered that flexicurity contributes to labour market performance by improving economic competitiveness.</li> </ul>

*Source:* Summarized from Tangian, 2010, p. 2

At present, five different groups or clusters of flexicurity have been identified among EU countries, each with their own levels of meeting the requirements of the

two components (security and flexibility), as well as the effectiveness regarding the outcome of putting policies into practice (Table 3).

**Table no. 3 Flexicurity Models in EU States**

<b>Crt. nr.</b>	<b>Typology of the model</b>	<b>EU States where it is to be found</b>	<b>General traits</b>
1.	Anglo-Saxon system	UK, Ireland	<ul style="list-style-type: none"> <li>✓ high flexibility,</li> <li>✓ intermediate-to-low security,</li> <li>✓ low taxation,</li> <li>✓ efficient at fighting poverty,</li> <li>✓ inefficient at creating new jobs.</li> </ul>
2.	Continental system	Germany, Belgium, Austria and France	<ul style="list-style-type: none"> <li>✓ intermediate-to-low flexibility,</li> <li>✓ intermediate-to-high security,</li> <li>✓ intermediate-to-high taxation,</li> <li>✓ efficient at fighting poverty,</li> <li>✓ inefficient at creating new jobs.</li> </ul>
3.	Mediterranean system	Spain, Portugal and Greece	<ul style="list-style-type: none"> <li>✓ low flexibility,</li> <li>✓ relatively low security,</li> <li>✓ high taxation,</li> <li>✓ inefficient at fighting poverty,</li> <li>✓ inefficient at creating new jobs.</li> </ul>
4.	Eastern European (plus Italy) system	Poland, Hungary, the Czech Republic, Slovakia and Italy	<ul style="list-style-type: none"> <li>✓ intermediate-to-high flexibility,</li> <li>✓ low security,</li> <li>✓ intermediate-to-high taxation,</li> <li>✓ inefficient at fighting poverty,</li> <li>✓ inefficient at creating new jobs.</li> </ul>
5.	Nordic system	Denmark, the Netherlands, Sweden and Finland	<ul style="list-style-type: none"> <li>✓ intermediate-to-high flexibility,</li> <li>✓ high security,</li> <li>✓ intermediate-to-high taxation,</li> <li>✓ efficient at fighting poverty,</li> <li>✓ efficient at creating new jobs.</li> </ul>

*Source:* Summarized from Voss, Dornelas, Wild & Kwiatkiewicz, May 2011, p. 12

Careful analysis of the information provided in table 3 brings us to the observation that a series of EU27 member states don't clearly fall under any of the models. We mention in this sense Bulgaria, Cyprus, Estonia, Latvia, Lithuania, Luxembourg, Malta, Romania and Slovenia. The simple reason behind this is the fact that a mix of various models is currently applied in these countries, in their attempts to adapt the model of implementation of flexicurity policies to the economic, social, political, institutional particulars of each state. If we take Romania, for instance, we notice it falls on the border between the Mediterranean and the East-European

systems, with the following set of general characteristics: low flexibility, low security, high taxation, inefficient at fighting poverty and inefficient at creating new jobs.

#### **4. Methodological Framework of Flexicurity**

The system of indicators in the European Employment Strategy (EES) is used in order to analyse the four coordinates of flexicurity mentioned before.

The conceptual framework of the analysis of flexicurity relies on the use of three classes of indicators:

**I. input indicators**, concerning the quantitative assessment of rules and regulations pertaining to the provided benefits, services, etc. (we can include here, for instance, the public financial resources assigned to this purpose);

**II. process indicators**, referring to the weight of groups of people affected by the implementation of various policies or involved in the process of implementation (it measures in practice the extent to which various sets of measures are effectively implemented and have an effect);

**III. output indicators**, regarding the degree of satisfaction of the need for mobility on the labour market, such as unemployment, inactivity, work processes, etc. (it is recommended to use data provided by cross-sector statistical polls, which have a higher degree of complexity and relevance).

Another point to be considered refers to the use of specific, tailored data for groups or sub-groups of individuals, based on criteria such as gender, age, social environment, level of training, ethnicity, etc.

Moreover, we shouldn't overlook the fact that flexicurity should take into account the gap between the time or period of implementation of various measures, and the time when these measures have effects in the actual economy, in terms of the evolution of indicators such as employment rate, unemployment rate, work productivity, the quality of work processes, the degree of social inclusion, etc.

The criteria of selection for the indicators used in the analysis are as follows, based on the EES recommendations: they should closely reflect the EES guidelines; they should be clear and relevant (no ambiguous indicators should be used); they should be estimated by using sources harmonized to the EU level, as much as possible; they should allow for an identification of issues in reaching the targets; they should comply with structural indicators; they should be of good quality, etc.

A synthesis (Pavelescu, 2010, pp. 30-33) of the indicators used in assessing the degree of implementation of flexicurity policies (along the four components) is presented in Table 4.

Table no. 4 Evaluation indicators for the degree of implementation of flexicurity policies

Crt. nr.	Class of indicators	Type if indicators included
1.	<b>Input indicators</b>	<ul style="list-style-type: none"> <li>✓ Employees with flexible labour-contract - % of the employed population (<b>C1</b>)</li> <li>✓ Public spending on HRD* - as % of GDP (<b>C2</b>),</li> <li>✓ Expenditure on ALMP** -measures per person wanting to work (<b>C3</b>),</li> <li>✓ Expenditure on unemployment support per person wanting to work (<b>C4</b>).</li> </ul>
2.	<b>Process indicators</b>	<ul style="list-style-type: none"> <li>✓ Employees with undetermined-time labour contracts and employees working voluntarily on limited or fixed-time labour contracts as % of the employed population (<b>C1</b>),</li> <li>✓ Employees participating in HRD* programs as % of the total number of employees (<b>C2</b>),</li> <li>✓ Percentage of individuals wanting to work who participate in ALMP** (<b>C3</b>) as % of the total number of people wanting to work,</li> <li>✓ Unemployed individuals who don't run the risk of poverty as % of the total number of unemployed (<b>C4</b>).</li> </ul>
3.	<b>Output indicators</b>	<ul style="list-style-type: none"> <li>✓ Individuals with employment security at least equal to that of the previous year - as % of the total employable population (<b>C1</b>),</li> <li>✓ Individuals with a level of training, occupational status and wages at least equal to those of the previous year - as % of the total employable population (<b>C2</b>),</li> <li>✓ Percentage of individuals who wanted to work, who participated in ALMP** and who found employment within 6 months from participation to ALMP** (<b>C3</b>) as % of the total number of people wanting to work who participated in ALMP**,</li> <li>✓ percentage of people benefiting from on unemployment support - as % of the population wanting to work (<b>C4</b>).</li> </ul>
4.	<b>Context indicators</b>	<ul style="list-style-type: none"> <li>✓ GDP evolution,</li> <li>✓ Dynamics of work productivity,</li> <li>✓ Evolution of net average wages,</li> <li>✓ Growth pace and structure of investments,</li> </ul>



		<ul style="list-style-type: none"> <li>✓ Efficiency of international economic relations,</li> <li>✓ State budget balance, etc.</li> </ul>
5.	<b>Indicators specific to the labour market</b>	<ul style="list-style-type: none"> <li>✓ Employment rate as % of 15-64 years old,</li> <li>✓ Employment rate of senior population as % of 55-64 years old,</li> <li>✓ Self-employed as % of the total population,</li> <li>✓ Employment rate in the services sector as % of employed population,</li> <li>✓ Employment rate in industry as % of employed population,</li> <li>✓ Employment rate in agriculture as % of employed population,</li> <li>✓ Unemployment rate as % of the total 15+ labour force,</li> <li>✓ Unemployment rate for young population as % of 15-24 years old,</li> <li>✓ Long-term unemployment rate as % of the total labour force.</li> </ul>

*Source:* Interpreted from Ghinărașu, Pavelescu, Dimitriu, Modiga, pp. 30-33 and Eurostat, *Employment in Europe Report 2010*. \*HRD – human resource development. \*\*ALMP - active labour market policies.

For the first three classes of indicators, their correspondence with the four components of flexicurity (**C1, C2, C3, C4**) described in table 1 has also been indicated. In addition, the previous table also included two extra categories of indicators, alongside those directly associated with flexicurity, i.e. context indicators, meant to provide information referring to the dynamics of economic activity, such as the evolution of the GDP, of productivity, of average net wages, the pace of investments, the efficiency of international economic relations, public resources (the consolidated budget), as well as indicators that are specific to the labour market, aimed at assessing its functionality, performances on the market, etc.

### **5. Current Trends in the Evolution of Flexicurity**

Taking into account recent developments in the world economy, the Employment Committee of the EU has submitted for analysis the National Reform Programmes drafted by the Member States, based on the Europe 2020 objectives and the Employment Guidelines. Moreover, flexicurity policies have played a key role in these debates. Some of the most significant aspects emphasized during this analysis referred to:

- The need to increase the degree of participation of men and women to the labour market and the mitigation of social exclusion;

- The increased weight of measures aimed at creating new jobs, with a stress on improving the business environment and on developing greening economies;
- Drafting and implementing a coherent set of measures aimed at decreasing the degree of segmentation of the labour market, with special attention to limited-time labour agreements;
- Creating the right environment for an increasingly efficient operation of the labour market, by "improving" the balance between security and flexibility, taking into account the fact that a much too high flexibility would endanger employment security, while a much too rigid security would have a negative impact on the flexibility of working relations;
- Increasing the correlation between the offer in the formal educational system with employers' need for a labour force, with the purpose of facilitating the transition from school to active work life;
- Diversifying re-schooling and professional training programmes, with the aim of increasing the chances of the work force on the labour market;
- Drafting programmes focused on decreasing the number of individuals that could be affected by medium-term poverty or social exclusion, with the purpose of increasing employment and providing a sustainable system of social protection.
- Maximizing the length of employment of the labour force and mitigating the effects of breaks in the active work life, with the aim of providing for the sustainability of the pension system and for an appropriate level of pensions, etc.

The reforms aimed at boosting economic growth in the EU27 member states lay particular emphasis on the targets set in the fields of employment, education and social inclusion, respectively on the concept of a flexible, secure and inclusive labour market. Among the priority areas for reforms aimed at boosting economic growth, with a major impact on the labour market, we would like to mention the following: full employment; a high level of training and education of the labour force and the support of an inclusive economic growth, aimed at fighting poverty and exclusion. The measures envisaged by full employment are geared towards boosting employment as high as possible, particularly among the population segments currently challenged on the labour market.

As far as improving the level of training and education of the work force is concerned, it is deemed that approx. 85% of the jobs in the EU will require personnel with higher or medium education by 2020. Reaching this target or satisfying this requirement on behalf of employers will require sustained efforts by the Member States to reform their educational systems, both the formal and the informal sector, taking into account the fact that ensuring a high performance human capital is one of the crucial factors of sustainable development, of providing a high level of competitiveness and of a quantitative and qualitative increase of employment (Munteanu, Stankova, Murgescu, 2011).

Nevertheless, we note a still quite significant gap in the EU27 Member States among the current situations and the objectives aiming at decreasing the share of

early leavers from education, respectively of temporary breaks in education among the population aged 18-24, with an extremely low level of education at least at secondary level, from over 15% at present to below 10%, and respectively increasing tertiary educational attainment for the segment aged 30-34 from the current average of approx. 31% to over 40% (*Europe 2020 Indicators*, Eurostat, Brussels).

The need to promote inclusive economic growth, aimed at fighting poverty and exclusion, was generated by the fact that the risk of poverty and exclusion is of 58% among the unemployed, as opposed to 13.5% among employed individuals, according to the analyses published in the *Joint Employment Report-JER 2011*. Under these circumstances, there rises the issue of the sustainability of the social security systems currently used and of the urgent need to render them more efficient through measures such as simplifying the bureaucracy specific to this field; simplification of rules leading to the bureaucracy specific to this field; reduction of administration costs through investment in high-end technology; performance indicators, or addressing fraud and error, etc. Yet increasing the level of performance of social welfare systems should take into account drafting and implementing active strategies of inclusion, primarily aimed at sustainable employment or reintegration on the labour market.

But according to official EU statistics, one of the greatest issues among the negative effects of the world economic crisis is a sustained high rate of unemployment, which worries both the population and the authorities. At the onset of the economic crisis in whose grip we still are today, the complex structural issues of the labour market had already come to the attention of EU decision-makers (*Joint Employment Report-JER*, March, 2011, pp. 3-6). Moreover, given the enhanced tensions in the euro area, it is difficult to forecast the extent to which flexicurity policies will be successfully implemented, particularly in countries which are still behind the EU27 targets in this sense (see the structuring per models in Table 4).

To summarize the issues outlined in this section of the paper, we note that, despite the efforts of European decision-makers to promptly implement the principles of flexicurity in the Member States, we are currently confronted with an increased volatility of employment, aggravated social insecurity, enhanced interventionism on the labour market and increased unemployment, particularly among the young population. At the same time, it is notable that flexicurity policies can be efficiently implemented only in those countries that are early starters in this process (such as the Netherlands and Denmark) or in countries with a solid economy and a tradition of efficient social security systems (such as Sweden, Finland, Germany, Belgium, Austria and France).

Another point we would like to stress is the fact that it is very difficult to comply with the principles of flexicurity in times of economic crisis, much less to coherently implement related policies. Finally, perhaps the most important point is that none of the flexicurity models has so far been efficient at creating new jobs, which means that even EU27 countries with high economic and social performances

should undertake even more strenuous efforts than before in order to boost the real economy and reform the system underlying the operation of the labour market.

## 6. Conclusions

Taking into account the complex issues tackled in this paper, we would like to point out the fact that a series of policies and measures have been drafted, which Member States are to integrate into their National Reform Programmes, in order to project structural reform measures, in correlation with their own specifics and development needs. Among these, we mention the following:

1. Decreasing the contribution to the social security systems of companies employing individuals who are part of vulnerable groups; who are first-time employees; who re-enter the labour market; who are women or parents re-entering the labour market at the end of child-care periods; who are aged and unemployed, etc.

2. Providing decent wages for employees and promoting active measures aimed at the unemployed youth;

3. Providing incentives for the employment of women and increasing the internal flexibility of work processes within companies;

4. Redesigning social protection systems for the unemployed in order to motivate them to find employment;

5. Enhancing the efforts made to implement flexicurity strategies, in order to mitigate the segmentation of national labour markets, etc.

Moreover, we would like to mention the necessity, comprised in the Europe 2020 Strategy, of ensuring the convergence of policies aimed at employment, innovation, research and development, environmental protection and industrial development, so that new employment opportunities are created for the work force. Yet we also note that the approach which was unanimously adopted during the last decade of the 20th century - job protection - leads to the rigidity of the labour market and prevents the creation of new jobs. At the end of the first decade of the new millennium, the aim of public policies is to ensure the balance between flexibility and security on the labour market, so that: more new jobs should be created; there should be conditions for the lifelong development of human resources; the skills and competences of workers should be more efficiently employed.

Experience has shown that decreasing job protection has led to new jobs only on the short term. At the same time, the sole support of flexibility has had a negative impact on the ability of the market to create new jobs in the long run. The last point we would like to make is that, during the past few years, we have been confronted with a pronounced segregation of the labour market into two categories of workers - highly-qualified, well-paid and safely employed individuals, and respectively poorly-qualified, poorly-paid individuals lacking secure employment - which has served to aggravate the insecurity on the job market for the second category.

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