Globalization and/or Europeanization? The Case of Flexicurity

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Introduction

Globalization and Europeanization are terms with wide-ranging appeal and a ‘catchy’ quality that has made them popular among politicians, commentators and scientists alike. Though their trajectory of growth and subsequent popularization is slightly different, their use often tends to be confusing insofar as the two phenomena tend to be conflated, mistaken for each other or used interchangeably to denote a wide range of socio-economic changes. This latter phenomenon preoccupies us in this paper. To disentangle globalization from Europeanization we focus on their discursive dimension. Our aim is to delineate the discursive use of the two terms by relevant organizations and their instrumentalization to justify particular policy choices. In contrast to most of the literature up to now (e.g. Levi-Faur, 2004 and Verdier and Breen, 2001), we approach the issue from a different angle and rather than focusing on the impact of globalization and Europeanization at the domestic level, we focus at the international level and we compare the globalization and Europeanization discourses of the European Union (EU) and the International Labor Organisation (ILO) in the case of flexicurity.

Before proceeding and considering that the very nature of the terms analyzed here are encompassing and comprehensive by nature, it is important to clarify what the paper is not about. First, we deal with the utilization and the relationship between the two phenomena only. We thus do not preoccupy ourselves with the series of legitimate and all-important questions that arise once we consider the possibility that the very terms themselves are subject to doubt considering their material effects. To put it simply, the debate on the ‘truthfulness’ of globalization and its impact between the skeptics (Hirst and Thompson 1996) and ‘hyperglobalists’ (Ohmae 1996), important as it is, falls outside the remit of the present study. Secondly, the same holds true for Europeanization. Considering
that we are interested in the use of the term to understand the thought processes and discursive practices that key institutions instrumentalize to shape a certain policy agenda, the extent to which Europeanization is ‘real’ need not preoccupy us here. Suffice to say that the literature on the subject has grown exponentially over the last two decades and now encompasses almost the full range of policies related to the process of European integration, whether in a ‘bottom-up’, ‘top-down’, ‘multilevel’, ‘regulatory’ or any other possible way.

Moreover, we ought to clarify why we look at the issue of the use of discourse through the prism of labour market policy. Despite the four freedoms enshrined in the Rome Treaty and the onset of the liberalization process in the 1980s, labour market policies are fundamentally organized at national level and cross-border mobility of labour is very limited in the EU. Having said that, the onset of globalization defined as an accelerated pace of economic liberalization leading to the gradual dislocation of capital from its ‘home base’ has also affected labour markets worldwide. What is more, the growing resistance that social policy convergence has met with in the EU over the last few decades (and arguably since its origins) has encouraged ‘soft law’ methods of policy coordination among member states, principal among which have been labour market policies through the concrete example of the 1997 European Employment Strategy (EES), later absorbed into the 2000 Lisbon Strategy. By looking at a concrete manifestation of labour market policies, namely the concept of flexicurity, we seek to understand the wider processes of policy construction at global and European level, demonstrate the linkages between the two and critically assess their generation and policy impact. In doing so, we aim to contribute to a better understanding of processes of globalization and Europeanization through the institutional manifestation that they acquire in the form of the ILO and the EU.

Finally, we embark on the analysis based on the hypothesis that the relationship between Europe and globalization is far from neutral or passive. To the contrary, and as will be discussed with relevant references to the literature below, ‘Europe’ as an institutional and political actor is active in shaping the discourse of globalization and plays an energetic part in seeking to define the parameters within which the concept is employed. Translated into the work undertaken here, this is to suggest that Europeanization could be conceived as a facet of globalization rather than as a bulwark to it or as a process running parallel to it. It is
for that reason that we introduce the discourses convergence-divergence approach to assess the extent to which the two sets of discourses employed by the EU and the ILO confirm (or not) to the hypothesis outlined here.

The paper begins with a discussion of the literature linking globalization and Europeanization in order to introduce our research design and focus on discourse. We continue by introducing the concept of flexicurity discussing its origins and subsequent growth. In line with our research design, we then go on to examine how the European Union feeds into the concept. This is done by looking at the references to globalization and/or Europeanization in relation to flexicurity. The next section follows the same logic and applies it to the case of the ILO as a proxy for globalization. Following this research approach allows us to compare the Europeanization and globalization discourses as operationalized by the EU and the ILO respectively, and investigate whether, how and under what conditions flexicurity provides a point of discursive convergence or divergence between the two organizations. The concluding part will summarize the main empirical findings and seeks to answer our initial question about the relationship between the two phenomena.

Comparing the Discourses of Globalization and Europeanization

The analysis of the relationship between Europeanization and globalization is not an easy task. Both of the phenomena are multi-dimensional and their definitions are often abstract and general. This paper attempts to limit the spectrum by focussing on the relationship between the discourse of globalization and that of Europeanization and how they are translated into policies in the field of labour market. The main question is whether we can distinguish between the two discourses and thus between the policies they are promoting. Our theoretical and methodological tools stem from discursive institutionalism.

The discussion on the relationship between the two phenomena has been increasing in the last few years. There is an agreement that globalization and Europeanization are
closely related, but there are variations in the perceptions of the degree of integration of the two phenomena (Ladi, 2006). One approach claims that Europeanization is a ‘filter’ for globalization (Wallace, 2000) or in an even stronger language, an ‘antidote’ to globalization (Graziano, 2003). Europeanization as a ‘filter’ for globalization signifies the capacity of the EU for deep co-operation on issues of political economy, but also on other issues, which allows for a selective reaction to the pressures of globalization (Wallace, 2000). Europeanization as an ‘antidote’ of globalization, moves a step forward and refers to the capacity of Europeanization not only to act as a filter for the pressures of globalization but also to promote policies and institutions that affect the same processes of globalization towards more socially just development. Graziano (2003) wonders whether in a few years we will be able to talk about the ‘Europeanization of globalization’. What is characteristic of this approach is that the EU is seen as mediating between the state and globalization, which means that it is understood not as a part of globalization but as external to it.

A diverse approach to the relationship between globalization and Europeanization, conceives globalization as the main force that drives international change and sees Europeanization as simply following the trends outlined by globalization. This means that the main phenomenon that leads the way is globalization and the EU is part of it. For example, Levi-Faur (2004) in a study of the liberalization of telecoms and electricity regimes of EU and non EU member-states comes to the conclusion that Europeanization matters in a less obvious and less critical way than globalization. This finding is confirmed by the study of the Spanish and Portuguese telecommunications and electricity sectors (Jordana, Levi-Faur and Puig, 2006). In the same vein Della Sala (2004) in his study of Italy and of the reforms that are taking place comes to the same conclusion. The argument goes that Europeanization plays an indirect role in the process of change and that there are other global pressures that are more prominent. Verdier and Breen (2001) apply a quantitative research design in four different domestic dimensions and observe that in areas such as labour market and capital market, it is globalization that is mainly responsible for change while in electoral competition and in centre-local government, the EU plays an important role.
A reverse argument which is opposite to the idea of Europe as an ‘antidote’ of globalization is put forward by Scharpf (2002). In his study of the European Social Model he shows that if anything the European Union has limited the options of the member-states as far as their welfare-states are concerned to “supply-side strategies involving lower tax burdens, further deregulation and flexibilization of employment conditions, increasing wage differentiation and welfare cutbacks…” (Scharpf, 2002, p. 649). He further argues that the World Trade Organization (WTO) rules are less constraining which means that it is not globalization that limits the EU choices on social policy. Scharpf’s argument could signify the ‘Europeanization of globalization’ but not as Graziano (2003) imagines it but rather as a further push towards liberalization. Reversing the logic that most EU scholars have been following and actually explore the way the EU has been affecting globalization is a useful way forward. Jacoby and Meunier (2010) in their review remind us that the EU has been a central actor in shaping the global environment. They argue that the main mechanisms that the EU has been using include writing the rules of globalization (e.g. of global trade), transferring European regulations and standards to the global level and serving as a model for the rest of the international community. Their analysis is based on examples that concern the economic aspects of globalization and Europeanization but their claims could be generalised. This paper, in agreement with Jacoby and Meunier claims that the EU is active in shaping the discourse of globalization which means that Europeanization can best be described as one of the faces of globalization.

A variety of research designs has been applied in the studies aiming to relate globalization with Europeanization but what most of them have in common is that they attempt to distinguish the effects of globalization from those of Europeanization at the domestic level. One approach is to look at one country specific case-studies (Graziano, 2003 and Della Sala, 2004). The advantage of this approach is that in depth empirical analysis is offered which can shed light to the different effects of the two phenomena. A second strategy is to select specific sectors or dimensions of domestic politics and to offer a comparative quantitative analysis of the changes that are taking place (Levi-Faur, 2004 and Verdier and Breen, 2001). The strength of the second approach is that is possible to discover different effects of Europeanization and of globalization on different sectors depending, for example, on how liberalized or deregulated they are. The research design
proposed in this paper differs in the unit of analysis that is compared. Neither countries nor policy sectors are compared. The comparison here concerns international organisations and in particular the discourses that the EU and the ILO use to promote or to delimit the spread of flexicurity. The EU and the ILO are understood as the institutional manifestations of Europeanization and of globalization respectively.

Hay and Rosamond (2002) in an institutionalist and yet social constructivist approach to globalization and European integration discuss the way discourses matter in policy-making in different European countries. For them, “it is the ideas that actors hold about the context in which they find themselves rather than the context itself which informs the way in which actors behave” (Hay and Rosamond, 2002, p. 148). In the empirical part of the article, they show that some European countries blame the EU and not globalization for similar painful social and economic reforms that other member-states have attributed to globalization. This conclusion shows the importance of discourses and rhetoric of globalization and Europeanization. We suggest that in order to shed light to the discourses themselves their deployment at the international (ILO) and supranational (EU) level has to be further explored. The theoretical and methodological tools of discursive institutionalism are of great assistance to this exercise.

Discursive institutionalism has been outlined by Schmidt (2008) as a fourth institutionalism, distinct from rational choice institutionalism, historical institutionalism and sociological institutionalism that reflects the turn to ideas and discourse in political science. Institutions are understood as the context within which agents think, speak and act and at the same time as the result of agents’ thoughts, words and actions. Discourse as developed in discursive institutionalism describes the substantive content of ideas but also the interactive process by which ideas are spread. Discourse is not just about ideas or “text” but also, as in Hay and Rosamond (2002) about the context in which the ideas are developed and promoted. Schmidt and Radaelli (2004: 193) talking about discourse and policy change clarify that the study of discourse should coexist with the awareness that interests also matter, as well as the material conditions and the hard economic variables. Empirically, what is interesting is to shed light to cases where discourse proves to be central in the development of events and to pick the exact time and the agents that are responsible for its
coordination and communication. This is what we aim to do in our case-study of flexicurity in the EU and the ILO.

Schmidt (2008) distinguishes between the coordinative and communicative discourse. The coordinative discourse refers to the “creation, elaboration, and justification of policy and programmatic ideas” by policy actors and the way they exchange views and persuade each other. It is concerned with the formation of a common language on the part of policy groups in their attempt to construct a coherent policy programme (Schmidt 2002, p. 171). The communicative discourse, on the other hand, is concerned with the relationship between policy-makers and the public. It refers to “the presentation, deliberation, and legitimation of political ideas to the general public” (Schmidt, 2008: 310). These two definitions are our basis for comparing the content of discourses of globalization and Europeanization in labour market policy as they have been deployed by the EU and the ILO. We distinguish between the coordinative and communicative discourses of the EU and the ILO in order to locate points of convergence and divergence between the discourses on Europeanization and globalization. This approach has thus far been largely overlooked in the literature.

Origins and Development of Flexicurity

Flexicurity has by now become one of the European Commission’s favourite mantra and is often used in policy debates on the labour market. Yet the concept has its origins at national level: it was first implemented by the Danish government in 1993 as well as the Dutch administration in the 1990s through its Flexibility and Security Act (Viebrok and Clasen, 2009: 7). The approach soon reaped benefits in that it combined employment growth with a massive cut in the then burgeoning Danish deficit. A similar success in the Netherlands led to attempts by the Commission to export flexicurity elsewhere in the continent and beyond. How is the term to be understood? There is not one definition that covers the entire spectrum of policies potentially covered under the term. Though Wiltjagen and Ros (2004: 167) understand it as an attempt to enhance Europe’s competitiveness
through further liberalization, practices at national level differ. In the Dutch case it meant legislating for more employer flexibility in hiring and firing, in return for better protection for workers in open-ended contracts. In Denmark flexicurity referred to the institutional mix of active labour market policies, flexible contractual arrangements and generous (yet conditional) unemployment benefits (Jørgensen, 2011: 4).

Moving on to the core tenets of the concept, one can discern four main types of flexibility and security that together comprise the concept. Starting with flexibility, there is 1) External flexibility, i.e. hiring and firing workers subject to minimum constraints and the use of flexible contracts, 2) internal flexibility, i.e. firm ability to meet market-shaped demands on time through part-time work, casual work and so on., 3) payment flexibility, i.e. variation in pay based on performance evaluation and 4) functional flexibility, i.e. matching employee skills with changing work tasks. Similarly there exists 1) employment security, i.e. remaining in paid work though not necessarily of the same employer, 3) income security to maintain decency in living standards regardless of employment 2) job security through strong employment protection legislation and 4) combination security, i.e. being able (at least potentially) to successfully combine different tasks, mostly a sustainable work-life balance (Viebrok and Clasen, 2009: 309). Flexicurity is thus very much concerned with achieving successful combinations of flexibility with security depending on circumstances, national idiosyncrasies, political culture and institutional legacies.

The EU Discourse on Flexicurity

The European Commission started referring to the concept in the 2000 Lisbon Strategy and the perceived successes of flexicurity at national level. In the year 2001 the Employment Guidelines, developed as part of the Lisbon Strategy, included an explicit reference to the need to achieve a better balance between private and working life by combining flexibility with security (Wilthagen and Tros, 2004: 168). After the 2006 Villach meeting on social and employment policy the concept of flexicurity was officially adopted by the European Commission and since 2007 flexicurity and associated policy concepts are
part of the official European Employment Strategy (EES) (Tangian, 2007: 553), and were included in the 2008-2010 EES Guidelines.

As suggested above, however, the precise definition of flexicurity remained contested. Taking into account the pertinent confusion as to the term’s real meaning, the Council requested that the Commission come up with common principles of flexicurity, which could then be integrated in the Lisbon Strategy and be part of the National Reform Programmes included therein. In a 2007 Communication, the Commission outlined eight such principles. Flexicurity meant (inter alia) ‘flexible and reliable contractual arrangements, modern social security systems and effective labour market policies’ as well as ‘a balance between rights and responsibilities’ (European Commission, 2007: 4).

Major problems emerge here, however, as the Commission goes on to outline normative considerations rather than definitions. It mentions that flexicurity should promote ‘internal (within the enterprise) flexicurity coupled with external (from one enterprise to another) flexicurity’ (5), it should be adapted to national circumstances (3), reduce the insiders-outsiders imbalance in the labour market (4) support gender equality (6) and be pursued in line with fiscally prudent and sound budgetary policies (8). This nebulous attempt to define the concept also includes the precondition of ‘trust between the social partners (7) for flexibility to take root’ (European Commission, 2007: 9-10). Trying to make the concept a bit more cohesive, the Expert Group on Flexicurity set up by the Directorate general for Employment and Social Affairs (DGEMPL) identifies four pathways to flexicurity, namely the reduction of asymmetries between standard and non-standard employment, the enhancement of workers’ and companies’ adaptability, the addressing of opportunity and skills ‘gaps in the workforce and finally the build-up of institutional capacity for change alongside the prevention of welfare dependency and the regularization of informal work (European Expert Group, 2007: 5).

The Commission has endorsed, and the Council has approved, a long list of flexicurity principles (outlined above) that do not always sit comfortably next to one another. This is not surprising. While those pertaining to the need to maintain a balance between rights and responsibilities in the workplace reflect the ‘Third Way’ (Giddens 1998) consensus still prevalent among some EU decision-making circles, others proclaim the
desire to break the insiders-outsides dichotomy in the labour market and support gender equality. Since those remain part of a lofty rhetoric without immediate policy implications, not least because the preferred method of flexicurity implementation is the Open Method of Coordination premised on loose cooperation and non-binding targets sanctioned only through ‘naming and shaming’ processes, (Tsarouhas 2008) it is worth pointing to those who have clearer and more immediate policy implications.

Thus, part of the flexicurity approach endorsed by the Commission is the need to maintain financially sound budgetary policies since ‘flexicurity policies have budgetary costs’, pay particular attention to the needs of SMEs when considering the financial implications of a flexicurity programme, and use social protection policies in a way that will facilitate workers’ mobility (European Commission, 2007: 9). While the cornerstone of flexicurity’s interpretation is thus geared towards enhancing EU competitiveness primarily by facilitating enterprise restructuring and financing, the approach is characterized as a ‘win-win’ strategy that falls into perfect line with the European Social Model (ESM).

In that context, it is significant to say a few words about the Commission’s discourse on globalization and make the case for our earlier hypothesis on the active role played by the EU in shaping that discourse. The Commission’s discourse in promoting a particular labour market pathway that goes through the implementation of a particular type of flexicurity reveals its understanding and consequences of globalization. This discourse is essentially twofold. First, globalization is intimately connected to technological change and the revolution the latter has caused in the production, consumption and lifestyle habits of employers and employees alike. According to the Commission, globalization is therefore understood as the by-product of technological progress, which is inevitably bound to affect peoples’ working lives at different levels (Interview 2). In the Expert Group’s report mentioned above, four factors are identified as having led to structural economic change. Two of them are the ‘rapid development of new technologies’ and the ‘fast pace of international economic integration’ (European Expert Group, 2007: 8). By contextualizing globalization and its effects along with technological progress a series of implications are left untold, yet are very visible in subsequent attempts to suggest remedies in dealing with
globalization’s consequences: globalization is an inevitable, inescapable reality and socio-economic policy measures ought to fall in line with its overarching logic.

The exact nature of this ‘logic’ is subsequently revealed in the second main discourse on globalization, namely the identification of globalization with an overall positive effect on employment and economic growth, which may be subject to some modification yet does not require any fundamental rethinking. In a 2007 Commission Communication the second paragraph reads as follows: ‘Overall, globalization is beneficial for growth and employment, but the change it brings requires rapid responses from enterprises and workers’. (COM 2007, 3). There is no doubt therefore, that globalization ought to be welcomed as a process that enhances Europe’s welfare. The next step should be to make fuller use of its allegedly beneficial effects by preparing both the workforce and enterprises for globalization’s set of inescapable ‘demands’. The Bureau of European Policy Advisers (BEPA) argues in its Consultation Paper to the European Commission1 in 2007 entitled ‘Europe’s Social Reality’ that ‘in recent years it has become clear that a significant number of European citizens see globalization, liberalization and the drive for greater competitiveness as much as a threat to their well-being as a facilitator of it’ (Liddle and Lerais, 2007: 5).

Once this fact has been asserted, the issue of how to go about addressing it becomes pertinent. Here things become interesting, when the BEPA paper explicitly argues that globalization does little else than accelerate already existent trends within the ESM, trends related to deindustrialization, an ageing society and (of course) technological change. Hence, let there be no mistake:

‘It is a myth to believe in a timeless European social model which has now been subject to a “globalization shock”’. (Liddle and Lerais, 2007: 7).

The issue of the relationship between globalization and the ESM is thus framed in such a way that makes: a) the process of change endogenous to ESM and not the result or need to respond to globalization b) the necessity of change inescapable and c) the direction of

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1 The similarity in outlook between the views expressed in this consultation paper and the policy stance adopted by the European Commission on the issue of change and modernization is evident. Note, however, that ‘Europe’s Social reality’ is not an official Commission document and does not necessarily express Commission views.
change towards more flexible labour market arrangements almost automatic considering that globalization comes together with pressure for enhanced levels of competitiveness.

The earlier discussion on the European Social Model and the perception of globalization hints at the discursive use of flexicurity by the Commission to promote a policy agenda in line with its interpretation of an external economic reality, shaped by globalization and affecting the ESM. This agenda is characterized by an attempt to mould flexicurity along the lines of a fiscally restrictive macroeconomic policy, encourage enterprise flexibility as a precondition for enhanced competitiveness at global level and encourage the supply-side adaptability of the workforce to external challenges and work reorganization. The ESM-related aspects of employee security remain in place, yet they appear as little more than rhetorical attempts, to display a determination of clinging to aspects of Europe’s cherished past. In fact, the link between a generous welfare state, employee rights and so on with the ‘past’, however defined, is itself indicative of the discursive use of flexicurity.

Such a discourse allows the EU and in particular the Commission to portray flexicurity as not only congruent with its vision of Europe’s political economy future, but also as a new paradigm in an era of globalization that balances employee and employers’ interests. However, Keune and Jepsen (2006) rightly point out that, intrinsically, there is little new in this debate with regard to the flexicurity discussion: member states have long been using elements of flexicurity in their domestic systems. We would add that their record in combining flexibility with security is highly mixed, depending on a whole series of factors, most of which have little to do with the alleged ‘imperatives of globalization’. Instead, what seems more plausible to argue is that the Commission in particular has taken seriously the window of opportunity provided by this debate, in that it has sought to use it to disseminate its preferred knowledge on how to deal with contemporary ‘economic realities’, and strengthen its institutional position as a mediator between different and often diverse interests.

In that context, then, is flexicurity a European or a global concept? It seems widely accepted that it is primarily a European concept (Interviewees 2-4), yet ‘with no fixed boundaries that block its export elsewhere in the world’ (Interviewee 2). However, the
implementation of flexicurity and its principles is by necessity country-specific (Interviewee 4), and in that sense Europe is the place where the concept can come closest to operation (Interviewee 3). The EU does not exactly ‘own’ the concept of flexicurity (Interviewees 2 and 3) because it prefers to work with its partners rather than impose its agenda. Clearly, however, it leads the attempt to put the principles of flexicurity in practice. Indeed, the Commission is active in working together with the ILO to promote commonly agreed policies. The two organizations established a formal dialogue through an Exchange of Letters in 2001, and then proceeded with a Memorandum of Understanding establishing a strategic partnership in the field of development. Both DG Aid and DG Employment through their then respective Commissioners, are signatories to the Memorandum, since this includes common EU-ILO action on, *inter alia*, social dialogue, employment, and labour standards, all of which are linked to the concept of flexicurity (European Commission 2004).

It is in this context that attempts by the Commission to use flexicurity in its discursive construction of a Europeanized space, in this case of a labour market and the challenges associated with it, becomes highly relevant. Due to the nature of the integration project, the hurdles it has stumbled on in recent years and the nature of labour market policy, Europeanization in this domain is linked to ‘soft ‘methods of policy coordination and learning, principal among which is the European Employment Strategy (EES)^2. The Commission has been active in seeking to establish flexicurity as a concept that facilitates not only its own role in the policy-making process among the institutions (as it is premised on regular Commission feedback regarding member state performance along the flexicurity goals), but also as a normative point of convergence for the establishment of a more efficient ‘European labour market’.

Concretely, civil servants from the Directorate General for Employment and Social Affairs have pushed for flexicurity in the formative stages in the year 2006 so as to strengthen the EES and reconcile the different coalitions inside the Council that viewed flexicurity in a positive and skeptical way respectively (Mailand, 2010: 244). In 2007, it was yet again Commission officials who made a last-minute compromise between the social partners on the issue of flexicurity possible, ahead of the European Council meeting of that

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^2 For an analysis of EES aims and objectives see Tsarouhas, 2008: 348-50.
year and in knowledge of the divisions between member states as to the desirability for such a policy tool (Mailand, 2010: 248).

This is corroborated by evidence stemming from documentation originating from both the Commission and Council (Secretariat and/or EMCO). The Council Secretariat, in flexicurity-related documents sent to EPSCO in 2007 and 2008 uses a necessarily guarded language on flexicurity. It repeats the mantra of inevitable globalization and technological change, sees those as necessitating ‘far-reaching economic restructuring’ and identifies flexicurity as a solution because it purportedly allows both employees and employers to ‘take a wider view’ on the issue of restructuring (European Council, 2008: 4). In an earlier correspondence, the Council is more explicit in that it stresses the need to

‘promote the awareness of citizens of flexicurity policies and their importance for the reform of European economic and social models’ (emphasis added, European Council, 2007: 3).

The use of plural on Europe’s diverse socio-economic systems is a confirmation of an empirical reality, but in this case more of a potent reminder of existing divisions in the Council regarding how to best make use of flexicurity and the need to sue language acceptable to all. The Commission, on the other hand, conscious of the role that flexicurity can play in furthering the EES and thus promote the Europeanization of labour markets, is more open in its approach. In a 2006 document it uses revealing language as to why flexicurity ought to be promoted, as well as the conditions in which this can be done. It states:

it is important to put the issue of flexicurity in the broader context of the European employment strategy and at the same time not to make the flexicurity discussion into a debate about any of the individual components alone (European Commission, 2006: 1).

The lack of conceptual clarity and diversity of opinions on flexicurity expressed by different member states have made the Commission accept the need for a long list of elements comprising flexicurity. At the same time, the contribution, which primarily targets other EU institutions and therefore falls within the coordinative functions of its discourse, makes clear that the Commission’s aim of strengthening the EES through flexicurity ought not to be hampered by individual preferences for one or another flexicurity element; instead, it is the adoption of flexicurity by more and more member states that becomes the goal,
leaving the actual content of labour market policy resulting from this adoption a bit vague. After all, and as the Commission states in its 2007 Communication on flexicurity,

To confront the multiple challenges of a fast-evolving global economy and an ageing workforce, the European Union needs to find new and better ways of making its labour markets more flexible while at the same time providing new and better forms of employment security’ (European Commission, 2007).

Clearly then, flexicurity may (or indeed ought to) take different forms in different member states. But the challenge to Europe’s economic standing and social cohesion is common to all, and flexicurity serves as a rallying cry to bring diverse systems under one common roof operating on the basis of a common flexicurity manual. In this vein, the Commission launched the ‘Mission for Flexicurity’ in 2008, an expert group comprising diverse stakeholders (Commission, Council, social partners) to ‘promote the implementation of flexicurity in different national contexts by raising the profile of the flexicurity approach’ (emphasis added, European Council, 2008: 4).

In its Communication entitled ‘towards common principles of flexicurity’, the Commission emphasized that the Lisbon targets need to be fulfilled for both member states ‘and the Union’ so as to secure that ‘Europe’ can adjust to the ‘shocks imposed on its economy’ (European Commission, 2007: 3). The common principles were put in place so that member states would learn from each other by analyzing what works best in their national situations. Moreover, mutual learning and benchmarking ought to be used so as to successfully implement the renewed Lisbon Strategy (European Commission, 2007: 10). By 2010 and assessing the Lisbon Strategy, the Commission declared that member states have moved forward with flexicurity in terms of policy learning, and within the context of the Open Method of Coordination (OMC), the preferred way of Europeanizing labour market policy at EU level (European Commission, 2010: 7). The document made clear that flexicurity had been a success and represented the ability of ‘Lisbon to stimulate and frame policy debates and generate mutually acceptable solutions…’ (European Commission, 2010: 3).

In 2011, the Commission adopted its ‘2020 Agenda for new skills and jobs’ aiming at an employment rate of 75% by the year 2020 (European Commission 2011). Stressing that
flexicurity has helped many member states weather the economic crisis, yet vulnerable groups have been hit hard during that time, the document underlines the need to strengthen flexicurity in the post-crisis period and rebalance the four components of flexicurity to adjust to the new environment (European Commission, 2011: 7-8). Quite clearly, the Commission has been very active in its communicative discourse regarding the need to adopt soft Europeanization in labour market policy, and has used flexicurity extensively towards that end.

The ILO and its Discourse on Flexicurity

From its early years and certainly after World War II, the ILO was considered a standards-setting organization concerned with the promotion of high standards in the labour market and in the field of social policy. By the late 1990s and after it had incorporated technical expertise (in the form of the training institute and the International Institute for Labour Studies) that allowed its developmental objectives to shine through, a shift in policy became apparent. The previous emphasis on Conventions ratified by member states and (expected to be) implemented at national level gave way to a self-regulatory approach. This allows signatories to come up with their own policy prescriptions and models to the extent they adopt the ‘core standards’ approach, i.e. a minimum of rights conferred to working people in the form of non-discrimination, the abolition of slave labour and suchlike. This could be described as a ‘core standards’ approach and regardless of its relative merits and drawbacks (Standing, 2008: 367) it does mark a remarkable shift in the work pattern of the ILO.

The ILO is an organization quite different from the European Union. In many respects, it is a remarkable institution and its longevity bears testimony to its substantial contribution in addressing social policy and labour market issues. First, the ILO was created in 1919 in an attempt to address pressing socio-economic problems and was based on an institutional structure unique to all international organizations: it is a tripartite body consisting of state representatives, ‘workers’ (trade unions) and ‘employers’ (employers’ organizations). Managing to survive the demise of the League of Nations and flourishing in
the postwar years through its bold and ambitious Declaration of Philadelphia, the ILO was the first specialized UN agency (Hughes and Haworth, 2011: 14). Employing more than 2,500 staff and running an annual budget of more than half a billion dollars (ibid., p.21), the ILO has in recent years strengthened its institutional cooperation with organizations such as the IMF or the WTO in an attempt to enhance its profile in global governance. In doing so, it seems to have met with some success, judging by the invitation extended to its Director-General in 2009 to address the G-20 meeting and present a commissioned report on contemporary socio-economic imbalances and the best ways to deal with the global economic crisis (ILO 2009).

If the ILO is therefore an international organization well-placed to analyze as well as influence policy direction on labour market issues, how does it approach the issue of flexicurity, and what are the institutional and policy linkages between the EU and the ILO on this issue? More to the point, to what extent do the two organizations converge in conceptualizing flexicurity as well as promote it in their policy discourse?

The ILO was alerted to the concept of flexicurity relatively early and began researching the concept in the year 2000. What it did not do was provide any clear-cut definition of the concept; this may have been down to internal disagreements as to how to conceptualize the term or a reflection of the term’s inherent ambiguity. It is also likely to have resulted from the inevitable set of compromises that an organization based on both union and employer participation has to arrive at. Be that as it may, the Organization went ahead with a much-publicized project aiming to enhance flexicurity in Central and Eastern Europe in 2002 (Cazes, 2008: 3). In that sense there is little doubt as to the overall endorsement of the concept by the ILO. In fact the ILO 2005 European Regional Meeting ‘encouraged the Organization to pursue tripartite consultations on flexibility and security and facilitate the exchange of good practices’ (ibid.). Flexicurity could go a long way in providing support to the ILO strategy of Decent Work (ILO 1999), the organization’s flagship policy initiated in 1999. That is because flexicurity entails all four elements (employment, social protection, social dialogue and workers’ rights) crucial to the Decent Work Agenda (Auer and Gazier, 2008: 7), a much promoted policy concept developed within the ILO since the late 1990s.
A key ILO document in this respect is ‘Changing Patterns in the World of Work’, a report coming out of the ILO’ 95th session conference in 2006. The Preface to the report drafted by the ILO Secretary General Juan Somavia makes for interesting reading, not least because it problematizes the concept of globalization. In this regard, the ILO perception of the concept is useful in a comparative framework to the EU understanding.

First of all, the Secretary General discusses globalization extensively and emphasizes the normative requirement of fairness as a precondition for its success. He argues that discussions on how to make decent work available to all (a strategic objective of the ILO underlying the report) ought to contribute to ‘fair globalization’ (ILO 2006: vi). Furthermore, there is an indirect criticism of the current nature of globalization when it is argued that ‘the current rules of globalization, following the increased liberalization in all spheres of economic and social policies…’ (ILO, 2006: vii, emphasis added). Considering that the liberalization of social policies is bound to have detrimental effects to current systems of social protection built around the protection of the world of labour from market forces, the above statement points to a certain amount of dissatisfaction with the current shape of globalization.

The Preface also addresses the issue of flexicurity, and the report deals with it in more detail later on. Somavia takes a clear stance on the issue when arguing that ‘balancing the need for flexibility and security in a period of opportunity and uncertainty requires a strong rights-based approach to the governance of labour markets that fosters social dialogue’. (ibid. p.viii). Clearly and in contrast to the approach adopted by some EU circles perceiving flexicurity as a mechanism of adaptation to changing conditions, the ILO Secretary General sees flexicurity from the prism of ‘good globalization’, that is, part of a global standards-setting agenda that sets labor rights at the heart of the process of adaptation and enhanced flexibility. This is further evident when the report identifies four major trends that affect contemporary labor markets: while technological innovation and the intensification of competition and trade liberalization are clearly identified as drivers of change, the report adds the ‘shift in political thinking towards greater reliance on markets and a reduced role for the state’. (ILO 2006: 3). Clearly, then, globalization entails not only
positive and negative aspects (like any other mega-process); it is also conditioned by a new type of political thinking regarding the balance between the state and the market.

The report is a valuable source of information on the ILO discourse not merely because of the views expressed by the organization’s Secretary General and its perception of globalization. It also discusses flexicurity, both with direct reference to the flexicurity debate centred in Europe and indirectly by analyzing contemporary labour market trends and the direction of policy reform in this regard.

An important aspect of flexicurity is the issue of unemployment benefits and striking the right incentives for productive work. The ILO 2006 report rejects a targeted approach to benefits but supports an active labour market policy approach to the issue combined with tighter qualifications for benefit recipients. ‘Intensified international competition’ is seen as crucial in this respect (ILO, 2006: 42). When it comes to flexicurity per se, the report underlines the lively character of the debate in Europe and elsewhere in recent years. Without addressing the various facets of this debate directly, the report adopts a sympathetic tone to flexicurity by stressing how this ‘model for employment adaptation’ consist of consultations with unions and public authorities and is backed up by the social security system to facilitate change (ILO, 2006: 55). In that sense, the rhetoric on flexicurity adopted by the EU is fully compatible with the ILO’s raison d’être concerning the need for social dialogue. Moreover, it is worth keeping in mind that for both organizations flexicurity is a means to an end. For the EU it is a fitting way to fulfill the requirements of the Lisbon Agenda and for the ILO it is perfectly compatible with its Decent Work Agenda.

While the overall ILO approach, therefore, seems in harmony with the EU understanding of flexicurity, and while it is undeniable that for both organizations flexicurity is a potentially useful tool, the ILO’s different conceptualization of globalization is reflected in its discourse on flexicurity too, both directly and indirectly. To illustrate, when it comes to the issue of social cohesion vis-à-vis change in the labour market, the ILO strikes a very cautious tone, and is rather straightforward in perceiving an apparent imbalance:
discussions on employment policies, social security and labour market regulation have shown more concern for competitiveness and the stimulation of change rather than for social cohesion or the reconciliation of conflicting interests’ (ILO, 2006: 17).

This is not an isolated passage as it echoes in some of the more substantial documents of the ILO regarding flexicurity. One of the latter’s most important aspects is the notion of flexibility across one’s work cycle and changing jobs as evidence of a flexible labour force. The ILO, however, prefers to highlight data showing how a stable employment relationship enhances productivity, employee motivation and investment in human capital. This is also confirmed by a recent ILO study (Auer et al., 2004).

A further major issue that the ILO has been battling with is the question of defining flexicurity. Little progress has been achieved in this respect, not least because it remains difficult to decide whether flexicurity is an operational concept or a policy strategy. A document prepared by ILO staff in 2008 claims that flexicurity is an ‘indispensable part of the European Social Model’ and makes frequent references to EU activism in moving the issue of flexicurity forward (ILO, 2008: 10). It is also clear that the EU influences ILO work in various ways. Aside from what has been discussed above, the EU delegation in the annual ILO Conference is a key actor: ‘when the EU takes the floor, delegates stay in the room to listen (Interviewee 1).

Yet the tone of the note leaves little doubt that issues surrounding the definition of the concept also relate to a reluctance to conceive flexicurity as part of an overall macroeconomic policy strategy that relates not only to labour laws and flexibility but also the financing of social security, demand-led economic stimuli, and so on. The ILO has becoming increasingly sceptical of the term as of late despite strongly backing it at first, not least through its flexicurity project in Eastern Europe. By now it prefers referring to ‘labour market security’ instead (Auer 2007), that is, policy measures to protect employees from adverse effects of unemployment whilst in transition from one job to another.

Yet this is not to say that the divergence between the EU and the ILO on the discursive usage of the term is overwhelming: in its 2008 Declaration on Fair Globalization, a document ‘marking the most important renewal of the organization since the Declaration of Philadelphia’ (ILO, 2008:4), the ILO stressed that employment promotion goes through
the necessary upgrading of individuals’ skills and competences to meet contemporary challenges in the workplace (ILO, 2008: 9). This is very much in line with the core objective of the EU’s Employment Strategy regarding employability and sits well with its understanding of flexicurity as a tool to promote employability through supply-side regulation in the labour market. EU-ILO cooperation was amply demonstrated in the process of coming up with the Declaration, as strong internal EU coordination led to agreement with the ILO on the main policy priorities through tripartite meetings on this subject in 2007 and 2008 (European Commission, 2008: 9).

A 2009 policy document of the ILO’s Employment and Social Policy Committee reinforces the impression that flexicurity is a policy issue in which the EU has taken the lead and the ILO has sought to deepen the concept and expand its reach beyond Europe. The opening statement of the document (admittedly one designed ‘for debate and guidance’) conceives flexicurity as an ‘alternative’ to the flexibility debate of the 1980s and 1990s, thus sharply contrasting its policy content from what the ILO sees as an overtly liberal reform drive.

More interestingly yet, the same document pools on the organization’s regional expertise to draw a summary of flexicurity practices beyond Europe, focusing on Asia, Africa and Latin America. The document identifies some flexicurity practices in those regions too, though lacking in institutional depth of a European kind. Yet it explicitly calls for the need to deepen the flexicurity debate in the developing world and asks for policymakers to work towards that goal (ILO, 2009: 13). Doing so could help redirect the debate away from pure flexibility approaches in the developing world’s labour market, and help these countries set up robust institutional frameworks to combine flexibility with security. This, however, should take place in ways that consider the ‘institutional and fiscal constraints’ within which policy-makers operate, an echo of similar calls by the EU in its recent proclamations on flexicurity (ibid., p.13). The concluding section leaves no doubt as to the work that the ILO envisages for itself on that front: flexicurity is clearly relevant for all countries, not only European ones, (ibid., p.14) and the ILO could do more to broaden its work on flexicurity by identifying linkages to other flexibility types, such as wage and functional flexibility (ibid., p.15).
There is a final important point to make with regard to the synergies developed between the two organizations: in promoting a policy discourse supportive of flexicurity (though with a degree of skepticism on the part of the ILO), both organizations have adopted a ‘soft’ approach to the promotion of their favourite policy strategies. On the one hand, the European Employment Strategy relies heavily on soft law by means of non-binding policy recommendations, benchmark targeting and naming and shaming policies. It is noteworthy that the ILO has also adopted this approach, and has done so over a prolonged period of time.

Conclusion

A summary of the paper’s empirical findings points to an interesting set of events that shine through the use of flexicurity by both the European Union and the ILO. First, the coordinative discourse of globalization is central for the promotion of flexicurity as an integral part of European labor relations. Secondly, the communicative discourse for the promotion of flexicurity is similar in both the EU and the ILO, whether it is framed as globalization or not. Over time, however, the positive attitude of the European Commission with regard to flexicurity has stood in contrast to the more conservative and context-driven endorsement of the ILO. This results from the lack of clarity that continues to surround the concept of flexicurity and which makes it vulnerable to strategic manipulation by agenda-driven actors inside the European Union. Considering the different mandate and approach from which the ILO approaches issues regarding the modernization of the labour market and social security, the divergence witnessed in recent years between the two institutions is not very surprising.

Thirdly, on the empirical issue of labour market policy and flexicurity in particular, it can be argued that the relationship between globalization and Europeanization goes both ways. While the EU is keen to argue the case for globalization as an inescapable reality to which member states ought to conform, it uses the concept of flexicurity to support its framework-shaping capacity and as an antidote to some of its deleterious effects. It also
works hard to promote the concept of flexicurity and its supposed ‘win-win’ outcome for workers and employers alike because the deepening of the concept’s integration in policies across the Union will also mean the upgrading of the European Employment Strategy, a strategy essentially driven by the Commission in cooperation with member states.

As far as the theoretical question of our paper is concerned, it can be claimed that Europeanization is a facet of globalization. The discourses of ILO and the EU converge and globalization and Europeanization are conceived as inseparable. Flexicurity is a good example of a concept, often translated to policy, which comfortably travels between the global and the European levels. We can even go a step forward, in agreement with Jacoby and Meunier (2010) and argue that the EU has been a central actor in shaping the concept of flexicurity and thus the global environment of labor policy. Through its coordinative and communicative discourse it serves as a model for the rest of the international community. Even if the ILO has not entirely adopted flexicurity, it considers it to be the framework within which its labor policy should stand. It can be concluded, that looking at the international rather than the domestic level in order to understand the relationship of globalization and Europeanization has proven to be fruitful. More comparisons of the EU with other international organizations in setting discourses, norms, rules and thus state policies would be of great interest.

**Bibliography**


