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Accompanying the

**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

Towards Common Principles of Flexicurity:

More and better jobs through flexibility and security

Summary of the Impact Assessment

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SUMMARY

This impact assessment accompanies the Communication on flexicurity, adopted by the Commission on 27 June, 2007, in response to a request by the 2006 Spring European Council. To prepare the Communication, the Commission engaged in a broad consultation, including discussions at the Employment Committee, and a number of events involving Member States, Members of the European Parliament, Social Partners, Non Governmental Organisations and other partners.

The flexicurity approach is a broad concept, where different policies are integrated and made mutually consistent in a deliberate policy action. These policy interventions involve changes in the regulatory framework of contractual arrangements, in the functioning of lifelong learning and active labour market policies and social security systems (see box 5). Flexicurity belongs to the Lisbon Strategy for Growth and Jobs and the Integrated Guidelines, and contributes to fulfilling the objectives of the European Employment Strategy of more and better jobs, higher productivity and quality in work and greater social cohesion.

The rationale for a flexicurity approach is that in order to achieve the objectives of the Growth and Jobs Strategy, and at the same time to preserve and modernise the European Social Model and its values in times of globalisation and demographic ageing, it is essential to design policies that address simultaneously the flexibility of labour markets, work organisation and labour relations, employment security, and social security.

Three options are considered in this impact assessment. The first option analysed is "*no additional EU action*". The impact of such an option would be that many of the current problems of the EU labour markets, as identified in the Lisbon Strategy, would remain unaddressed, particularly as concerns segmented labour markets, long term unemployment and, more generally, adaptation to globalisation and change. In line with the views of all Member States and major stakeholders, the option of no additional EU action is therefore not chosen.

A second option is "*comprehensive legislation on flexicurity at EU level*". This is not a realistic option, both politically linked with subsidiarity and proportionality and because of the inherent complexity of a flexicurity approach. The impact has therefore not explicitly been analysed. The third option is the "*flexicurity approach through the open method of coordination*". In this option, an integrated approach covering contractual arrangements, credible lifelong learning systems, active labour market policies, and modern social security systems is promoted. Rather than proposing a one-size-for-all policy, common principles and different pathways would be adopted by Member States.

The Impact Assessment concludes by highlighting the third option as the best choice. This option would start a *policy process between the Commission, the Member States and the other stakeholders, fully within the framework of the Lisbon strategy and the Open Method of Coordination*. This approach would contribute to reducing segmentation, long term unemployment and more generally increase adaptability to globalisation. It would contribute to achieving the targets in the Lisbon Strategy of more and better jobs, higher productivity and quality in work and increased social cohesion. The precise impact of flexicurity will depend on how Member States will define their own pathways, and on how policies are implemented. Since flexicurity falls into the broader scope the Lisbon Strategy, it will be monitored, assessed and evaluated in that framework.