Flexicurity as a moderator of the relationship between job insecurity and psychological well-being

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Flexicurity has been heralded as the solution to simultaneously maintain the well-being of employees through employment security while allowing employers to benefit from flexibility. This paper examines one of the claimed benefits that countries with flexicurity policies will reduce the stress on employees who experience job insecurity. More specifically, it is argued that more generous unemployment benefits along with active labour market policies to facilitate rapid re-employment reduces the anxiety associated with insecurity. Analyses of two international data sets found little evidence for this moderation of the link between insecurity and well-being in countries that are assumed to be exemplars of flexicurity. The economic rationality behind these claims is questioned, and a psychological approach to job insecurity is suggested as an alternative.

Keywords: flexicurity, job (in)security, stress, psychological well-being

JEL classifications: I38, J63, J81

Introduction

The European Union’s (EU) labour markets have been undergoing many changes over the past few decades, sometimes in response to specific EU policies (for instance enlargement or to increase labour market participation) and in other cases in response to global economic, political and technological changes. These changes have often been accompanied by concerns that the quality of jobs will suffer if labour markets become more flexible. More specifically, there is a widespread apprehension that many of these changes will result in a reduction in job security. The solution that has dominated EU policy discourse over the past decade has been “flexicurity”. This paper examines one of the claims made about the way flexicurity policies can combine macro-level economic efficiency with protection of the workforce from the negative consequences of job insecurity.

Job insecurity

Job insecurity has received much attention over the past two decades from social scientists, and much is already known about its effects. To provide a context for this paper, some important points from that literature will be summarised, although a full review of the literature would be redundant given several other recent comprehensive reviews (Sverke et al., 2002; Burchell, 2005; De Witte, 2005; Cheng and Chan, 2008).

Firstly, it is important to be clear what we mean by job insecurity, as there is much confusion and inconsistency in the literature. For this paper, job insecurity is defined as an employee’s perception of
the likelihood of the losing his or her current job involuntarily, say in the next 6 or 12 months. This is clearly not an objective measure, and indeed there is evidence that, in representative surveys, many more employees are worried about losing their jobs than will actually lose them (Dickerson and Green, 2006). However, if we are concerned with their “subjective” well-being, then their “perceptions” of the risk of job loss are important per se, even if those fears are exaggerated or unfounded. For instance, their anxiety will be a function of their own assessment of the risk of losing their jobs, as will the effect of job insecurity on their job search behaviour, their work motivation and on their longer-term planning of decisions concerning housing and fertility. Thus, for the purposes of this paper, no attempt is made to measure the objective likelihood of job loss nor will job insecurity be measured by proxy through measures of average job tenure or turnover rates. These measures correlate poorly at best with subjective job insecurity (OECD, 1998); as Turnbull and Wass (1999) show, involuntary job losses make up only a small minority of quits even in recessions in the UK. And, cross-nationally, there is no link between subjective job insecurity and turnover—e.g. Denmark has a relatively short average tenure but high levels of subjective job security (Auer, 2007). Finally, job contracts have also been used in some studies as a measure of job insecurity, although this is again unsatisfactory. As Booth et al. (2000) argue, international differences in the prevalence of temporary job contracts reflect differences in employment protection legislation (EPL) more than differences in job security.

Secondly, it is important to note that job insecurity is not only studied because of what might follow—unemployment or re-employment in a lower paid or lower quality job. Numerous studies have shown that the very perception that one is likely to lose one’s job is itself sufficient to cause symptoms of anxiety and depression. The magnitude of this effect is not trivial; typically the difference on measures of psychological well-being between secure and insecure employees is about the same size as the difference between the means for all employees and the unemployed (Burchell, 1994). This finding has been replicated consistently across a number of surveys, both cross-sectional and longitudinal. Furthermore, qualitative studies have provided rich descriptions of the nature of individuals’ concerns about losing their jobs. Nolan (2002, 2009) analysed semi-structured interviews of UK employees to explore these concerns and found that the most widely expressed worries for both men and women are straightforwardly economically based, for instance worries about not being able to pay the mortgage or other bills. Other anxieties expressed also included less narrowly focussed economically based concerns, such as the stress of not being able to plan for the future or concern about one’s role as breadwinner in the household.

There has been much heated debate about the changing patterns of job insecurity over time. Many social commentators and social theorists have taken for granted that there has been a recent dramatic rise in job insecurity and have even characterised the current era as “the age of uncertainty”. Fevre (2007) criticises these extravagant claims and, like several others (Felstead et al., 2000; Green, in press), shows that levels of job insecurity have been quite stable in most industrial countries over the 1990s and the early 2000s (at the time of writing, we do not have good evidence of the effect of the “credit crunch” on job insecurity, although it is probable that there has been a significant rise in 2008 and 2009). There is virtually no good time-series data on subjective job insecurity before the 1990s, but an analysis of retrospective data does point strongly to a period of low levels of job insecurity in the UK in the 1950s and 1960s, followed by a significant rise between the late 1970s and the mid-1980s, coinciding with the dramatic increase in unemployment that characterised the early Thatcher period (Burchell, 1993, 2002).

When journalists, academics and policy-makers started to discuss the implications of high levels of job insecurity in the early 1990s, this was accompanied by calls for policies that would return us to the low levels of job insecurity that marked the “golden era” following World War II. In the UK, criticisms of job insecurity were continuously
levelled at John Major’s Conservative government, with calls for stronger job protection measures, and some companies adopted ‘‘Zero Redundancy’’ policies (Burchell et al., 2002). There were promises that things would be better under Labour, although after the 1997 election job insecurity slid off the political agenda with MP Peter Hain’s move from the shadow Employment office to the Welsh Office. As Glyn and Wood (2000) argued, with New Labour there was a clear message that a competitive and flexible labour market was more important than EPL. Evidence for the effect of EPL on job security is mixed, but the analyses by Clark and Postel-Vinay (2005) suggests, surprisingly, that EPL actually reduces job security.

Flexicurity

This perceived pessimistic dichotomy, that job security and labour market flexibility are mutually exclusive, came to an end when Denmark and the Netherlands proposed that it was possible to ‘‘have your cake and eat it’’—to simultaneously achieve employment security and flexibility. Thus, a new term was created, ‘‘Flexicurity’’. The definition of security had moved on, from being secure in one’s current job, to a more generalised knowledge that one will be employed, but not necessarily for the same employer. Income security was also important, and this was addressed in flexicurity policies through ensuring that the unemployment benefits were generous enough to avoid hardship in periods between employment. Denmark is regularly held up as an example to other EU member states. For instance, in the EU 2007 Communication on flexicurity, it is stated that ‘‘The Danish labour market shows a successful combination of flexibility and security, offering flexible labour laws and relatively low job protection, extensive efforts on lifelong learning and active labour market policies, and a generous social security system’’ (36). The Netherlands also receives high praise with its ‘‘drastic reduction of unemployment and a strong job creation’’ (37) in the 1990s attributed to its flexicurity policies.

Definitions of flexicurity vary, but there are four central themes according to Wilthagen and Tros (2004). Firstly, employers should have the ability to hire and fire without undue cost or bureaucratic constraints, thus achieving productive systems that can respond rapidly to changes in demand caused inter alia by technological innovation, changing fashions, business cycles or market fluctuations. But employees need to be protected from the welfare costs of such fluctuations. Thus, the second ingredient of flexicurity is generous levels of unemployment benefits, so that the loss of a job is not aggravated by poverty in unemployment. The third ingredient is active labour market policies promoting training and employability, so that unemployed workers can be rapidly provided with marketable skills that will hasten their return to employment. And, finally, it is assumed that this win–win situation will be maintained by a high-trust dialogue between the social partners whereby the antagonistic relationships between employers, trade unions and government are replaced by cooperation and negotiated compromise to maintain this balance, thus optimising economic and welfare costs and benefits.

Several welfare benefits ought to arise from this model. Firstly, economic efficiency, it is assumed, will keep economic growth high and unemployment low. Secondly, those individuals who are unfortunate enough to become unemployed should have the advantages of a training system that gives them the ability to achieve rapid re-employment; thus, unemployment, and particularly long-term unemployment, should be kept low. These arguments have been set out in the European Commission’s Green Paper on labour law and flexicurity in 2006, and then advocated more strongly in the European Commission’s 2007 communication. These proposals have generally been welcomed by the social partners, although some scepticism has been expressed. For instance, John Monks, General Secretary of the European Trade Union Confederation, has questioned whether the security components of flexicurity are a sop, ‘‘a cover for less employment protection, and for weaker labour law’’ (2007).

Finally, there is the implicit assumption that job insecurity will no longer be such a source of anxiety or depression, as employees will be more confident that, even if they do lose their job, they will
experience neither long-term unemployment nor great financial loss. As the 2007 communication states, “Workers need sufficient security to plan their lives and careers …” (7). This final perceived benefit of flexicurity policies is a plausible claim, but one that has not been subject to empirical test.

Flexicurity policies are built upon a “homo economicus” model of well-being. It is assumed that the effects of job insecurity are harmful to the individual because of fears about the economic consequences of job loss and unemployment. Following on this line of logic (i.e. softening the economic consequences of job loss through more generous unemployment benefit levels and rapid re-employment), it is argued that the effects of job insecurity on well-being can be ameliorated.

But the economic consequences of job insecurity and possible job loss might be just one minor component of the psychological impact. A similar question, concerning the reasons for the poor psychological well-being during periods of unemployment, has caused an ongoing debate among psychologists for many decades. Certainly, in the 1930s, there was clear evidence of extreme poverty among the unemployed in the town of Marenthal and also clear evidence that the families with higher incomes fared better when the main breadwinner became unemployed (Jahoda et al., 1933). There is evidence that, with the greater affluence in more recent times, the economic effects of unemployment are no longer the main mechanisms accounting for the low well-being of the unemployed. Jahoda (1982) was one of the first to argue that while the manifest reason for employment is financial, the effects of unemployment on psychological health are now more attributable to latent aspects of employment. Jahoda listed five such latent aspects of employment: structured time, enforced activity, social contact, identity and a collective purpose. This spawned a number of similar theories, embellishments and critiques (e.g. Fryer, 1986; Warr, 1987), including some specifically to test whether economic or social and psychological variables are better predictors of psychological symptoms in unemployment (Fryer, 1992; Nordenmark and Strandh, 1999).

Countries that have adopted flexicurity-type policies are not claiming to have eradicated job insecurity—far from it, employers being able to hire and fire without rigid obstacles is central to flexicurity. Rather, we would expect that those countries that have adopted flexicurity policies will have ameliorated the link between job insecurity and poor psychological well-being.

This paper sets out to test this particular claim. If it is true, then one would expect the correlation between the perceived risk of losing one’s job and psychological well-being to be reduced in countries that are closer to the ideal flexicurity model (such as Nordic countries) than countries that are purportedly characterised by rigidities in employment legislation and practices, and by the absence of active labour market policies (such as some Mediterranean countries). Note that there may still be differences in the aggregate levels of subjective well-being between countries that are attributable to a number of other factors, both actual and methodological. For instance, there may be real differences in well-being attributable to social capital, and there may be differences in cultural norms concerning the responses to questionnaire items asking about symptoms of malaise, or nuanced differences in the translation of questionnaire items measuring well-being. Consequently, the data analysis section of this paper is not interested in differences in the mean levels of well-being between countries, but rather in differences between the relationship of perceived job insecurity with well-being. In order to test this more thoroughly, two different data sets will be used, the European Working Conditions Survey (EWCS) 2005 and the European Social Survey (ESS) 2006. They have slightly different measures of job insecurity, and very different measures of well-being, so that the analysis of two different data sets (if they arrive at similar conclusions) should make a stronger case than either analysis alone.

The European working conditions survey

The EWCS is a repeated cross-sectional survey of working conditions, health and safety matters,
quality of working life and well-being. The fourth wave was conducted in 2005, and included a total of 31 countries: all the EU25 countries, Romania and Bulgaria (which joined in 2007), Norway and Switzerland, and Turkey and Croatia. The sample size was 1000 in larger countries and 600 in smaller countries, interviewed in their own homes. Respondents were drawn from the population of employees and the self-employed who normally worked for at least 1 hour/week.

Measures

Job security was measured by asking “How much do you agree or disagree with the following statement describing some aspects of your job”; one of the list of items was “I might lose my job in the next 6 months”. Responses were to “Strongly agree” (5.5%), “Agree” (9.7%), “Neither agree nor disagree” (11.9%), “Disagree” (26.0%), “Strongly disagree” (41.5%), “Don’t know” (5.0%) and “Refusal” (0.5%).

Well-being was measured by first asking “Does your work affect your health or not?” Respondents who answered yes were then asked “How does it affect your health?” and were presented with a list of possible health problems from work. Previous exploratory analyses (Burchell et al., 2007) had divided the list of symptoms into sub-scales that were related to ergonomic problems (e.g. backache), toxic environments (e.g. skin problems) and stress. The stress sub-scale was used here consisting of “Headaches”, “Stomach aches”, “Heart disease”, “Stress”, “Overall fatigue”, “Sleeping problems”, “Anxiety” and “Irritability”. As can be seen in Figure 1, there is clear evidence, as one would expect, of a relationship between job insecurity and this measure.

The crucial question is whether this relationship is moderated by each country’s level of flexicurity policies. Figure 2 depicts the correlations graphically for each country (Spearman’s ρ non-parametric correlations are used as both variables are highly skewed). It can be seen that for the majority of countries the correlation is positive, such that higher insecurity is associated with more stress-related symptoms; three countries have unexpected negative correlations (Portugal, Malta and Slovenia), but these are all very weak and are not statistically significant.

One country, Turkey, has a higher correlation than any other by a small but clear margin. This provides some supporting evidence that the lack of flexicurity policies leads to the effects of job insecurity being more severe. As Tangian (2008) argues, Turkey practices, in many ways, the extreme opposite of flexicurity policies. It has strict EPL (OECD, 2004), and simultaneously a very high proportion of employees do not have a contract of employment. According to Tangian’s (2008) analysis of the 2005 EWCS, Turkey has the highest coefficients of both flexibility and precariousness. The stark economic facts of Turkey’s labour market do indeed suggest that insiders have less to worry about, while those who worry about losing their jobs do indeed have a lot to worry about, as unemployment benefits are low and the gap between insiders and outsiders is wide.

Beyond this one case, however, there seems to be no evidence of any further “systematic” differences between the countries. One might have expected, for instance this correlation to be lower in the Nordic countries, but there is little or no evidence for this. For example, Denmark and the Netherlands, widely given as the two good practice examples of flexicurity (e.g. Kok et al., 2003), are both mid-table. Countries that are considered to be low on flexicurity policies such as Ireland, Italy and Spain are at the lower end of the table. Prima facie, the rank-ordering of countries on this criterion makes no intuitive sense and is uncorrelated with any of the indices of flexicurity or related indices (such as difficulty of hiring, difficulty of firing, EPL (see Philips and Eamets (2007) and Tangian (2008) for summaries).

Before attempting to explain this lack of relationship, the ESS (2006) data set will also be examined for evidence of the moderating effect of flexicurity policies on the relationship between job insecurity and well-being.
European social survey (2006)

The ESS is a biennial multicountry repeated cross-sectional survey covering over 30 nations. The third round, which was conducted in 2006, surveyed 30,949 people in total (including the unemployed and economically inactive). It is a random, nationally representative sample of individuals.

Measurements

Job insecurity was measured by asking “How likely would you say it is that you will become unemployed in the next 12 months. Would you say it was …?”. Responses were “Very likely” (2.2%), “Likely” (5.1%), “Not very likely” (19.6%) or “Not at all likely” (25.8%) and also “Not applicable” (45.2%), “Refusal” (0.1%), “Don’t know” (1.9%) and “No answer” (0.2%). This question is clearly different from the EWCS in two main respects: the 12-month reference period instead of the 6-month period, and it specifies “becoming unemployed” rather than “losing your job”. Both measures are what psychologists categorise as cognitive measures of job insecurity (i.e. measuring likelihood), rather than affective measures (typically measuring the level of worry or concern about job security); thus the two questions are excellent variants for a constructive replication.

In fact, if the mean job insecurity is computed for each of the countries included in both the EWCS4 and the ESS3, then the ordering of the countries is remarkably similar with no country far from the regression line, as shown in Figure 3 (a curve fits the data even better, but that is not relevant here).

The ESS contains more conventional measures of well-being than the EWCS, reinforcing the usefulness of these two surveys for a constructive replication. Respondents were instructed “I will now read out a list of the ways you might have felt or...
behaved during the past week. Using this card, please tell me how much of the time during the past week …” (the response scale on the card was none or almost none of the time, some of the time, most of the time, all or almost all of the time, don’t know). The 10 items in the list were subject to an exploratory factor analysis, which produced a clear two-factor solution. The Eigen values for these two factors were 4.09 and 1.12, with a third (non-extracted) Eigen value of 0.81; the two extracted factors accounted for 52% of the total variance. These two factors when rotated orthogonally (Varimax) corresponded to one factor loading on symptoms of anxiety and depression and one factor corresponding to quality of sleep:

Anxiety and depression items (factor loadings in parentheses)

- you felt sad? (0.75)
- you felt lonely? (0.73)
- you felt depressed? (0.70)
- you felt bored? (0.65)
you felt anxious? (0.61)
- you felt that everything you did was an effort? (0.52)

Quality of sleep items:
- you felt really rested when you woke up in the morning? (−0.82)
- you felt calm and peaceful? (−0.66)
- you felt tired? (0.62)
- you felt that your sleep was restless? (0.56)

As there were two orthogonal well-being scales, the analyses were repeated for each scale.

The analyses were attempted to replicate as closely as possible the analyses with the EWCS data. Again, we can start by inspecting the relationship between job insecurity and well-being separately for each of the measures. As can be seen in Figures 4 and 5, in both cases we observe a monotonic relationship, as expected, showing that as job insecurity increases, there is a corresponding increase in symptoms of anxiety and depression and decrease in the quality of sleep.

Yet again the analyses produced no evidence of any systematic differences between countries in the relationship between job insecurity and either of the two well-being scales (unfortunately Turkey, which gave the strongest evidence from the EWCS analyses, is not represented in the ESS3 data).

In a final attempt to find any evidence of the effect of flexicurity policies on the relationship between job insecurity and well-being, the countries were banded into groups corresponding approximately to welfare regimes. Such clusters were based on the widely adopted clusters based on Esping-Andersen’s (1999) theory of welfare types. Other authors are critical of this particular clustering and point out that these clusters are flawed for other types of analyses, such as when considering working conditions (Peña-Casas and Pochet, 2009). However, it is beyond the scope of this paper to

Figure 4. Job insecurity and symptoms of anxiety and depression (source: ESS3).
develop clusters that specifically correspond to qualitatively or quantitatively different types of flexicurity policies within Europe.

Separately for each of the two well-being measures, the mean scores were calculated for each country cluster by job insecurity cell. These results are plotted in Figures 6 and 7.

Let us examine Figure 6 carefully (note that, to overcome the small numbers of cases in the categories “very likely” and “likely” to become unemployed, these two categories were combined, but this did not change the results of the data analysis). Firstly, it is clear that there are systematic differences between the three lines, showing the effect of job insecurity on well-being, and this difference is significant if an analysis of variance (ANOVA) model is computed \( F(2, 12,012) = 78.7, p < 0.0005 \). Similarly, there are highly significant differences between country groups \( F(4, 12,012)= 134.5, p < 0.0005 \), although this may be an artefact of translation or culture. Most interestingly, though, for the present analyses, is whether the lines in Figure 6 show any deviation from being parallel—in other words, has the gap in well-being been reduced by flexicurity policies? Figure 6 does show some weak evidence of this, such that the “continental countries” are more widely spread in well-being than the other country clusters, and this is just significant at the 5% level, but not at the 1% level (interaction term: \( F(8, 12,012) = 2.3, p = 0.017 \)). Thus, there is no evidence that the Nordic countries have succeeded any more than the Southern, Eastern or Anglo-Saxon countries in this respect.

Figure 7 shows the same analyses for the measure of sleep disruption. Again, there is clear evidence of the effects of job insecurity on quality of sleep for each of the country groupings \( F(2, 12,012) = 42.4, p < 0.0005 \), and again there is clear evidence of a difference in the level of this variable...
between country groupings ($F(4, 12,012) = 46.6, p < 0.0005$). But the big question is whether the job insecurity effect varies between country groupings, or more specifically whether the gap has been reduced in the Nordic countries. There was little evidence of this, either visually from this graph or from the ANOVA ($F(2, 12,012) = 2.4, p = 0.012$). There was some narrowing of the gap for the Scandinavian and Netherlands group, but the effect was exceedingly weak (partial $\eta^2 = 0.002$) and on the borderline of significance even with a sample size of well over 10,000.

Since the absence of the moderating effect of flexicurity was surprising, a number of further ANOVAs were conducted with the ESS data to add in other variables that might have been masking the moderating effect. But even when gender, age, education, occupation, industry, contract and part-time/full-time were added into the model in turn, there was still no evidence whatsoever that some country groupings had managed to uncouple psychological well-being from job insecurity.

### Discussion

The lack of evidence for the effectiveness of flexicurity policies to protect employee well-being from the effects of job insecurity is surprising, but a number of different analyses on two different data sets have failed to find the evidence that was sought. Apart from the stronger correlation between job insecurity and well-being in the case of Turkey, little or no other evidence was found of flexicurity as a moderator of this relationship. Firstly, some possible reasons for this will be suggested, before considering the implications of these findings for the flexicurity literature and flexicurity policies.

The psychological and economic mediators between job insecurity and psychological well-being were reviewed in the introduction to this paper. A consensus of these theories was that the financial aspects of employment are only one part of the reason why jobs (and, by extension, secure jobs) are so protective of psychological well-being. By this line of reasoning, flexicurity has only addressed one aspect of job loss, and therefore can only be, at
best, partially successful in removing the negative effects of job insecurity. Other aspects of job loss, such as the undermining of confidence and the loss of valued colleagues, might be less tangible but nevertheless just as challenging to psychological well-being. Two quotes from the insecure male respondents in Nolan’s (2009) analysis illustrate these more psychological aspects of job insecurity:

To have a reasonably stable situation at home, that’s the most important thing. A stable home life and a stable situation and then obviously the work is tied in because you can’t do it without money, really. (187).

I felt that, although I was still the father and the husband at home, whilst I wasn’t working, I didn’t feel that I was the provider ... I felt I was letting them down.... My work provides me with the wherewithal to give my family what I believe they’re entitled to. (187)

The interesting thing about these quotes is that they both contain reference to money, but both also show how money cannot be divorced from wider aspects of these individual’s lives. They do not just require money to pay bills, but their provision of money for the household is central to their identity in their family lives. Thus, from these quotes (and Nolan’s (2002) analysis of the open-ended questions in a larger survey) it can be argued that the economic security provided under flexicurity policies might only partially address insecure employees concerns about the possible loss of their jobs. Other responses in Nolan (2002) more clearly emphasise that they feel job insecurity threatens their self-esteem or that they particularly enjoy aspects of their current job.

Furthermore, even without thinking to the future, many accounts of day-to-day living in insecure jobs hint at the non-economic costs of job insecurity. For instance, some employees say they feel the need to work longer hours, even though there might be less work to do, because they think that by appearing to be hard-working they will be perceived as indispensable. Others state explicitly that they find it difficult to work well when they are insecure or state that job insecurity makes their jobs more stressed or pressured. Furthermore, there have been reports that, as employers downsize in times of recession, providing good working conditions becomes less of a priority to employers.

**Flexicurity—an uncritical acceptance**

The data presented in this paper provide a strong critique of just one aspect of flexicurity policies. One might expect that, given the centrality of flexicurity policies for EU policy since 2005, this one attack might be a drop in the ocean compared to a wealth of supporting evidence for the well-being benefits of flexicurity. But, strangely, this is not the case. There seems to be a complete vacuum in the space where one would expect to see the rigorous tests of the claims of the benefits of flexicurity for psychological well-being. While there is no shortage of discussions of flexicurity in policy debates, there is a dearth of evidence to back up those claims.

Perhaps the reason for this premature and uncritical adoption of flexicurity is that it is politically convenient for European employment policy. Antoniades (2008) argues that before the arrival of the flexicurity model and debate, much after Cold War employment policy debate at the EU level was characterised by antagonism between competing Anglo-Saxon and Continental camps, with little possibility of arriving at a compromise between two extremes. Whereas national governments have political systems that permit a strong government to lead decisively even when the voting public is split evenly on an issue, the same is not true of the EU, which relies on a high degree of consensus between member states. Consequently, as long as arguments were being played out along the old battle-lines of the Anglo-Saxon model versus the Continental model, the low road versus the high road to success or promoting flexibility versus promoting security, the institutions for determining employment policy were in a stalemate. But, as Antoniades argues, the flexicurity model offered a way forward that was not fundamentally at odds with either the Anglo-Saxon or the Continental models, yet permitted a clear European position that was distinct from a US-type capitalism.
Such is the enthusiasm in the EU for flexicurity, documents are written in a way that, far from showing a healthy scepticism concerning the claims of flexicurity, the policies are promoted with an evangelical zeal, using terms like “Mission for Flexicurity” (Council of the European Union, 2008) using emphatic statements like “… flexicurity is without doubt the strategy that European labour markets must adopt in order to adapt to new requirements, …”(4) and welcomed the fact that it had “increased its legitimacy” through the “participation of the European social partners” (5).

A problem with such a convenient political solution is that it is in danger of uncritical acceptance, without a careful analysis of the extent to which its claims are consistent with the evidence. Thus, the literature on flexicurity is not short on contributions that highlight its claimed advantages, but is short on attempts to test the specific claims that it makes regarding the benefits for the welfare of employees. This paper has analysed real data to explore the evidence for one of the claimed benefits of flexicurity policies and found it difficult to find support for that claim.

Of course, to fail to find something does not prove that it does not exist. It may be that this paper looks in the wrong place, or through the wrong lens. For instance, the spatial units utilised in the analyses were countries in the first sets of analyses and clusters of countries in the second set. But both of these units can be problematic, and different components of flexicurity models are set at different geographic units. For instance, some policies are set, albeit at an abstract level, at the level of the EU (perhaps explaining why Turkey is clearly separate in Figure 2?). Other relevant policies, such as labour law and EPL tend to be set at the national level, and training and other active labour market policies might have a high degree of regional autonomy. For instance, Scarpa (2009) argues that the Swedish and Finnish welfare systems show clear local variation, calling into question the main focus in the literatures on welfare regimes which is overwhelmingly at the national level. This is an example, perhaps typical of many sociological analyses that Lobao et al. (2008) argue, that would be better aimed at the sub-national level, but this is rarely achieved in practice in sociological literatures. For the purposes of the present study, the existing data sets are limited by sample size for localised analyses, but some sub-national unit that achieves a compromise between sample size and territorial specificity just might provide the evidence that has eluded the analyses in this paper. And, if the data were available, a longitudinal dimension to these analyses, so that business cycles could be controlled for, would also be an improvement.

It is clear from this failure to find the support for this model, whatever the reason, that further empirical analyses to test this claimed benefit of flexicurity (and the other claimed benefits) are urgently needed to evaluate the desired benefits of this widely accepted set of policies. Until such policies are evaluated, the suggestion that flexicurity policies can succeed by exchanging poor job security for high employment security should be treated as an untested hypothesis rather than as the basis for EU employment policy. The flexicurity policy debates have provided a great opportunity for interdisciplinary social science researchers to evaluate and refine those policies, thereby contributing to dispassionate academic analysis and debate. Unfortunately, they have, on the whole, been slow to accept this challenge.

Endnotes

1 Job insecurity measures typically provide highly skewed data, as only a minority of respondents are insecure or very insecure. To ensure that this skew does not cause statistical problems or artefacts, Spearman’s ρ non-parametric correlations are used for the EWCS4 data. In using the ESS3 data, the “very insecure” group are arguably too small to be treated as a separate group, so they have been recoded into the “insecure” batch for the ANOVAs and in the Figures 6 and 7.

2 This category is for the non-employed and unemployed, which are not sampled in the EWCS. These were, of course, excluded from the analyses.

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