Michael Ebert: Testing flexicurity – Which model resists the economic crisis?

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Short abstract

Flexicurity, the creation of a balance between labour market flexibility and social security, has been discussed controversially at nearly all levels of the political arena – from the European Commission to the single works councils. For a long time Germany had been considered as the European "problem case". It did, supposedly, hinder flexibilisation while not strengthening social security for those who had already been affected by flexible employment. However, since the financial and economic crisis of 2008-09 the German economy has been increasingly seen as a successful model. But how has the German way of coping with the crisis influenced the actual situation of employees? The book answers this question by comparing Germany with other Western European countries with regard to the objective and subjective living conditions of employees.

Firstly, it explains the specific nature of the German flexicurity model and its traditional focus on internal flexibilisation. Furthermore, the book reveals how firmly this model is rooted in the attitudes of the people. This is still evident during the financial crisis that hit the German economy particularly hard. German enterprises have clearly preferred strategies of internal flexibilisation, using short-time work instead of primarily relying on redundancies. Only agency workers have been affected by massive job losses. With this respect, the author compares the two different flexibilisation strategies – the use of short-time work versus that of agency work – and discusses their social consequences.

Secondly, using a wide range of indicators the book analyses how the German model of internal flexicurity has performed during the crisis in comparison to other Western European

models: Denmark, the Netherlands and Great Britain, each of them representing alternative flexicurity models to the German one (external flexicurity, mixed external/internal flexicurity and radical flexibilisation).

The book shows that, with its comparatively low unemployment and stable consumer demand, Germany performed well with respect to the objective indicators. However, subjective perceptions of the consequences of the crisis were not as positive as in other countries where unemployment became much higher. Indeed, in countries with strong universalistic elements in their social security systems – especially in the pension system (Netherlands, Denmark) – people show more positive perceptions of their own situation and that of their own country. As a consequence, the author discusses suggestions to strengthen universalistic elements in the German labour market and social policy.