



EUROPEAN POLICY BRIEF



WORKCARESYNERGIES

Labour Market Transitions in Comparative Perspective

Political Implications of WORKCARESYNERGIES, an EU-funded support action with the aim of disseminating research findings of previous EU Framework Programme projects in the field of work and care in the following seven EU countries: Austria, UK, Denmark, Hungary, Poland, Italy and Portugal.

November 2011

INTRODUCTION

Creating local awareness for EU research findings on work-care tensions

Vulnerability to a life without regular work has increased since the economic crisis of 2008. Despite a decade of rapid economic growth in a number of European and advanced economies, growing levels of inequality and economic instability have challenged the basis of stable employment over the life cycle. Traditionally, vulnerable groups included both younger and older workers, those with low skills and caring responsibilities. The current crisis has exacerbated the risks for these groups; it also impinges on employees who thought of themselves as being in secure employment. In this context, there is also an additional need for older workers to remain in employment, resulting from changes to policy and increases in life expectancy.

Given this vulnerability over the life-course, labour market research has increasingly moved away from examining stocks to understanding flows. This means that researchers and policy makers are interested not just in measuring the amount of people in particular forms of employment, for example in part-time, temporary work or unemployment. Instead, they are interested in finding out what happens to people as they move between different employment statuses. Do part-time and temporary workers remain in these jobs? Do they move on to something better? Or do they fall out of employment? What factors and policies are associated with these transitions?

Dissemination and relevance of research to local actors

To shed light on these issues for non-academic audiences, we presented our findings according to five key areas of transition. These were: school to work transitions; care to work transitions; precarious to secure employment transitions; transitions between unemployment and employment; and transitions between employment and retirement. These are covered in detail in the previous policy briefing from EU research findings (<http://workcaresynergies.eu>), and are discussed below.

We also ran six events, attended by policy makers, practitioners, and people from NGOs. We focused on two key themes that emerge from the EU research literature: the importance the perceived of fairness of employment transitions, and the centrality of transitions into retirement as the accumulation of all previous transitions.

In relation to Fairness in employment transitions the events were:

- Intersectionality from idea to implantation (Brighton, 10th December 2010)
- Fairness during Fiscal Austerity: What does it mean to different groups? (London, 4th February 2011)
- Presentation of Workcare synergies project at the ETUI, 1st September 2011

These issues are of importance to policy makers in helping to ensure policy supports individuals in making positive employment transitions. For NGOs and practitioners knowledge of research in these areas provides the information required to support and promote the interests of the groups they represent.

The three events on employment-retirement transitions were:

- Looking at Ageing Differently (Brighton, March 2010);
- The Changing Context of Retirement (Edinburgh, November 2010); and
- Employment and Retirement (Manchester, November 2011).

For policy makers the research discussed can inform policy supporting older individuals to remain in employment. For NGOs and practitioners it provides them with the information required to promote the interests of, and support, older workers.

To disseminate beyond the participants at the events, we also made films for the events, which can be seen on the EU WorkCare Synergies website (<http://workcaresynergies.eu>).

Although the events focused primarily on two themes, wider issues of employment transitions were discussed at each. Furthermore, the policy briefing previously prepared was made available at each event, covering the five areas of transition identified. We now discuss key findings from each area of transition in turn.

KEY OBSERVATIONS

Education and work transitions

A key finding of this project has been the problem of low skilled individuals getting access to education and training that is relevant for the labour market, in a context where employers are more likely to invest in highly skilled employees. The UK Wolf Review into vocational education and training for 14-19 year olds reported to the Department of Education in the Spring of 2011. The remit was to review provision and costs, as well as transitions between different levels of qualifications. The challenge looking forward is to ensure those most in need of education and training acquire the skills they need. This will not be made easier by the abolition of the Educational Maintenance Grant to 16-18 year olds from low-income backgrounds in education.

Likewise, the UK government will transfer the costs of providing university education from the state to individual graduates through increased student fees, following the Browne Review of Higher Education funding. This raises challenges about the degree to which people can access higher education, at a time when higher level skills are increasingly important in the labour market.

Care and Employment Transitions

Whilst the rise in maternal employment in the UK has met the Lisbon goals, research identifies significant concerns about the quality and remuneration of paid work that mothers with caring responsibilities are able to access. The UK government has extended and made parental leave more flexible, with higher remuneration, and an extension to fathers; however, there still remains a significant pay penalty for those who interrupt working in order to care for others.

The changing structure of the care economy highlights new demands, not only for early years educational provision through pre-school nurseries, but also the need for a variety of elderly care providers. Key issues for future policy identified by research revolve around flexible working time, leave arrangements and care provision. How can we enable access to good quality flexible employment for both men and women over the life cycle to enable them to synchronise different demands on their time at home and at work? How will we be able to provide good quality and affordable childcare that not only allows parents the ability to work and care, but it also provides important advantages to reduce social inequalities? And what range of care provision will be offered to enable the management of diverse care responsibilities for older people?

Transitions between precarious and secure employment

The Transitional Labour Market approach argues for a balance between flexibility and security. A particular concern is the degree to which precarious and marginal employment leads to secure and high quality work. The *flexi-curity* proposals suggest a radical transformation of the relationship between employment protection

and benefit entitlements. In return, resources would be allocated to training provision and public sector employment guarantees, in particular for younger people. Research often suggests, however, that there is more flexibility than security in practice, and that models developed from other countries are not easily adopted in countries with very different institutional arrangements.

In the UK the Fixed Term Employees (Prevention Of Less Favourable Treatment) Regulations 2002 ensures that those on temporary contracts receive the same day-to-day rights as permanent workers. It also means staff on temporary contracts are awarded permanent status after four years. Agency staff have been excluded from this legislation, but the Agency workers directive (AWD) extends provision to this group. Of course this does not ensure temporary workers end up in secure employment, and policies to assist people in this transition are inevitably required. The Vulnerable worker enforcement forum is an attempt to monitor abuses at work, and ensure compliance to the law.

Transitions between unemployment and employment

Although the UK Coalition government is merging the New Deal programmes into a single welfare to work scheme, there will be significant policy continuity with the last government. The government's approach will be to provide "*help for those who cannot work, training and targeted support for those looking for work, but sanctions for those who turn down reasonable offers of work or training*". The rhetoric of this debate has tended to focus on the sanctions element.

The research reviewed in this project clearly indicates that '*services and sanctions*', of the type proposed by the government, can be an effective at getting people into work. However, it is important that the balance of services and sanctions is carefully assessed, as research indicates that services are very important for hard to reach groups and the long-term unemployed. These services need a high adviser to client ratio to be effective. In addition, if sanctions and requirements are set too high there is a danger that disadvantaged individuals will simply leave the scheme to work in the informal economy. The introduction of a Universal Credit in the UK may enhance the attractiveness of low paid work to the unemployed. However, if policy adopts too much of a 'Work First' approach, in which people are pressurised into taking the first job that is offered, this can have a long-term impact on their future earnings and career.

Transitions between employment and retirement

In future there will be an increasing need for people to work into older age. The rise in the State Pension Age from 2018 and the phasing out of the Default Retirement Age of 65 in 2011 is likely to increase the numbers working in their late 60s onwards. However, these policies alone will be insufficient to extend the working life. EU research identifies other areas where progression can be made.

First, enhancing the quality of available jobs for older people would appear to be a productive way of encouraging employment, as

indicated by the high levels of employment in Scandinavian countries. Second, possibilities for gradual retirement are a popular prelude to full retirement, although we need to understand much better how this can be deployed to encourage delayed labour market exit. Third, we need to explore policies that can keep older peoples' skills up to date, in a context where employers may be less willing to make investments.

RECOMMENDATIONS FOR POLICY-MAKERS

European and national level

At the European level the *European Employment Strategy* (EES) and the *Lisbon Strategy* launched in 2000 set out to achieve high levels of employment and social inclusion by 2010. National targets were set to achieve:

- i) full employment,
- ii) improve quality employment and productivity at work, and
- iii) strengthen social cohesion.

The four pillars of the EES were

- i) employability,
- ii) entrepreneurship,
- iii) adaptability and
- iv) equal opportunities.

Member states were required to produce National Action Plans on Employment indicating the policy measures they were introducing to enable them to achieve these targets. The UK has achieved the 2010 numerical targets in terms of levels of labour market participation.

However, looking forward key questions centre on the sustainability of these achievements in an uncertain economic climate.

Policy makers need address :

- the quality of available jobs and
- how these are distributed across the population
- the consequences of policy in relation to its impact on different inequalities

At a European level this is reflected by the *Europe 2020* agenda launched in 2010 that aims to promote '*Smart, Sustainable and Inclusive growth*'. In addition to raising the employment rate of the working age population to 75% and increasing research and development, it also aims to enhance educational outcomes amongst the population and reduce the numbers in or at risk of poverty and social exclusion by 20 million. Clearly this raises challenges across the different transitions covered by this project, and the research reviewed in the policy briefing can inform this process.

PROJECT SETUP

Project Objectives

WORKCARESNERGIES was an EU-funded support action with the aim of disseminating research findings of previous EU Framework Programme projects in the field of work and care in the following seven EU countries: Austria, UK, Denmark, Hungary, Poland, Italy and Portugal.

It “translated” (i.e. collect, summarize, make understandable and accessible) findings relevant for the local policy debate and addressed local NGOs, policy makers, trade unions, labour representatives, regional organizations and services, companies as well as other local actors and interested parties.

Local Team Objectives

What? The British team will “translate” (i.e. collect, summarize, make understandable and accessible) findings from existing research projects within the EU Framework Programmes and initiate their discussion in a local context.

Why? To examine and illustrate the impact of labour market transitions across generations. This focuses on older workers and labour market transitions around family formation. These are highly significant transitions given the importance of getting into and staying in employment; the long term consequence of exclusionary transitions where people cannot retain a foothold in work result in poverty; successful integrative transitions allow people to change their working time to retain an employment relationship and longer term financial security.

Purpose of Events

To inform about and discuss findings with local community, with the aim to feed back policy recommendations to the EC.

PROJECT IDENTITY

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Website	www.workcaresynergies.eu
For more information	Local events and materials, underlying FP research projects, short films, policy briefs, etc. can be found on the website , detailed information on “work-care tensions” in: http://workcaresynergies.eu/work-care-tensions/
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