

Summary of Annals from the European Convention of Employers' Alliances

Comité of the Regions

Brussels, 22 february 2008



The second **European Convention of Employers' Alliances** was held on 22 February 2008 in Brussels, at the Committee of the Regions, in the presence of the EU Commissioner for Employment, Social Affairs and Equal Opportunity, Mr Vladimir Špidla, and the President of the Committee of the Regions, Mr Luc Van Den Brande.

The convention was a real success, launching the creation of the European Employers' Alliances Resource Centre (EEARC).

The creation of such a centre at the European level offers a new possibility for enlarging the network of Employers' Alliances to other regions of Europe, and perhaps in time to every region of Europe.

The will to disseminate the innovative form of collective organisation of work based on solidarity, embodied by the Employers' Alliances, is particularly relevant considering the advantages it offers. Employers' Alliances present a number of characteristics which correspond to all the common principles for flexicurity defined by the European Commission. They reconcile one-off needs for skills required for the development of businesses – flexibility – with employment stability and employees' professional development – security. Employers' Alliances can therefore be considered a **“tool for flexicurity”**.

This subject was at the heart of the debates held at the Second European Convention of Employers' Alliances.

These documents were drafted by the
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I. Employers' Alliances: a tool for flexicurity

I. 1. Flexicurity

The way Europeans live and work is changing. The European Commission highlights four main reasons for these changes in its draft communication “*Towards Common Principles of Flexicurity: More and better jobs through flexibility and security*”¹:

- European and international economic integration;
- the development of new technologies, particularly in the areas of information and communication;
- the demographic ageing of European societies combined with still relatively low average employment rates and high long-term unemployment, which threaten the sustainability of social protection systems;
- the development of segmented labour markets in many countries, where relatively protected and unprotected workers coexist (“insiders” and “outsiders”).

To adapt to these changes, the Commission recommends a more flexible labour market and levels of security that address the new needs of both employers and employees. The Lisbon objectives, moreover, encourage new forms of flexibility and security. In that context, the Commission was asked, jointly with the Member States and the social partners, to “explore the development of a set of common principles on flexicurity”, which could serve as a useful reference for achieving more open and responsive labour markets and more productive workplaces.

The European Commission defines flexicurity as “*an integrated strategy to enhance, at the same time, flexibility and security in the labour mar-*

¹ Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions, “Towards Common Principles of Flexicurity: More and better jobs through flexibility and security”, http://ec.europa.eu/employment_social/news/2007/jun/flexicurity_en.pdf

ket”, with the aim of guaranteeing a high level of employment security for European citizens and helping both employees and employers to seize the opportunities offered by globalisation.

The common principles of flexicurity:

- Flexicurity is a means to create more and better jobs and to modernise labour markets. It is also a means of promoting quality work through new forms of flexibility and security to increase adaptability, employment and social cohesion.
- Flexicurity is based on four components:
 - flexible and reliable contractual arrangements;
 - comprehensive lifelong learning strategies;
 - effective active labour market policies;
 - modern, adapted and sustainable social security systems.
- Flexicurity must be tailored to the specific circumstances of each Member State, which must develop its own flexicurity strategies.
- Flexicurity should make labour markets more open, flexible and accessible to all by reducing segmentation. Flexicurity concerns both those in work and those out of work.
- Internal flexicurity (i.e. within the enterprise) and external flexicurity (between enterprises) are equally important. Contractual flexibility must be matched with secure transitions from job to job. Professional mobility needs to be facilitated, as well as mobility between unemployment or inactivity and work.
- Flexicurity aims to strengthen gender equality.
- Flexicurity requires a climate of trust and broadly-based dialogue among all stakeholders.
- Flexicurity requires effective allocation of resources and should remain fully compatible with sound and financially sustainable public

budgets. It must aim at a fair distribution of costs and benefits, especially between businesses, public authorities and individuals, attaching particular attention to the specific situation of small and medium-sized enterprises.

I. 2. Employers' Alliances

An Employers' Alliance is an enterprise set up by other enterprises. Its main aim is to hire employees and to make them available to its members in terms of their needs. Rather than hiring its employees under precarious arrangements due to the short term of their contracts, companies team up to create a new employer which provides security and thus creates stability among its employees.

Freed of the responsibilities of human resource management, which is taken over by the Employers' Alliance, members periodically re-employ the workers they have trained and whose skills have been enhanced by another employment experience.

The employee enjoys a stable contract that is all the more secure because the companies belonging to the Employers' Alliance operate on a principle of solidarity and the work opportunities they offer are much wider than those of a single company.

In short, the more "flexible" the employees, the greater their employment prospects. If their employer is an Employers' Alliance, which has a wide variety of members, they will always have work.

The Employers' Alliance network responds to the **four policy components** across which flexicurity policies can be designed and implemented, as identified by the Commission and Member States:

- flexible and reliable contractual arrangements (from the perspective of the employer and the employee) through modern labour laws, collective agreements and work organisation;
- In an Employers' Alliance, the employee signs a stable employment contract that allows easier access to credit and housing, in exchange

for flexibility of workplace, and in strict compliance with collective agreements and collective bargaining.

- comprehensive lifelong learning strategies to ensure the continual adaptability and employability of workers, particularly the most vulnerable;

→ In an Employers' Alliance, there are as many requests for training as there are member companies. The Alliance is particularly well suited to pool and optimise the costs and use of these new skills which, for obvious reasons of effectiveness, are validated within the Alliance itself.

- effective active labour market policies that help people cope with rapid change, reduce unemployment spells and ease transitions to new jobs;

→ Employers' Alliances give priority to employing job seekers, who traditionally make up the biggest share of temporary workers and those with little protection.

- modern social security systems that provide adequate income support, encourage employment and facilitate labour market mobility.

→ The implementation of an Employers' Alliance is matched with every precaution in respect of legal exceptions to a principle.

1. 3. The characteristics of an Employers' Alliance and the common principles of flexicurity

The European Commission has drawn up eight common principles of flexicurity² which can serve as a useful frame of reference in the context of putting in place more open and responsive labour markets and more productive workplaces in the European Union.

At the Second European Convention of Employers' Alliances, on 22 February 2008, a common position was presented by the Employers' Alliances of France, Belgium and Germany. The position illustrates how

² COM(2007) 359 final and approved by the Council of the European Union in its Note 16201/07, "Towards common principles of flexicurity", Council Conclusions.

the characteristics of the Employers' Alliance respond to these eight principles of flexicurity.

The response of Employers' Alliances to the principles of flexicurity:

First principle:

“Flexicurity is a means to reinforce the implementation of the Lisbon Strategy, create more and better jobs, modernise labour markets and promote good work through new forms of flexibility and security to increase adaptability, employment and social cohesion.”

Response of Employers' Alliances

Employers' Alliances are an innovative form of collective organisation of work and relation to work that implement

New forms of flexibility and security...

The personnel-sharing principle based on the joint responsibility of companies and the pooling of skills is in itself an innovative form of flexicurity offering flexibility to enterprises and security to workers.

... To increase adaptability, employment

Versatility and ongoing training, which are inherent to the Employers' Alliance model, increase employees' adaptability and their chances on the labour market. The anticipation of economic activity, requiring outsourcing, represents a new challenge to companies. Their organisation as a group within Employers' Alliances facilitates and supports their adaptability and makes jobs secure.

... and social cohesion

Employers' Alliances serve as mediators among all players on the territorial labour market. Forward-looking management of jobs and skills, and career support form part of social dialogue. At territorial level, Employers' Alliances are a tool for integration and social cohesion in the labour pool.

Employers' Alliances **reconcile** companies' need for flexibility with job security for workers. By voluntarily teaming up, the companies that

adopt the Employers' Alliance system offer their employees more attractive working arrangements and contracts.

Second principle:

“Flexicurity involves the deliberate combination of flexible and reliable contractual arrangements, comprehensive lifelong learning strategies, effective active labour market policies, and modern, adequate and sustainable social protection systems.”

Response of Employers' Alliances

The model of work-sharing and pooling by companies results in a combination of flexible availability of manpower and security for workers. The triangle made up of Employers' Alliances – employees – user companies, functioning on the specific Employers' Alliance principles, results in tailor-made assignment of staff for companies while offering secure employment contracts to workers.

Employers' Alliances also develop the following policies on the ground.

Lifelong learning: Companies belonging to Employers' Alliances need a qualified and stable workforce. Continuing training of their workers therefore makes up one of the key characteristics of the Alliance.

Effective active labour market policies: Employers' Alliances are tuned in to companies' recruitment needs and the technological and legal changes on the market that have an impact on the activities of member companies.

Modern social security systems: The principle of secure careers for its employees is built into the Employers' Alliance system: the pooling of companies' one-off needs for full-time and permanent staff allows the greatest social security possible.

Creation of more and better jobs: The pooling of the one-off or seasonal needs of member companies creates new jobs that would not exist otherwise. The versatility required in such “pooled” jobs, the va-

riety of duties and of management styles, and the different environments in the companies create a favourable atmosphere on the whole and quality jobs.

Consolidation of European social models: The Employers' Alliance model has already been transferred from France to Belgium and Germany. Labour laws and negotiations between the social partners differ in these two countries, and legal structures are not appropriate. In spite of these constraints, however, it has been possible to set up relevant Employers' Alliances and to initiate debate in political spheres. Development of the model at European level still has a long road ahead.

Third principle:

“Flexicurity approaches are not about one single labour market or working life model, nor about a single policy strategy: they should be tailored to the specific circumstances of each Member State. Flexicurity implies a balance between rights and responsibilities of all concerned. Based on the common principles, each Member State should develop its own flexicurity arrangements. Progress should be effectively monitored.”

Response of Employers' Alliances

Adaptation of the Employers' Alliance model by the Member States requires on the one hand a model based on forward-looking management of economic developments on the territory where the Employers' Alliance is established, and on the other, a common strategy by the economic and social players on the territory.

Organised on the principle of pooled responsibility, members (agricultural holdings, large enterprises, small and medium-sized enterprises (SMEs), small and medium-sized industries (SMLs), craftsmen, associations, local authorities, etc.) must first create the conditions for the organisation of an Employers' Alliance and then define a policy and strategies for their tool. This includes communication, professionalisa-

tion and development, with the exclusive aim of ensuring continuity and developing the skills recruited as well as the skills pool put in place.

Anticipation, i.e. thinking ahead and asking oneself not “Will the company be restructured, go under or be relocated”, but “When will that happen” is the only answer. At this stage, the Employers’ Alliance is already in a strategy of anticipation. To maintain its existence and ensure the volume of activity needed to maintain its balance, it must constantly be on the lookout for solutions. This makes it necessary to defend employability and a new social contract as well as employment itself.

While it is more complicated to cope with the first two effects, the Employers’ Alliance responds to the third by providing flexibility and security. All stakeholders have something to gain from this innovative action: flexibility for the company, secure jobs for workers and development for the territory.

Fourth principle:

“Flexicurity should promote more open, responsive and inclusive labour markets overcoming segmentation. It concerns both those in work and those out of work. The inactive, the unemployed, those in undeclared work, in unstable employment or at the margins of the labour market need to be provided with better opportunities, economic incentives and supportive measures for easier access to work or stepping stones to assist progress into stable and legally secure employment. Support should be available to all those in employment to remain employable, progress and manage transitions both in work and between jobs.”

Response of Employers’ Alliances

The aim of Employers’ Alliances is to build full-time jobs throughout the year (or part-time for some) for workers who otherwise would only have part-time or fixed-term employment contracts.

Access to better jobs for individuals in insecure employment situations is facilitated by the Employers' Alliance because:

- an Employers' Alliance develops full-time or part-time jobs
- an Employers' Alliance organises stable employment by combining different seasonal or part-time jobs
- an Employers' Alliance is an effective tool for getting the jobless back into lasting employment
- an Employers' Alliance adapts to the needs of SMEs and to those of the workers assigned to them
- an Employers' Alliance can develop specific support actions for the most vulnerable target groups for whom it is hardest to find work

Fifth principle:

“Internal (within the enterprise) as well as external flexicurity are equally important and should be promoted. Sufficient contractual flexibility must be accompanied by secure transitions from job to job. Upward mobility needs to be facilitated, as well as between unemployment or inactivity and work. High-quality and productive workplaces, good organisation of work, and continuous upgrading of skills are also essential. Social protection should provide incentives and support for job transitions and for access to new employment.”

Response of Employers' Alliances

By their very nature, Employers' Alliances are an obvious tool for internal and external flexicurity for companies and workers.

Internal and external flexicurity is facilitated by Employers' Alliances because:

- an Employers' Alliance is a separate economic entity that organises:
 - internal mobility of skills among its member SMEs;

- external mobility, by recruiting for a group of SMEs or by organising positive turnover, i.e. hiring for an Employers' Alliance member if the two parties (enterprise and employees) have agreed to do so and negotiated terms;
- employees of Employers' Alliances are versatile: they often have several skills, experience in different sectors requiring different working time arrangements and several types of work organisation.

An Employers' Alliance is a form of **qualitative flexibility**: efficient management of skills for SMEs in exchange for sustainable and adaptable employment.

Sixth principle:

“Flexicurity should support gender equality, by promoting equal access to quality employment for women and men and offering measures to reconcile work, family and private life.”

Response of Employers' Alliances

An Employers' Alliance is a system in which member employers (agricultural holdings, large enterprises, SMEs, SMLs, craftsmen, associations, local authorities, etc.):

- have freely chosen to join forces to solve their problems finding part-time workers (sometimes seasonal workers);
- are jointly responsible and committed to a total wage bill for the skills they pool.
- an Employers' Alliance develops pooled jobs on a completely objective basis;
- an Employers' Alliance recruits and organises workers' professional development on the principle of equal treatment;
- an Employers' Alliance puts in place a policy of systematic evaluation of employees in job-sharing;

- an Employers' Alliance, given the variety of jobs on offer, adapts to the family constraints of female and male employees.

Any other attitude to the collective management of skills would pose an economic threat to the pooling system used by the SMEs involved.

Seventh principle:

“Flexicurity requires a climate of trust and broadly-based dialogue among all stakeholders, where all are prepared to take the responsibility for change with a view to socially balanced policies. While public authorities retain an overall responsibility, the involvement of social partners in the design and implementation of flexicurity policies through social dialogue and collective bargaining is of crucial importance.”

Response of Employers' Alliances

The role of the Employers' Alliance is to organise the adaptation of local resources to local employment, with an objective view of the difficulties of companies and the constraints on workers. Before being set up, an Employers' Alliance must first consult the local stakeholders.

The fact that Employers' Alliances have been in existence for 20 years is proof that the climate of trust and dialogue created within the Alliance itself and with its environment can only be ensured under certain conditions, among which:

- diversity among its members (agricultural holdings, large enterprises, SMEs, SMIs, craftsmen, associations, local authorities, etc.);
- dialogue between members on common objectives;
- a new form of social dialogue that includes the third-party employer;
- taking territorial constraints into account;
- participation in territorial networking.

Eighth principle:

“Flexicurity requires a cost-effective allocation of resources and should remain fully compatible with sound and financially sustainable public budgets. It should also aim at a fair distribution of costs and benefits, especially between businesses, public authorities and individuals, with particular attention to the specific situation of SMEs.”

Response of Employers’ Alliances

Employers’ Alliances in France, which are non-profit associations within the meaning of the 1901 law, must be considered sustainable economic entities in their own right. They must comply with all economic and social legislation in force. Different stakeholders come into play from the inception of the Employers’ Alliance.

The following conditions are essential to the economic success of an Employers’ Alliance:

- being managed as an economic entity in its own right even though it exercises its activity on a non-profit basis;
- applying a competitive recharging coefficient for services, while proposing better quality;
- optimising resources through continuing training;

The concept of the Employers’ Alliance is a “win-win” situation:

- for the state and local authorities, thanks to the development of employment on the territory;
- for all categories of enterprises, regardless of size, which obtain access to an outstanding human resources centre through the Employers’ Alliance and significant adaptability of their services if need be;
- for workers, who benefit from secure working arrangements, increase their versatility and skills, and have access to continuing training adapted to their needs and aims.

II. The European Employers' Alliances Resource Centre (EEARC)

The EEARC is a network based on competences in the area of Employers' Alliances. Its main objective is to extend the system of Employers' Alliances in Europe. As a result of collective reflection, certain aspects of the organisation and operation of the EEARC have already been established, particularly in respect of the following four points:

The object:

- to disseminate the system of Employers' Alliances in the different regions of Europe through promotion actions, lobbying and by developing contacts between Employers' Alliances and Resource Centres for Employers' Alliances in Europe;
- to serve as a tool for implementation of the Lisbon decisions and of European employment and flexicurity policies;
- like the resource centres put in place under the social partners' social agenda, to make the EEARC a tool for the development of social dialogue in new member countries.

The tasks:

- research and compilation of know-how from the different countries;
- legal expertise;
- informative and legal publications;
- comprehensive studies;
- development of a charter;
- organisation of exchanges, seminars and study visits;
- support for initiatives in the regions;
- development of expertise;
- development of transfer tools and methods;
- centralisation of documentation, guides, handbooks.

The overall functioning: the EEARC is a flexible tool that is nurtured by and makes use of the competences available in the European countries in the field of Employers' Alliances in order to transfer them to other regions of Europe where they do not exist.

Steering and organisation: A board of directors, a bureau and a president shall ensure the democratic and territorial development of the tool. A technician will take charge of the operational aspects of decisions.

Participants in the Second European Convention consider that this is the right time to launch an offensive with a view to providing information and promoting the Employers' Alliance system. Accordingly, the Founding Act of the EEARC sets out five conditions for encouraging the emergence of the European network.

The EEARC Founding Act

The Employers' Alliance is a legal person (an employer) whose full potential is yet to be discovered. It is in keeping with the social market economy that provides support for the development of employment. For both these reasons, a European network of Employers' Alliances must underpin the system on a permanent basis:

- allowing contacts between operators and stakeholders: enterprises, employees' unions, public authorities charged with employment policies, elected officials, etc.;
- contributing to the fight against precarious employment: employability, management of mobility, modernisation of social relations, chosen working time, gender equality, etc.

This network is in keeping on the one hand with the Lisbon Strategy and its aim of transforming Europe into a knowledge-based society, and on the other with the European Commission's strategy on flexicurity.

The five conditions for the establishment of a European network of Employers' Alliances are as follows:

Condition 1 - Values and principles of pooling employment

Condition 2 – A voluntary and chosen alliance of employers

Condition 3 – A forum for the exchange of best practice that recognises the value of a range of sectoral and territorial approaches

Condition 4 – Openness and dissemination

Condition 5 – Representativeness of the economic and social partners

Mr France Joubert, Vice-President of the Resource Centre for Employers' Alliances of the Poitou-Charentes Region, and initiator of the European movement of Employers' Alliances, was elected President of the EEARC.

The founding act was signed by the founding members:

- The Brandenburg Resource Centre for Employers' Alliances (BV-AGZ);
- The Brittany Resource Centre for Employers' Alliances;
- The Brussels Resource Centre for Employers' Alliances;
- The Loire Valley Resource Centre for Employers' Alliances (PAGE);
- The Poitou-Charentes Resource Centre for Employers' Alliances;
- The Midi-Pyrenees Resource Centre for Employers' Alliances (GEMIP);
- The French Union of Employers' Alliances (UGEF).

The EEARC Founding Act was signed in Brussels on 21 February 2008.

The Second European Convention of Employers' Alliances, held on 22 February 2008 at the Committee of the Regions, was the culmination of a collective effort by the Employers' Alliances based in France, Belgium and Germany.

The convention's concrete achievement was the creation of a European Resource Centre, with a view to extending the system of Employers' Alliances in Europe.

This network is in keeping on the one hand with the Lisbon Strategy and its aim of transforming Europe into a knowledge-based society, and on the other with the European Commission's strategy on flexicurity. Mr Vladimír Špidla, European Commissioner for Employment, Social Affairs and Equal Opportunity, and Mr Luc Van Den Brande, President of the Committee of the Regions, confirmed their keen interest in Employers' Alliances as a tool for flexicurity and their further development in the regions of Europe.

Indeed, the Employers' Alliance system responds to the four policy components, identified by the Commission and the Member States, across which flexicurity policies may be designed and implemented, and with the eight common principles of flexicurity drawn up by the European Commission.

Thanks to a "win-win" relationship between economic activity and employees, the Employers' Alliances adapt to and anticipate changes in the global market for the benefit of sustainable employment for European citizens.

The European Think tank Pour la Solidarité –an association serving a social cohesion and European economic and solidarity model- works for the promotion of solidarity, ethical and democratic values and to develop sustainable alliances between European representatives of five families of socio-economic actors.



European Think Tank

Pour la solidarité

Through concrete projects, university researchers and associative movements are connected with public authorities, social enterprises and actors. The projects provide the possibility of working through emerging challenges and contributing to the building of solidarity within Europe and the promotion of social cohesion.

Among its current activities, Pour la Solidarité initiates and ensures the follow-up of European and Belgian projects, develops networks of competency, carries out and disseminates socio-economic studies, creates observatories, organises workshops, seminars and thematic meetings and elaborates recommendations towards socio-economic and political stakeholders.

Pour la Solidarité organises its activities around different areas of research and actions: citizenship and participatory democracy, sustainable town and country planning and social cohesion and the social economy.

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