Securing job-to-job transitions
a comparative study of employment security systems

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Introduction

- ReflecT, Tilburg University, The Netherlands

- My field of expertise: Employment Security / Unemployment prevention/ Labour market policies

**Job security:**
The expectation of a high job tenure in relation to a specific job (Wilthagen & Tros, 2004)

**Employment security:**
The possibility for the unemployed or inactive persons to make the transition from unemployment to employment (reintegration/activation) and the possibility for workers to remain employed not necessarily in the same job with the same employer (job-to-job transitions) (Borghouts, 2010)
1. What kind of systems or arrangements can be distinguished in European countries in order to enhance employment security for redundant employees?

2. How can differences and similarities between those systems be explained?

3. What lessons can possibly be learned from a Dutch policy perspective?
Research Method

• Selected countries: United Kingdom, Spain, Sweden & Austria

• Sources:
  ✓ Literature review, policy documents
  ✓ Face to face interviews with relevant stakeholders in each country
  ✓ Expert meetings

• Analytical framework
Analytical model: Employment Security Systems (macro)

Borghouts, 2012 (Derived and adapted from Scharpf (1997), Gilbert & Specht (1974), and Thompson et al. (1991))
Phases and forms of unemployment prevention (micro)

**Primary prevention**
Phase 1: ‘Healthy’ Business / investments in sustainable employment employees

**Secondary prevention**
Phase 2: Impending redundancy of employees
- Preventative measures taken by employer to prevent dismissals
Phase 3: Notice of dismissals
- Curative measures aimed at direct FWTW transitions (supply side)

**Tertiary prevention**
Phase 4: Termination of the contract/unemployment
- Preventative measures aimed at prevention of *long term* unemployment

Evers/Wilthagen/Borghouts, 2004; Borghouts 2012; 2015
Job-to-job policies/arrangements in selected countries

- * Rapid Response Service
  * Response to Redundancy programme

- SE: Transition Foundations /Transition Agreements

- UK

- AT: Arbeitsstiftungen

- ES

No job-to-job support
The Netherlands

No **structural** job-to-job approach

Social Plans

Experiments, Sector funds, Sector plans

Recent policy/law:
2015: Transition budget -> Wet Werk en Zekerheid

2016: Temporary regulation to promote retraining to promising professions (vouchers)
FWTW policy and activities implemented during the past 5 years for employees that would have been dismissed, according size of company (in percentage of companies; 2008, 2010, 2012)

| Company size: | FWTW policy drafted | | | External FWTW activities | | | Internal FWTW activities | | |
|---------------|---------------------|---|---|--------------------------|---|---|--------------------------|---|
| 5 - 9 empl    | 9    | 10   | 13   | 8    | 5    | 5    | 14    | 9    | 9    |
| 10 – 19 empl  | 16   | 18   | 22   | 14   | 7    | 10   | 24    | 19   | 16   |
| 20 - 49 empl  | 22   | 21   | 22   | 22   | 20   | 22   | 36    | 33   | 28   |
| 50 - 99 empl  | 16   | 28   | 36   | 34   | 31   | 31   | 52    | 52   | 50   |
| 100 - 199 empl| 42   | 37   | 33   | 48   | 42   | 41   | 73    | 58   | 62   |
| 200 > empl    | 54   | 50   | 49   | 69   | 54   | 64   | 83    | 73   | 72   |

Total economy: 15 17 21 18 13 14 27 23 22

Source: own analysis of OSA/SCP Dutch labor demand panel 2008 - 2012
Which employers offer FWTW activities to their redundant employees?

**FWTW policy and activities implemented during the past 5 years for employees that would have been dismissed, according to sector of company (in percentage of companies; 2008, 2010, 2012)**

<table>
<thead>
<tr>
<th>Sector</th>
<th>FWTW policy drafted</th>
<th>FWTW activities implemented to other employer</th>
<th>FWTW activities implemented within the organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total economy</td>
<td>15</td>
<td>17</td>
<td>21</td>
</tr>
<tr>
<td>Industry and agriculture</td>
<td>11</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>Construction</td>
<td>9</td>
<td>15</td>
<td>10</td>
</tr>
<tr>
<td>Retail, hospitality, repairs</td>
<td>10</td>
<td>13</td>
<td>15</td>
</tr>
<tr>
<td>Transportation</td>
<td>12</td>
<td>11</td>
<td>18</td>
</tr>
<tr>
<td>Business services</td>
<td>13</td>
<td>15</td>
<td>14</td>
</tr>
<tr>
<td>Care and Welfare</td>
<td>26</td>
<td>29</td>
<td>38</td>
</tr>
<tr>
<td>Other services</td>
<td>14</td>
<td>18</td>
<td>17</td>
</tr>
<tr>
<td>Government</td>
<td>47</td>
<td>44</td>
<td>55</td>
</tr>
<tr>
<td>Education</td>
<td>48</td>
<td>46</td>
<td>60</td>
</tr>
</tbody>
</table>

Source: own analysis of OSA/SCP Dutch labor demand panel 2008 - 2012
Lessons/ inspiration drawn from countries studied for the Netherlands

• Structural resources for job to job transitions
• Job to job support in an early stage
• Scope of job to job support –>
  ✓ July 2015: introduction Transition budget (Wet Werk en Zekerheid/ Law on Work & Security)
• Facilitate inter-sector mobility
• Role of social partners (employers’ organization and unions) is important (SE vs ES)
Concluding remarks

• Crisis, globalization and increasing competition -> companies adjust their organization -> dismissals are (still) the order of the day

• European countries: Reflect on Employment Security -> system which is tailored to the national context

• Chances for finding a new job are more limited for older unemployed individuals than for younger people
Concluding remarks

Duration finding a new job by age category (2012)

Source: Statistics Netherlands (CBS)
Concluding remarks

- Towards a structural job-to-job infrastructure
- Development of a “meta” or “umbrella” strategic HRM policy that goes beyond the boundaries of the organisation
- Align Social Labour market policy with a broader perspective of strategic HRM -> Development of Strategic Inclusive HRM

(Borghouts & Freese, 2016).

**Inclusive HRM and Employment Security in Transitions**
Dutch studies unemployment prevention

- Best practices unemployment prevention (Evers, Wilthagen, Borghouts, 2004)
- Securing job-to-job transitions in the labour market: a comparative study of employment security systems in European countries (Borghouts, 2012/ dissertation)
- Evaluations 9 Dutch experiments (Visscher et al., 2012)
- Bridging the gap between unemployment and pension: From Work to Work (FWTW) for elderly redundant workers in Sweden and the Netherlands (Borghouts, 2015)
Thank you for your attention. Questions, comments?

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Systems or arrangements

• Sweden:
  ✓ Transition agreements / Transition foundations
  ✓ Government does not interfere
  ✓ First transition fund: 1974
  ✓ Vast majority of employees with permanent contract
  ✓ Large and small companies
  ✓ Access to, set up and methods of funds vary
  ✓ Employers pay % over total wage sum to transition fund

• United Kingdom:
  ✓ Rapid Response Service (via job centres)
  ✓ Response to Redundancy programme
Systems or arrangements

• Austria

  ✓ Large scale redundancy in steel sector 1987 -> introduction first labour foundation/Arbeitsstiftung.
  ✓ 1998 Instrument Arbeitssstiftungen embedded in the law
  ✓ Different types of Arbeitsstiftungen: company, sectoral, insolvency and regional foundations

• Spain

  ✓ No job-to-job support. Trade unions focus on job security!
Job to Job transitions in the Netherlands

- No structural job to job approach in NL: experiments, sector funds and sector plans.