Introduction to the "Capita Selecta of Flemish Labour Market Research" by

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Within the federal state of Belgium, Flanders has its own legislative and executive powers concerning domestic and foreign policy, including employment services and employment programmes. Due to this autonomy, Flanders can develop its own policies; they are geared to the needs of the region. Labour market policy intends to promote flexible and supportive transitions in the labour market that are needed because of the powerful socio-economic challenges that we are confronted with.

Halfway the 1990’s the Flemish government, in co-operation with the social partners (labour unions and employers’ associations), established a strategic, policy-making research programme on the Flemish labour market. It had been conceived at the first Flemish Employment Conference in 1994 and its given name was VIONA, which stands for ‘Flemish Interuniversity Research Network Labour Market’. Its goal was and still is to collect reliable scientific knowledge about labour market developments so as to increase the quality of policy decisions.

Two years later, a further step was taken when both parties reached a consensus about the further future of strategic labour market research in Flanders. They identified two foci: valorisation of the research results and a long-term research strategy. The overall structure of VIONA was confirmed. A ‘Steering Group Strategic Labour Market Research’, consisting of relevant administrations and cabinets and social partners and chaired by an independent expert, sets out the general lines. Administrative care is taken by the Flemish Administration of Work and Social Economy. Until today, the two most important products of VIONA are (1) the annual open call for tender for a number of research topics, and (2) acting as the Steering Committee of the Policy Research Centre ‘Work and Social Economy’ (Steunpunt WSE, formerly Steunpunt WAV lead by Peter Vanderhallen).

This Policy Research Centre will be continued for another four years (2012 to 2016) under its present director prof. dr Luc Sels. The main areas of the activities will be: labour market monitoring, the labour market of the future, transitional careers, benchmarking of labour market performance and the surplus value of the social economy.

The reports that have resulted from projects financed from the VIONA budget and a selection of reports that were made during the past four years of the Policy Research Centre could be organised under the following headings: activation, competencies, disadvantaged on the labour market and diversity, developments in supply and demand, careers, and social economy. The present publication provides a sample of research in these areas.

The most important trend in labour market policy probably is the shift away from a strict labour market activation paradigm to some form of ‘active inclusion’. If there exists one strong argument in favour of ‘active labour market policies’ or the ‘active welfare state’, it is the realisation that being on the (regular) labour market remains the best guarantee for a decent living standard and the straightest way out of poverty. That is why many studies have focused on facets of labour market activation. Whereas the macro-economic context is provided by a study of the literature (Bollens & Heylen), Peeters, Van Pelt, Valsamis and Reymen focus on the role that temporary agency employment sector can play in the flexicurity strategy, in which an attempt is made to (re)concile flexibility and security, with particular attention to the situation of temporary agency workers from disadvantaged groups. Is temporary agency work really a stepping-stone towards permanent employment, also for disadvantaged groups? What with outplacement and is it a useful instrument for all types of employees? Could demand oriented employment mediation constitute an answer to bottlenecks vacancies? What with individual vocational training in the enterprise?
But what with groups which - for various reasons – are the furthest removed from the labour market? ‘W²’, a customized Work and Welfare programme, could offer help, according to Steenssens, Sannen, Ory, Nicaise and Van Regenmortel. Because this programme encompasses both domains of work and welfare, it has a better chance of success because it not only focuses on the jobseeker but on all stakeholders in the system; the objective is extended from ‘formal employment’ to a range of alternative forms of ‘active citizenship’ and the method is inclusive, integrated, participative, structured and coordinated. It is indeed important, particularly for marginalised groups and persons (the disabled, low-skilled, migrants), to find a good balance between the disciplining and emancipating effects of activation and between the different dimensions that need to be integrated in an inclusion policy.

This balance is realised in the Commission Recommendation 2008/867/EC of 3 October 2008 on the active inclusion of people excluded from the labour market [Official Journal L 307/11-14 of 18.11.2008]. It constitutes a unique opportunity to strengthen the ‘social’ character of EU policies to render them more effective in terms of societal inclusion at large but also of labour market inclusion, since crucial factors that were neglected before are now taken into account. Member States are required to combine the three strands of the strategy - adequate income support, inclusive labour markets, and access to quality services - in an appropriate manner; to implement the strategy in an integrated manner across the three strands; to coordinate the policies among authorities at local, regional, national and EU-level and to include all relevant actors in the development, implementation and evaluation of the strategy. Member States should provide necessary resources and benefits under the social protection instruments; information about rights and support measures must be publicized widely. They should simplify administrative procedures and facilitate access for the public to the appeals systems. They should also take steps to enhance indicators and statistical data on combating poverty and (other forms) of social exclusion and inclusion policies. Last not least, active inclusion measures should be aligned with the social cohesion objectives of, formerly, the Lisbon Strategy and since 2011 of the EU-2020 Strategy.

This is, in the end, an approach that sees entering the labour market as a crucial means for empowerment and emancipation. But there are many pathways into the labour market and they sometimes are long and winding – and they do not necessarily have to lead to the so-called regular labour market. Several studies have been done on the social economy sector, which is flourishing and creative in Flanders.

Not that labour market integration is a perfect remedy against poverty. According to Marx, Verbist, Vandenbroucke, Bogaerts and Vanhille, the phenomenon of the "working poor" is closely related to an inability to generate sufficient earnings at family/household level, in an era in which the average living standard is strongly determined by dual earner households. Targeted measures, such as increasing the minimum wage or tax relief measures for low wages only have a limited impact on reducing poverty and an adequate policy should consist of a multi-pronged approach. This need for a diversified policy could also be justified by the (increasing) diversity of the working population in general and of risk groups in particular; such as persons with a handicap or long-term health problems, second generation migrants, or school leavers. One study paid attention to the need to identify and develop the often hidden talents of (female) newcomers. Which brings us to education and training.

Training efforts are needed in order to keep employees competent and productive – and it helps those employees to keep their job and to develop a career. How do the different ways in which authorities and social partners affect training investments of companies and the participation in training of employees and is Flanders in need of more training initiatives? The best results can probably be expected from measures that are both specific and integrated, such as those with focus on specific target groups, small companies, or starters. Many other topics have been researched in this context. One of them is the career counselling that people resort to when faced with a difficult situation. Persons of immigrant origin also experience a real need for career counselling though a number of participation thresholds may prevent them from participating. Lifelong learning (LLL) is another subject that has been studied in this context. Special attention went to promoting entrepreneurship: as a way out of unemployment for risk groups, as a motor for job creation, and as a characteristic of Flemish economy – question mark.
The general context is, of course, not left aside. Identifying and understanding the changes in supply and demand and in contextual variables is a necessary condition for successful policy-making. Quantitative and qualitative changes in job structure, sectorial job creation and job destruction, and bottlenecks on the labour market and how to handle them in a creative way are endogenous factors; climate change is a fashionable but not unimportant exogenous one.

**Further reflections**

Certainly today, in a time of deep economic crisis, there is a need for more ‘governance’ in labour market policies. Governance implies a partnership between all relevant actors (and thus not only government and the social partners, but also the so-called third sector consisting of NGO’s), the inclusion of multiple fields (not only employment but also education, learning in general, family and leisure time), and the co-ordination between different levels of government (multi-level governance). Some of the more specific developments are the recognition of the transitional character of the labour market, the simultaneous rise in importance of the local and the EU levels, and the already mentioned paradigmatic shift from labour market activation to a more general form of – in terms of the EU – active inclusion.

Firstly, different life spheres (the family, leisure time, learning) that before were seen as dependent from work, have become more autonomous and so deserve to be treated as full partners in an effective policy-making model of the labour market. Their importance is increased by the fact that work has lost its function as an ‘anchor’, due to more flexibility and job mobility. Any labour market policy thus has to consider the interactions between the different spheres. This is even more necessary because their combined effects on any labour market initiative are very difficult to estimate and unexpected and even perverse effects are lurking around the corner.

Secondly, two important reference points have been introduced (or, rather, have introduced themselves) in Flemish labour market policy-making: the local level and the EU level. It is interesting to notice that both do not act independently. This bond between the ‘lower’ (local) and the ‘higher’ (EU) level usually is supposed to be one of the main characteristics of globalisation, and this trend underpins the view that any Flemish labour market policy needs to be firmly embedded in a multi-level governance structure (EU, federal, subregional and local) and as far as it is not yet the case, should take this embeddedness into account and use it as an opportunity. With regard to the local level, in many other fields (such as urban development) a strong case has been made about this level being the best one to develop a really ‘integrated’ approach.

The ultimate aim of those studies and final reflections is to contribute to a better functioning of the labour market. But what do we mean by ‘better functioning’? Is it only about more efficiency in economic terms, a better allocation of a production factor? It is, of course, also about the optimal use of the available ‘human capital’ and that is why all sorts of inequality – such as ethnic or gender discrimination - that do not contribute to a better functioning of society, should be considered as (socially and morally) unacceptable and need to be combated. However, a labour market that works better also may emancipate people, give them status; it may stimulate the development of social networks and foster social cohesion. This is perhaps the ultimate goal of our efforts: that a ‘better functioning’ labour market in this broader sense is a necessary (but not sufficient) condition for the welfare and wellbeing of society and its citizens.

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