Prof. Marco Biagi

# Job Creation and Labour Law

From Protection towards
Pro-action





## TABLE OF CONTENTS

Editor's Foreword Notes on Contributors List of Abbreviations	xiii xvii xix		
PART I GENERAL REPORTS			
EMPLOYABILITY IN THE WORLD OF WORK IN THE XXIST CENTURY ROGER BLANPAIN	3		
I. The New Economy			
1.1. Shifts on the Labour Market: Ins and Outs	3		
1.2. Employable: a Pro-Active Policy Needed	3		
1.3. Europe is Loosing the Battle	4		
2. Creative People: the Battle for the Brains	4		
2.1. Foreign Students	5		
2.2. Attraction of Skilled Workers	5		
3. Measures to Cope: Employability and the New Economy	6		
3.1. An European Strategy	6		
3.2. Private Initiatives	7		
4. Conclusion	8		
THE ROLE OF LABOUR LAW AND INDUSTRIAL RELATIONS IN			
JOB CREATION POLICIES	11		
MIGUEL RODRÍGUEZ-PIÑERO BRAVO-FERRER AND MIGUEL RODRÍGUEZ-PIÑERO ROYO			
1. Introductory Remarks	-11		
2. The New Labour Law	12		
3. Flexibility and Job Creation Policies	15		
4. Statutory Law, Collective Bargaining and the Individualisation of			
Labour Relations	16		
5. Conclusion	18		
IOB CREATION STRATEGY, EMPLOYMENT POLICY AND THE ROLE			
OF LABOUR LAW: LESSONS FROM A COMPARATIVE ANALYSIS OF			
US AND EU EMPLOYMENT STRATEGIES	21		
VÉRONIQUE MARLEAU			
1. Introduction	21		
2. The Employment Challenge within the US and EU Settings	22		
2.1. A Framework for Evaluation	25		
2.1.1. The Meaning of Job Creation Policy	25		
2.1.2. Common Core to Active Job Creation Policies	26		

3	The US-EU Employment Strategies in Focus	28
AP 8	3.1. The EU Employment Strategy	28
	3.2. The US Employment Strategy	31
4.	Implications for the Future Direction of Labour Law and Industrial	
7.	Relations	35
	4.1. Europe's Challenge: Seeking a Balance between the Right to Work	
	and the Right to Protect Existing Work	35
		-
	4.2. America's Challenge: Seeking a Balance between Job Seeker Empowerment and Worker Protection	38
5		42
5.	Conclusion	
TH	IE ROLE OF LABOUR LAW AND INDUSTRIAL RELATIONS IN	
	IE POLICY OF CREATING EMPLOYMENT IN LATIN AMERICA	51
Lu	IS APARICIO VALDEZ AND JORGE BERNEDO	
1	. The Latin American Panorama	51
2	. The World of Protective Labour Legislation and its Labour Market	52
3	1	53
4		54
5		
	Legislation in Generating Employment	56
6		57
7	. Employment Promotion Proposals in a Social Protection Framework	58
8	. The Labour Reforms in Latin America	59
9	H	62
10		65
JO	B CREATION POLICIES IN LATIN AMERICA	69
Ju	AN RASO DELGUE	
1.	Employment, Precarious Jobs and Restructuring of Industrial	
	Relationships in Latin America	69
2.	Poverty, Unemployment and Education in Latin America	70
3.	New Conscience about Employability and the Labour Market	72
4.	The Role of Governments and Social Partners in the Promotion of	
	Employment	73
5.	Conclusions	74
	HE ROLE OF EUROPEAN COMMUNITY VOCATIONAL TRAINING	
L	AW AND POLICY WITHIN THE EUROPEAN EMPLOYMENT	
ST	TRATEGY: SIMPLY A SOFT TARGET?	77
SA	ALLY BALL	
1.		77
2.	그는 사람들이 얼마나 살아보다 살아보다 살아보다 살아보다 살아보다 살아보다 살아보다 살아보다	75
3.	The Location of Vocational Training Policy within the European	
	Employment Strategy	82

4.	Voca	tional T	raining Policy and the European Employment Strategy:	
		sh Appr		85
5.	5. Proceeding with Caution			89
		clusion		91
PA	RT II			
NA	TION	AL REI	PORTS	
EM	IPLO'	YMENT	PROTECTION AND EMPLOYMENT PROMOTION - THE	
CO	NTES	STED T	ERRAIN OF AUSTRALIAN LABOUR LAW	99
CR	STOPE	ER ARU	P, JOHN HOWE, RICHARD MITCHELL, ANTHONY O'DONNELL AND	
Joc	CHE	ONG THA	MM	
1.	Intro	duction		99
2.	The	British 7	Fradition and Australian Labour Law	100
3.	Emp		t Promotion in Australia: a Survey of Trends in Law and Policy	101
	3.1.	Supply	y-Side Measures and Policies: Sustaining Labour Supply	
		and In	nproving Employability	102
		3.1.1.	Immigration	102
		3.1.2.	Vocational Education and Training and Labour Market	
			Programs	103
		3.1.3.	Employment Placement	104
		3.1.4.	Unemployment Benefit	105
		3.1.5.	Taxation	106
		3.1.6.	Equal Opportunity	107
	3.2.	Dema	nd-Side Measures and Policies: Encouraging Adaptability of	
		Busine	ess and Increasing the Requirement for Labour	108
		3.2.1.	Job Creation and Wage Subsidy Schemes	108
		3.2.2.	Labour Law and Industrial Relations Policies Advancing	
			Enterprise Flexibility and Business Competitiveness	109
4.	Com	mentary	y	111
	4.1.	Emplo	oyment Promotion and the Labour Market	111
	4.2.	Emplo	oyment Promotion and Labour Law	113
	4.3.	Emplo	oyment Promotion and the 'Vocation' of Labour Law	115
5.	Con	clusion		115
*IC	BST	ART' AN	ND THE REGULATION OF WAGE SUBSIDY PROGRAMS IN	
	JSTR/			121
	IN HO			
1.		duction		121
2.			olicy Overview	122
-			uction of JobStart	122
			volution of JobStart: Changing Priorities	124
3.		al Frame		127
	940	Legisl		128
				vii

	3.2.	Admir	nistrative Structure	128
	3.3.	Guide	lines	129
	3.4.	Wage	Subsidy Agreement	130
4.	Son	e Brief	Observations	131
5.	Con	clusion		132
JO	B CR	EATION	POLICIES IN BELGIUM	137
Ro	GER E	LANPAIN		200
1.	Intro	ductory	Remarks	137
2.			Enterpreneurship	137
3.			Adaptability in Businesses and their Employees	138
4.			imployability	139
5.			ng the Policies for Equal Opportunities	140
6.			Governmental Agreement (July 1999): the Bridge towards	
		XXIst Co		141
	6.1.		tive Welfare State: Increasing the Employment Rate	141
	6.2.		ete Measures to Promote Employment	141
	6.3.		ng Time and the Quality of Work	142
	6.4.		ation and Participation of Workers	142
7.	Con	clusion		142
10	n cn	E ATTOX	I PAN TOWN DI OFFINIANIA MARIE DALLE	
			POLICIES IN GERMANY – THE ROLE OF LABOUR LAW,	
			RITY LAW AND INDUSTRIAL RELATIONS	145
			AND MARLENE SCHMIDT	1110
1.		duction		145
2.	10000		mployability	146
	2.1.		ng Youth Unemployment and Preventing Long-Term	.32
			ployment	146
			Definition of Unemployment	146
			Tackling Youth Unemployment	147
			Preventing Long-Term Unemployment	147
	2.2		Private Versus Public Employment Services	149
	2.2.		tion from Passive to Active Measures	150
		2.2.1.	Incentives to Seek and Take Up Work or Measures to Enhance	20020
			Employability	150
		2.2.2.	Policy of "Active Ageing"	151
	2.3.		raging a Partnership Approach	152
			Alliances for Employment	152
			Collective Agreements and Works Agreements	152
			Social Plans	154
	2.4.		ting a Labour Market Open to All	155
			Employment of Female Employees	155
		2.4.2.	Employment of Disabled Persons	156

2.4.3. Foreign Nationals of both Genders	156
Encouraging Adaptability of Businesses and their Employees	157
3.1. Modernising Work Organisation	157
3.1.1. Continuation of Renumeration in Case of Sickness	157
3.1.2. Dismissal Protection	157
3.1.3. Fixed-Term Contracts	159
3.1.4. Temporary Work	159
3.1.5. Part-Time Work	161
3.1.6. Working Time	162
3.1.7. Overtime Work	163
3.2. Incorporating More Adaptable Forms of Contracts	163
4. Conclusion	164
THE ROLE OF LABOUR LAW AND THE SOCIAL PARTNERS IN JOE	
CREATION POLICIES: A GERMAN PERSPECTIVE	169
RUDOLF BUSCHMANN AND TORSTEN WALTER	
1. Introduction	169
2. The Holzmann Case	169
3. Company Law Beats Labour Law	170
4. OECD Findings	170
5. The US-Example	172
6. The Importance of Social Insurance Law	172
7. Reduction of Working Hours	173
8. Part-Time Work	173
9. Collective Bargaining Autonomy	175
10. Prosperity Part-Time Work	176
11. Society Finances Social Needs	176
THE ROLE OF LABOUR LAW IN JOB CREATION POLICIES: AN	170
ITALIAN PERSPECTIVE	179
MARCO BIAGI AND MICHELE TIRABOSCHI	179
1. Preliminary Remarks	175
2. Employability and Adaptability: Which is the Role for Labour Law	181
in Employment Policies?	101
2.1. Is the One-Way Track Development of Italian Labour Law the	181
Main Cause of Unemployment?	101
2.2. The Italian Road to Employment: Social Concertation as an	182
Antidote to the Trend Towards Deregulation	1.02
2.3. A First Assessment of 20 Years of Employment-Friendly	185
Labour Policies	187
3. Aids for Employment: Towards a Reform	1.0
3.1. State Aid for Employment and Compatibility with the	187
Community Regime of Competition	10.

	.2. Towards the Reform of the System of Incentives for Employment	188
4.	Concluding Remarks	189
Contract of	THE STATE OF THE PARTY OF THE STATE OF THE S	
-	ROLE OF THE ITALIAN SOCIAL SECURITY SYSTEM FOR THE	105
313	MPLOYED IN THE LABOUR MARKET	195
SIM	NETTA RENGA	100
J.	The Social Security System for the Unemployed	195
	.1. A Definition	195
	.2. The Role of the Social Security System for the Unemployed	
	in the Labour Market	196
	The Social Security Provisions for the Unemployed and their Effects	100
	n the Labour Market	197
	.1. Unemployment Insurance	197
	.2. Short Time Earning Funds (Cassa integrazione guadagni)	199
	.3. Mobility Allowance (Indennita di mobilità)	202
	.4. Solidarity Contracts (contratti di solidarietà)	204
	.5. Public Utility Works	205
	.6. Early and Phased Retirement	207
	2.6.1. Early Retirement	207
	2.6.2. Phased Retirement	207
	.7. Incentives to Self Employment and Small Enterprises	208
3.	The Evolution of the Role Played by the Social Security System for the	
	Inemployed in the Labour Market	209
TI	ROLE OF JAPANESE LABOUR LAW IN JOB CREATION POLICIES	217
	YUKI MORITO AND SHINYA OUCHI	217
	ntroduction	217
		218
2.	mproving Employability	218
	2.1. Vocational Training 2.1.1. Traditional Framework	218
		219
	2.1.2. New Framework	219
	2.2. Labor Market-Opening Measures for Particular Groups	219
	2.2.1. Women	220
	2.2.2. Older Workers	221
-	2.2.3. People with Disabilities	
3.	Encouraging Adaptability of Businesses and their Employees	221
	3.1. Flexibility in Work Organization	221
	3.1.1. Flexibility in Personnel Management	221
	3.1.2. Flexibility in Working Time	222
	3.2. Flexibility in Forms of Labor Contract	225
	3.2.1. Part-Time Work	225
	3.2.2. Fixed-Term Contracts	225
	3.2.3. Worker Dispatching	226

	3.3.	Employment Placement Regulations 3.3.1. A Coexistence System of Public and Private Placement	226
		Service	226
		3.3.2. Deregulation of Placement Fees	227
	2.4	Work-Sharing for Job Creation	228
4.		clusion	228
0.50			220
		JISATION, LABOUR LAW AND UNEMPLOYMENT:	222
0.000		UTH AFRICAN CASE	233
CA		COOPER	222
1.		duction	233
2.		lenges of Globalisation	234
3.		ro-Economic Influences on Job Creation	234
4.		lation in Unemployment	235
5.		our Market Policy and Labour Law	236
6.		our Law Reform	237
	6.1.	The Labour Relations Act	237
	6.2.	Basic Conditions of Employment Act	241
	6.3.	Skills Development	244
	6.4.	Social Security and Job Creation Programmes	245
7.	Con	clusion	246
TH	E RO	LE OF SPANISH LABOUR LAW IN JOB CREATION POLICIES	253
		Agut García	
1.		loyment Policy	253
		Subjects Involved	254
		The Aim of Employment Policy	254
		Employment Policies Measures	255
2.		pany Incentives	256
		Job Flexibility	256
		Numerical Flexibility	256
		Functional Flexibility	258
3.		Promotion of Employment	260
25.5		The Job Promotion Programme for 2000	262
	3.2.		- 21
	Services .	Workers over 45 and with Difficulties in Finding a Job	263
4.	An A	Assessment of the Spanish Employment Policy	265
		BAD BOY" TO EUROPEAN ROLE MODEL? – THE STRANGE	
		Y OF UNITED KINGDOM EMPLOYMENT POLICIES SINCE	260
		IGLE EUROPEAN ACT	269
		NEAL	19,200
		duction	269
2.	The	Amsterdam Treaty and the Luxembourg Summit	270

	2.1. Employment and Unemployment Rates	270		
3.	The Four Pillars for Employment Policy	272		
	3.1. Pillar I: Improving Employability	272		
	3.2. Pillar II: Developing Entrepreneurship	273		
	3.3. Pillar III: Encouraging Adaptability of Businesses and their			
	Employees	274		
	3.4. Pillar IV: Strengthening Equal Opportunities Policies for Women			
	and Men	275		
4.	Seeking the Roots of the European Union's Employment Policy	276		
	4.1. Identifying Key Employment Issues (1985–1992)	276		
5.	From "Bad Boy" to European Role Model?	278		
	5.1. Beware of Superficial Similarities	278		
	5.2. The Future of European Union Employment and Social Policy	279		
TH	IE UNITED KINGDOM EMPLOYMENT POLICY: A SUCCESS STORY?	289		
PA	SCALE LORBER			
1.	Introduction	289		
2.	Improving Employability			
	2.1. Tackling Youth Unemployment and Preventing Long Term			
	Unemployment	290		
	2.2. Transition from Passive to Active Measures	292		
	2.3. Encouraging a Partnership Approach: the Role of the Social Partners			
	in Developing Employability Measures and Promoting Life Long			
	Learning	293		
	2.4. Promoting a Labour Market Open to All	293		
	2.4.1. The Gender Gap	294		
	2.4.2. Labour Market Open to Other Categories	295		
3.	Encouraging Adaptability of Businesses and their Employees	296		
	3.1. Modernising Work Organisation	296		
	3.2. More Adaptable Employment Contracts	297		
4.	Conclusion: a Success Story? - Less Labour Law and More Social Partners?	298		