

WHY THIS REPORT ON JOB SECURITY?

There is a strong feeling of growing job insecurity among employees and a high unemployment rate may in part explain this concern. Conversely, companies are highlighting the growing need for flexibility in order to adapt to the trend in demand and technologies and to the widening of the competition area. This tension between two contradictory goals, security for people and flexibility for companies, is fuelling heated debate about employment protection legislation (EPL).

In this report, the CERC wanted to shed some light on what job instability (losing or leaving one's job) and job insecurity (losing one's job and being unemployed long term) are and how the two are evolving, with the report making a distinction between the two notions. Job instability has been increasing for at least twenty years, but overall insecurity of employment is no greater at the beginning of the 2000s than it was at the start of the 1980s. On the other hand, inequalities in the face of instability and insecurity between the various categories of wage earners are growing.

Job instability and job insecurity depend on three major sets of factors:

1. Development of the macroeconomic situation which has an essential role that should not be overlooked, at the risk of focussing the debate solely on microeconomic determinants that hinder flexibility.
2. Employment policy, and a series of measures promoting a return to employment (compensation and support for jobseekers, training grants, assisted contracts); this is a question that the CERC will deal with in the report that the Prime Minister has commissioned for November 2005.
3. Lastly, and this is the actual subject of this report, what is happening in companies, namely the differences in management methods used to deal with the constraints of the economic environment and the characteristics of employee, differences which rely on the legal framework of employment law and social protection.

The summary goes in hand with seven chapters recapping the analyses carried out by the CERC team in detail.

Four chapters are at the core of the diagnosis. These bear on:

1. An analysis of transformations that have come about in employment and the resulting risks from the job instability point of view.
2. A description of the job instability and insecurity phenomena.
3. The question of flexibility looked at in its legal context, with reference to current debates on employment protection.
4. Studies relating to employees' feelings with regard to the insecurity of their job.

Three chapters concern supplementary dimensions:

5. A look at social protection rules related to employment trends.
6. A description of the forms of unemployment compensation and replacement income.
7. Continuing training as a means to reduce job instability and insecurity.

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