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FLEXIBLE FORMS OF EMPLOYMENT: A CONTEMPORARY DEVELOPMENT IN LABOR RELATIONS IN CYPRUS AND THE EUROPEAN UNION

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FLEXIBLE FORMS OF EMPLOYMENT: A CONTEMPORARY DEVELOPMENT IN LABOUR RELATIONS IN CYPRUS AND THE EUROPEAN UNION

By

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Thesis Approved

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CHAPTER 1: INTRODUCTION

1.1 Abstract

A huge issue for employees around the world now days is to have a job, according to kathimerini[1] newspaper "Seventeen EU member states saw their unemployment rate decline on July compared to last year and eleven saw it rise, with the biggest spikes recorded in Cyprus (12.2 percent to 17.3 percent) and Greece (23.8 percent to 27.6 percent between May 2012 and May 2013)"[1]. In the context of every person has a job many countries have developed a new model of social welfare with a prevention policy of the labor market.

The term flexicurity indicates a very carefully balanced design which has to do with the flexibility of job creation and the security. The Flexicurity is based on cooperation between the labor market and social policies. So the employers have to create the best possible conditions which will help the job growth.

In the first part of this project we will review literature beginning with the reasons which led states to develop this new way of form of employment defining what "flexicurity" is and concluding how it applies to countries that have tried it and with what consequences

During the last twenty years all countries have experienced major economic and institutional changes, which had a serious impact on modern societies. In industrial relations in particular, the combined impact of the economic crisis (which caused higher unemployment) and the restructuring of production, brought about radical developments and changes in the mechanisms of labor relations, in the structure and organization of work, in the rules regulating the relationships of employers and employees and in the regulating mechanisms of the labor market. One of these changes is the dynamic emergence of flexible forms of employment.

Flexibility is a recurrent subject on the European policy agenda and one of the key elements of the Lisbon Strategy in making Europe more dynamic and competitive.

[1] http://www.ekathimerini.com/4dcgi/_w_articles_wsite1_1_30/08/2013_516279

Promoting flexibility in labor relations through flexible forms of employment, aims to optimum adaption of the enterprises to the changing needs of the modern labor market and to the creation of more and better jobs.

In this context and by exploring the relevant literature and secondary data, the present paper is initially focused to present the theoretical background of the concept of flexibility and to determine whether flexibility affects business competitiveness and employability of the workforce. Then imprinted the policies followed in relation to flexible working structures at European level, focusing more in the case of Greece. Finally, is highlighted the imperative need of the conjunction between flexibility and job security and is analyzed the model of "Flexicurity".

In chapter two a literature review will be showed in order to explain the story behind flexicurity as a term, the whole concept behind flexicurity and the relationship between flexicurity and unemployment.

In the third chapter we will examine the flexicurity model in German, Dutch and Danish labor market. We will see how this new model affects the unemployment in those countries and what the benefit of following this model was. We will also present examples of those European countries that have managed to apply flexible forms of work with succeed, since adoption is not yet generalized and standardized adopted. Our purpose is to identify key issues and challenged and affiliate measures that in our belief suit best each economic environment

In chapter number four we will see the Cyprus model, how the labor market is affected by the global financial crisis in Cyprus, we will also present the Labour market in Cyprus, and will conclude with an analysis in order to discuss the extent of implementation of flexibility in Cyprus specificities.

The last chapter will contain a conjunction between flexibility and job security, the concept of "flexicurity" and examination of the suitability of this model in Cyprus labour market. Finally, we will provide a general discussion, conclusions and suggestions for further studies and possible directions

The findings of this paper are based on a review of the flexibility literature. Secondary data (articles, working papers, books, etc) as well as statistical data are used in order to complement the study and to provide theoretical and empirical evidence on the topic.

In the following chapters we will initially introduce the concept and the main types of flexibility, in order to examine the correlation between flexibility and competitiveness and also employment.. Next..