Labour Regulation in the 21st Century:
In Search of Flexibility and Security
ADAPT LABOUR STUDIES BOOK-SERIES

International School of Higher Education in Labour and Industrial Relations

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Labour Regulation in the 21\textsuperscript{st} Century: In Search of Flexibility and Security

Edited by

Tomas Davulis and Daiva Petrylaitė
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IN SEARCH OF FLEXIBILITY AND FLEXICURITY

TOMAS DAVULIS AND DAIWA PETRYLAITĖ

In modern society, labour relations are complicated and heterogeneous, as they reflect both the present state of the market economy and more general rules governing everyday life. Even the smallest social or economic changes may affect labour relations, which may inevitably give rise to antagonism, disagreement and conflict among the parties. Therefore, the increasing role of labour relations and that of the individual actors is characterised by new aspects determining contemporary social phenomena and processes, e.g. the definition of the social market economy.

Nowadays, the contemporary western world not only considers the relationships that take place within the market economy—which are based on the production and exchange of goods—but it also takes account of the adoption of certain principles—i.e. the freedom and initiative of economic activities and the right of private ownership—thus examining the social nature of such market relations.

At the end of the 21st century, new challenges for labour law have arisen. Increasing globalisation processes, the technological revolution, the establishment of new forms of employment, business relocation, and the nearly unlimited potential of the usage of information technologies in labour processes have resulted in a number of preconditions for the individualisation of labour relations.

Relevant issues resulting from the industrial revolution period and matters in terms of production have made room for technological innovation and new ways of handling relations in our consumer society. Therefore, today it is important to address not only the labour market relations and commitment of the state to ensure free economic activities, but also to deal with the social needs that require predetermined governmental measures to restrict free market relations, as a way of implementing shared objectives and values arising out of dialogue and cooperation of the social partners.

Besides free and independent, the relations within the market economy should also be socially motivated. The state has the opportunity—and the
duty—to limit the relations of the market economy so as to achieve certain social goals.

Both at a European and national level, striking the balance between security and flexibility of employment should be the core challenge of the labour market when developing relevant policy strategies. In considering the goal of the European Union to become the most competitive and dynamic knowledge economy in the world—capable of sustainable economic growth with more and better jobs and greater social cohesion—the mission of the Community should reflect the effort to strengthen both flexibility and security in the labour market. The commitment of EU employers and employees to adapt to the volatile labour market conditions leads to safeguard jobs. More specifically, this means to balance both flexibility and security to combine these two fundamental goals, with current theories on industrial relations and labour law that are called into question. While acknowledging the role of labour laws in protecting the rights and interests of employees, this function should be understood in a broader sense as a task to safeguard common interests, in order to benefit employers and employees, and all those individuals who have been forced out of the labour market.