

FLEXIBLE FORMS OF EMPLOYMENT INTEGRATION. ASSESSING THE IMPLEMENTATION OF PILOT PROJECTS PROMOTING FLEXIBLE ARRANGEMENTS: THE CASE OF CYPRUS

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Abstract

The present paper examines the dynamic relation between flexible work arrangements and effective employment policies. Regulations that form the integration framework of flexible forms of employment are analyzed thoroughly, based on the country's social model and labor legislation. Active employment policies are studied as a tool of increasing flexibility in labor markets especially during the recent times of global recession. The research part of the paper investigates two certain experimental projects that involve flexible work arrangements in Cyprus. Both projects implement certain employment policies that promote local flexible employment. Through applying ex-post evaluation methodologies, a detailed set of qualitative and quantitative data is thoroughly elaborated, resulting in a vast number of innovative parameters that could be used in promoting flexible, decent, healthy and productive work, in order to achieve an inclusive sustainable economic growth, according to International Labor Organization's (ILO) engagement¹.

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1. As recorded in Goal 8 of the 2030 Agenda for Sustainable Development, adopted at the United Nations Sustainable Development Summit on 25 September 2015.

Introduction

The various fiscal adjustments imposed since 2010 in an effort to achieve primary budget surpluses concerning repayment of public debt interest, placed the economy of Cyprus into severe recession. As a result reduced employment, increased unemployment, income inequalities led to overall deterioration of living standards, which is depicted in main statistical findings of Eurostat (people at risk of poverty, social exclusions, etc).

As expected, in an effort to face income reduction, local population had to work harder, while in most cases even simple job research had been quite hard or merely impossible. As a result, resignation or withdrawal from the labor force had been quite a common issue for the years to follow.

The above changes in the Cypriot workforce had been caused by two major reasons namely discouragement of unemployed population, together with the overall anxiety due to the general climate of job uncertainty, unemployment, lower incomes, etc. So, during 2013-2014 resignation and withdrawal from the labor market had been the most prevailed tendency (in reality, it might well be said that it had been much more pronounced as the age group of 15-64 increased, compared to the earlier period of 2008-2011).

Shortly afterwards (2014-2015), Cypriot economy started to grow in a slow but stable way. Yet at the end of 2017, unemployment rates in Cyprus still remained higher than the EU average (according to the Statistical Service of Cyprus the three-year period 2015-2017 was mainly characterized by low GDP growth rates and high unemployment rates). As deterioration of labor market's quality indicators was still significant, temporary, part-time and long-term unemployment continued to trouble the overall economy of Cyprus (Cyprus PEO Labor Institute, 2015).

Employment policies and Flexible Forms of Employment

Unemployment has always been a significant social issue in most countries. In fact, even modern economies are characterized by increased and prolonged unemployment rates. In order to deal with the matter, a variety of tools is usually implemented at both macroeconomic and microeconomic level. These tools are widely known as **employment policies** aiming to address the causes and manage the consequences of unemployment.

According to Calmfors (1994) active employment measures are defined as "measures targeted to improve labor's market functioning, addressed to unemployed". According to ILO (2015), a national employment policy is "a vision and a practical, comprehensive plan for achieving a country's employment goals through influence the demand and supply of labor and the functioning of labor markets".

In general, national employment policies tend to promote decent work, in which international labor standards, social protection and even workers' fundamental rights go together with job creation. Countries need employment policies as worldwide challenges are getting even more complex, especially after recent global economic crisis. Employment policies are generally classified based on their **type of action**, (Guzmán, 2014), in the following categories:

- **Active Labor Market policies** (ALMPs), designed to encourage use of less productive labor from those outside the labor market.
- **Passive Labor Market policies** (PLMPs), designed mainly for social support to those qualified to work but in reality cannot do so due to imperfections between supply and demand for labor.

European Commission (2006) defines active employment policies as “Interventions in labor market that target specific groups of the labor market”. OECD defines ALMPs as “Active labor market programs that include all social expenditure (other than education) aiming at the improvement of the beneficiaries prospect of finding gainful employment by increasing earning capacity. This category includes spending on public employment services and administration, labor market training, special programs for youth when in transition from school to work, labor market programs to provide or promote employment for unemployed and other persons (excluding young and disabled persons) and special programs for the disabled”. On the other hand, passive employment policies (PLMPs) aim to support unemployed income or limit labor supply with techniques such as early employment. Initially, the concept of activation was viewed in a narrow sense: it actually meant increasing public resources going into a range of active labor market policies (ALMPs) as opposed to spending public resources on so called “passive labor market policies”, namely unemployment insurance (UI) and related welfare benefits. The basic idea was to shift the balance on public spending on labor market policies away from passive spending towards spending on ALMPs and in that way helping to reduce structural unemployment (Martin, 2014).

Although, European Economic Community (EEC) was established in 1975, the creation of a European Institutional Framework for Industrial Relations was not a priority, until the late 80's. The Lisbon Strategy, also known as Lisbon Agenda, was a development plan devised in March 2000 aiming to declare Europe as the most competitive and dynamic knowledge-based economy in the world by 2010. Lisbon Strategy encouraged European member-states to adopt measures in order to enhance employment flexibility, in an effort to reduce unemployment rates among women, young people and newcomers to the labor market and increase job positions.

Defined by the European Commission (2007) as an integrated strategy to enhance flexibility and security in the labor market, **flexicurity** has been presented as an

appropriate policy response to economic uncertainty and labor market instabilities stemming from apparently agentless forces associated with globalization and technological change. Globalization and technological change had led to job security becoming an outmoded policy objective: policy makers were urged to promote employment security by improving workers' ability to make labor market transitions through active labor market policies and lifelong learning opportunities that would enable them to enhance their 'employability' (European Commission, 2007; Muffels et al., 2014). Moreover, employment policies aim to achieve further and even more superior job positions. Superior job positions are those that provide satisfying salary and do not affect the labor and social security of the workforce. In this context, flexible forms of employment prevail in the guidelines agreed unanimously by EU member states and enhance the implementation of the Lisbon Strategy. The European Union's employment policies for greater flexibility in the labor market have been implemented in national level with the following ways (Kouzis, 2001):

- Reduction in wage and non-wage costs,
- Enhance/development of part-time employment,
- Creation of new forms of work organization,
- Management of working time.

Therefore, we refer to forms of paid employment, which deviate from the typical model of formal wage-employment, in respect to at least one parameter of the wage relation (working hours, total contract time, employer uniqueness, service site, etc.) (Lyberaki & Dendrinou, 2004). As a direct consequence, flexible forms of employment are the terminology that creates less confusion in relation to its content, therefore the term "flexible" forms of employment is opposed to the "normal" or "typical" form of employment as it seems to be more suitable for this particular article.

The framework within which EU member states are expected to develop policies to secure flexicurity is comprised of four pillars (Hastings & Heyes, 2016):

1. Flexible and reliable contractual arrangements from the perspective of the employer and the employee, of 'insiders' and 'outsiders'.
2. Comprehensive lifelong learning strategies to ensure the continual adaptability and employability of workers.
3. Effective active labor market policies that help people cope with rapid change, reduce unemployment spells and ease transitions to new jobs.
4. Modern social security systems that provide adequate income support, encourage employment and facilitate labor market mobility.

The element of contractual arrangements includes job quality, labor market transitions and segmentation issues, while the social security ingredient includes sustainable pensions, childcare and social transfers (Muffels & Wilthagen, 2013).

During the last three decades a wide variety of working-time arrangements spread throughout developed economies aiming to increase working-time flexibility (Berg *et al.*, 2014). However, modern labor markets face the challenge to combine the employers' needs with the employees' needs for working-time flexibility (Zapf & Weber, 2017). Employers require working-time flexibility to respond quickly to fluctuations in demand and thus to save costs (Houseman 2001; Kalleberg *et al.*, 2003), to achieve shorter delivery times, to answer customers changing needs (Reilly 2001), to increase performance and productivity (Hill *et al.* 2001; Lott & Chung 2016) and to foster innovation performance (Godart *et al.*, 2016). Simultaneously employees require working-time flexibility to balance work and private life responsibilities (Berg *et al.* 2004; Hill *et al.* 2001; Reilly 1998).

European *acquis* in the field of flexicurity was initially established in the 1990s, comprising documents, institutions, values, and principles. The "Common Principles of Flexicurity" is its birth certificate, providing the European approach to flexicurity through four components: 1) flexible and secure contractual arrangements; 2) lifelong learning; 3) effective active labor market policies to facilitate transitions to new jobs; 4) modern social security systems providing social support during transitions (European Commission, 2007).

According to the international and European practices, flexible forms of employment are distinguished in various categories (Kouzis, 2001), such as:

- **Temporary employment:** This form of employment differs from the "typical" form of employment in terms of duration. The duration of temporary employment is limited and is mainly expressed through fixed term contracts. Through fixed term contracts, employers seek to satisfy occasional, temporary and seasonal needs of their business, while they reduce their labor costs as they are not required to compensate the employee by the end of contract.
- **Part – time job:** The employees of part – time jobs, work in the same or similar objects with the employees of full – time jobs, though they have reduced work hours.
- **Flexible working hours:** In this form of employment the employee decides himself the arrival and departure time of each day, within a specific framework set by the employer. The working hours must satisfy a critical mass of working hours.
- **Scaled working hours:** Employees or groups of employees agree to have different time schedules (they start and stop their work at different time), holding the same fixed working hours. This form of employment provides an advantage to the company as it operates for longer hours.
- **Intermittent job/employment:** In this form of employment there is a distribution of working hours in irregular intervals or in indeterminate time periods, depending on the demand/needs of business's goods and services.

So, having intermittent work means that scheduled less than full-time without regular working hours.

- **Job availability:** In this form of employment, the employees are not supposed to show up at work unless they are said / invited to, or they are employed only in time periods of increased business demand/needs, while they are not employed during time periods of reduced business demand/needs.
- **Outsourcing job/employment:** In this form of employment the business assigns, in the form of contracting, part of its operation in a contractor company that offers its services on a temporary or permanent basis. The contractor company occupies its own staff, though the services are provided in business's facilities. Outsourcing of employment is applied in order to reduce operation's costs and to provide high quality products.
- **Telecommuting:** Fulfillment of work duties by the employee, solely from his house, or the physical space of his preference, though the employee must be electronically connected to the working location during working hours.
- **Working from home:** In this form of employment, the employee works in his own home, it differs from the telecommuting arrangement in that it does not require that the employee stays electronically connected to the working location during working hour. The employee provides its services/work using means provided by the employer and/ or the worker himself.

From an economic point of view, introduction of fixed-term contracts has generated a variety of multidimensional effects such as increased worker autonomy, reduction of monotony, enhancement of motivation, improvement of working relationships (teamwork, increased female employment). Additionally, disadvantages of flexibility include greater job insecurity, uncertain working environments; less attention paid to working conditions such as health and safety (Güell, 2003).

Shortly after adopting flexicurity common principles, economic and financial crisis began impacting the EU's socio-economic debate. Around the same time the Lisbon Strategy was replaced by the Europe 2020 Strategy. The flexicurity concept still remained as a part of the new EU's ambitions and had been included in the new Integrated Guidelines of Europe 2020 (Bekker, 2017). Nowadays, Europe has developed the appropriate institutional framework for operation and implementation of flexible forms of employment, accompanied by recognition of rights to flexible workers (fixed-term contracts, part-time workers, lending of employees etc.).

The Labor Market of Cyprus

This section examines prevailing trends in the Cypriot labor market regarding the flexibility of work and its development during the recent economic crisis.

The study includes data provided from the Survey of the Labor Force of Cyprus, (2017), including labor force of 61,5% of the general population, while women constitute 48,1% of the total labor force of Cyprus.

The age structure of Cypriot workers, as illustrated in Figure 1, shows that most Cypriot employees are in their most productive years, as the majority of employees is consecrated to the age group 25-34, followed by groups of 35-44 and 45-54. It is worth noting that men and women are almost evenly distributed in the above mentioned age groups.

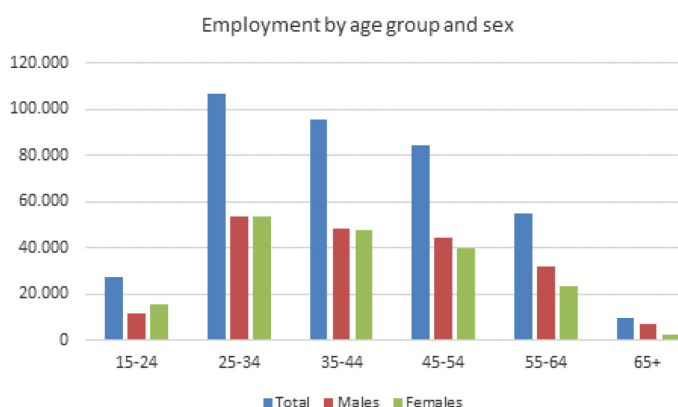


Fig. 1. Age structure of employees in 2017 (year average), by sex

Figure 2 illustrates the evolution of unemployment in Cyprus. The unemployment rate holds an upward trend during 2008-2014, immediately after the outburst of the economic crisis, while a downward trend began after 2014. However, despite the decline, unemployment remains at significant higher levels compared to 2004-2008. Furthermore, unemployment rates are almost the same for both sexes, with a slight prevalence of men during 2011-2015.

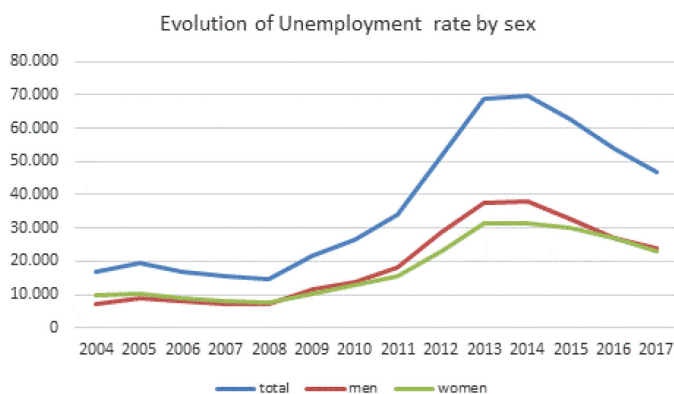


Fig. 2. Evolution of Unemployment rate during the period 2004-2017

Moreover, as in most European countries, young people hold the highest unemployment rates. Specifically, the unemployment rate for the age group 25-34 is 34.2% as shown in figure 3.

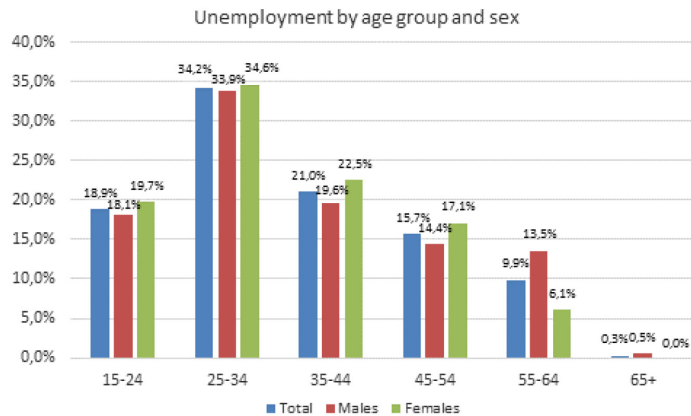


Fig. 3. Age structure of unemployed men and women in Cyprus

Figures 4 and 5 capture the evolution of full-time and part-time employment in Cyprus during 2004-2017. The upward trend of part-time employment, especially after the outburst of the economic crisis and the downward trend of full employment, indicate the adoption of flexible forms of employment. However, it is worth mentioning that employment rate in full-time contracts is significantly higher than employment rate in part-time employment contracts.

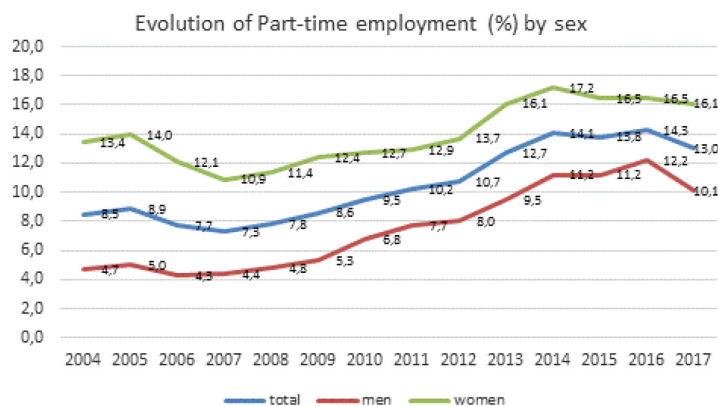


Fig. 4. Evolution of part-time employment in Cyprus during the time period 2004-2017, by sex

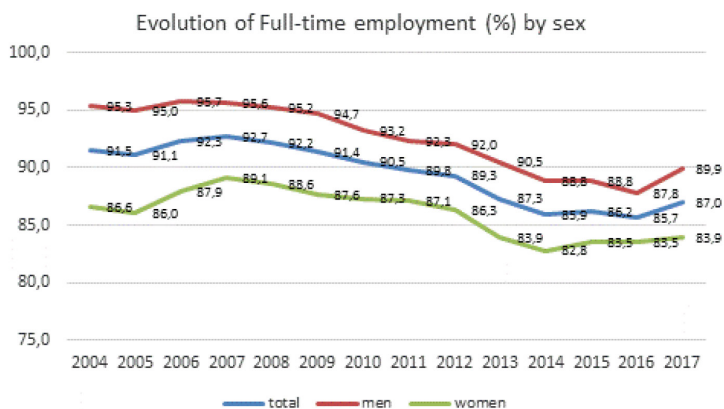


Fig. 5. Evolution of full-time employment in Cyprus during the time period 2004-2017, by sex

Furthermore, it is worth mentioning that 86.8% of the total employed persons were employees, of whom 15.3% had a temporary job, in comparison to 2016 when employees accounted for 85.7% of total employment of whom 16.5% had a temporary job. Concerning distribution of gender, women employees in temporary job prevail slightly (18.7%) compared to men (11.9%).

Application of flexible forms of employment in Cyprus: Case study of Subsidy Plans for 2010 and 2013

Cyprus implemented two pilot projects concerning the promotion of flexible forms of employment: the “**Subsidy Plan for integration into the Labor Market through Flexible forms of Employment (2010)**” and the “**Subsidy Plan for Employment with flexible arrangements (2013)**”. The necessity of both Projects implementation had been inevitable, due to known unfavorable conditions in the overall Cypriot economy, at the time.

The objective of the “**Subsidy Plan for integration into the Labor Market through Flexible Forms of Employment (2010)**” was to encourage economically inactive women, elderly and overall inactive persons to participate in the labor market, under flexible employment. These groups encountered general difficulties entering and remaining in the labor market without proper assistance yet they were interested in working on the basis of a flexible form of employment. Moreover, the plan aimed to employ unemployed referred to Cyprus Productivity Centre (KEPA) by the Labor Offices of the Public Employment Services, particularly the ultimate scope of the project was to:

- Increase the employment rate of unemployed by creating new jobs / opportunities with flexible forms of employment and enable them to embrace/combine work and personal life.
- Support business / organizations to create new working positions based on flexible forms of employment, in order to improve their organization and their competitiveness.

Respectively, the ultimate purpose of the “**Subsidy Plan for Employment with flexible arrangements (2013)**” was to reduce unemployment, by reducing the number of unemployed registered in Labor Offices of the Public Employment Service, and were interested in working under a flexible form of employment and create new jobs based on flexible forms of employment, in order to improve the organization’s efficiency and competitiveness.

Though the ultimate purpose of each project was different, their **common objectives** included:

- To grant the wage costs of people placed in jobs with flexible arrangements, in order to encourage employers to create such positions and to recruit interested individuals who satisfied the inclusion criteria.
- To grant the transportation of Plans’ employees, to and from their workplace.

The implementation of these pilot projects resulted in 1.166 new jobs that were created through flexible forms of employment.

Evaluation methodology

In the frame of the Subsidy Plans’ implementation a field research was contacted to both employees and employers, in order to assess these projects. The research’s goal was to include a sufficient number of respondents, in order to draw statistically reliable results about any differences in relation to the rated parameters between individuals in different categories.

In the context of the ex-post Projects evaluation, quantitative and qualitative data processing was carried out in order to:

- Assess the impact of Projects on targeted populations (unemployed and businesses) using information derived from targeted populations themselves
- Assess the results achieved by the time of evaluation
- Analyze the factors that influenced positively or negatively the progress of pilot projects
- Define the degree of functionality and administrative effectiveness of the Projects.

The implemented tools and techniques were the archival research (overview of monitoring reports) and the field research.

The research aimed to record primary data related to the effectiveness and functionality of Projects implementation and was carried out through telephone or field interviews, on the following stakeholders:

- Organizations (Cyprus Productivity Centre, Trade Union Organizations, European Social Treasury Unit, The Directorate General for European Programs, Department of Labor, Coordination and Development).
- Business executives. In particular, eighty-two enterprises that participated in the “Subsidy Plan for integration into the Labor Market through Flexible Forms of Employment (2010)” and one hundred thirty companies participated in the “Subsidy Plan for Employment with flexible arrangements (2013)”.
- One hundred (100) people participated in the “Subsidy Plan for integration into the Labor Market through Flexible Forms of Employment (2010)” and two hundred people participated in the “Subsidy Plan for Employment with flexible arrangements (2013)”.

The sample for each population was selected by the method of stratified random sampling combined with predetermined quotas. The individuals who participated in the programs were categorized according to basic parameters such as province, gender and age.

Evaluation of Subsidy Plans in terms of employees

The employees’ opinion survey, examined the following topics:

- Employees’ evolution and remuneration after the expiration of flexible arrangement.
- Preferences in certain forms of flexible employment.
- Level of:
 - 1st) Employees’ satisfaction from their participation in the project,
 - 2nd) Project’s correspondence / coherence to the needs of employees
 - 3rd) Acquirement of new knowledge and skills
- Problems encountered by employees, benefits gained and respondents’ proposals, in order to improve relevant future projects.

The main findings resulting from the opinion survey on employees for the Subsidy Plans of 2010 and 2013 are the following:

The **main reason for adopting flexible forms of employment** is mostly the simultaneous favoring of businesses and individuals, and even to serve the employee’s individual needs, such as

- Childcare,
- Economical support / enhancement,
- Facilitation in the attendance of curricula,
- Employability under favorable terms due to pregnancy.

The majority of working respondents, 42% of 2010 Plan respondents and 34.5% of 2013 Plan, claimed that both projects strongly contributed in acquiring skills and knowledge while a significant lower percentage of working respondents, 9% of 2010 Plan respondents and 8.5% of 2013 Plan claimed that their contribution was just trivial.

Regarding the **evolution / performance of employees after the expiration of the arrangement**, the majority of employees, 81% of 2010 plan and 80% of 2013 Plan, remained in their position / job for at least four months, under the same flexible form of employment. Though, there were some cases, where the employment was terminated before the expiration of their contract, after a unilateral decision of the company.

On the other hand, the **main reasons that resulted in the termination of employment after the end of the contract**, according to employees are:

- Company's / organization's decision,
- Low wages,
- Unfulfillment of employee's needs or expectations.

For those who remained in businesses after the end of the plan, working conditions remained stable. Specifically, 51.9% of 2010 Plan and 55% of 2013 Plan respondents, claim that their remuneration remained stable, while a proportion of workers had a wage increase, 23.4% and 21.9% of 2010 and 2013 Plan, respectively. Moreover, the majority of respondents, 75.3% and 73.8%, reported that they were occupied with the same form of employment, while there were cases, 21% and 25.6%, where the employees' contracts adapted to the contracts of their colleagues.

The opinion survey examined, the **level of satisfaction of employees on flexible employment form** in which they worked, since the projects aimed to serve not only the needs of businesses, but also to encourage economically inactive and unemployed people to enter labor market through flexible forms of employment. The results reveal that the majority of employees were satisfied with their form of employment. Specifically, 75% of 2010 Plan and 61% of 2013 Plan respondents, replied that they were very satisfied, while 13% of 2010 Plan and 31% of 2013 Plan respondents, declared moderate satisfaction. Though the level of employee's satisfaction in terms of gender, recorded differences between the 2010 and 2013 Subsidy Plan. In particular, the majority of highly satisfied employees in the 2010 Plan were men (69.2%), while the highest rate of satisfaction recorded by women (42.5%) in the 2013 Plan.

According to employees **the main benefit gained by their participation**, was the opportunity to work through a flexible form of employment and ensure income stability. Another major benefit was acquisition of further work experience and even preservation of employment after the end of the project. However, 8% of 2010 Plan respondents and 15% of 2013 Plan respondents, claimed that they gained no benefits. The vast majority of working respondents, 89% of 2010 plan and 80% of 2013 Plan, **did not face particular problems during their integration** in their new working environment. The smooth integration process of employees in the working environment was related to the friendly atmosphere / environment in their workplace, good relations developed among colleagues or even among colleagues and employers and partly due to the businesses' small or medium size.

Overall, the vast majority of working respondents **was very or extremely satisfied with their participation in the project**. Therefore, most respondents, 87.1% of 2010 Plan and 68.6% of 2013 Plan, responded that they are willing to participate in similar projects in the future.

Evaluation of Subsidy Plans in terms of employers

The employers' opinion survey aimed to assess the level of satisfaction as well as the benefits received after the implementation of both Plans.

The main forms of flexible employment adopted by businesses under the 2010 and 2013 Plan, were related to flexible hours (52.7% of 2010 and 52.8% of 2013) and employment with continuous working hours (21.2% of 2010 and 27.3% of 2013). Part-time employment and working from home were the most unfavorable forms of flexible employment in both Plans. Notably, the most favorable form of flexible employment for businesses with up to five (5) employees was shift work, while larger companies preferred less common flexible forms such as, telecommuting, job availability and working from home.

The main **reasons for implementing, the aforementioned forms** of flexible employment are related to the simultaneously favoring of business's needs and employee's needs and of course simple satisfaction of individual's needs.

Regarding the **contribution of flexible forms of employment in business operation**:

- 37,8% of 2010 Plan and 36,9% of 2013 Plan respondents claimed, great contribution to the reduction of labor costs.
- 53,7% of 2010 Plan and 48,5% 2013 Plan respondents claimed, optimization of the work's organization.
- 50% of 2010 Plan and 52,3% of 2013 Plan respondents claimed, allowance of opportunities that deal with fluctuations in the demand of labor market.
- 52,4% of 2010 Plan and 47,7% of 2013 Plan respondents claimed, the importance in attracting competent employees.

Moreover, another topic of particular interest is the **evolution of employees, at the end of their contract**. The results revealed that, most employers, 80.4% of 2010 Plan and 70% of 2013 Plan, renewed the employee's contract, for at least four months after the end of the initial contract while in several businesses employees terminated their employment after the end of their contract (18.2% of 2010 Plan and 23.1% of 2013 Plan). The fact that a minimum percentage of employees quit working actually highlights the success point of both Plans. Additionally, according to the responses of employers, most employees terminated their employment by the end of contract, under their own decision, while in few cases the termination occurred due to other reasons such as reduction of businesses activity or payment difficulties.

Furthermore, the opinion survey examines the **level of employer's satisfaction** in respect to employees' skills, amount of the grant, grant's payment flow and cooperation with the Cyprus Productivity Centre. Specifically, more than half of employers were satisfied from the process of fitting the employees' profiles and skills to the business's needs, the amount of the grant and the program's management framework. A lower percentage of employers declared moderate satisfaction from the grant's payment flow, while 23.2% of 2010 and 25.4% of 2013 declared no or little satisfaction. A noteworthy fact is that up to 50% of employers indicate high or moderate satisfaction with their cooperation with the Cyprus Productivity Centre, while 22% of respondents expressed their total dissatisfaction from their cooperation with the Cyprus Productivity Centre. Most employers were dissatisfied due to the increased bureaucracy, delays in the payment of grant and dysfunctionalities in the program's management.

Regarding the **use of consulting services**, the majority of businesses accomplished the necessary implementation procedures, without hiring consultants. However, small-scaled businesses (operating with 5 employees) were not able to implement the necessary procedures and therefore hired a consultant. As far as it concerns, the level of satisfaction from the services provided by consultants, most employers claimed that they were very satisfied from their cooperation.

The majority of employers mentioned that they did not encounter any problems/difficulties in the employment of working people, but they mainly encounter problems in the payment flow (payout) of the grant from the Cyprus Productivity Centre. Concerning problems encountered during grants' submission, some businesses faced a variety of difficulties such as, bureaucracy, and the great bulk of supporting documents required for the application.

In conclusion, both Plans fully responded to employers' expectations. Specifically, participation in the above examined Plans fulfilled gaps in businesses and provided a significant economic support that covered labor costs. The majority of employers were willing to participate in similar projects in the future. This increased willingness appears to derive from the fact that such programs and projects provide the opportunity to employers to reap significant economic benefits, to meet their needs for staff and to hire suitably skilled people.

Discussion

The recent economic crisis held, as expected, a significant effect on the employment of Cyprus. The increased use of flexible forms of employment is correlated with the continuous expansion of globalization, while the encouragement of flexibility at work constitutes a main policy not only for the European Union, but for major international organizations such as, the International Monetary Fund, World Bank and the Organization for Economic Cooperation and Development. Flexible forms

of employment reduce unemployment, which is the major structural problem of modern economies and societies. The general tendency adopts flexibility as well as the institutional deregulation of industrial relations towards the specific needs of employers and employees. At the same time, employers have used flexibility as a reason for lower incomes, less stability and even lower costs of social security. Amongst technological factors, digitization changes workplaces and the overall organization's functionality, creating opportunities for new occupational profiles for employees (Eurofound, 2016). Thus, the main concern of the European Employment Strategy is balance maintenance between businesses' demand for flexible arrangements and employees' job security and preservation. This balance is clearly expressed by the term flexicurity that indicates the composition of these two concepts through a Euro-wide (European) employment policy, the fundamental basis of which is to protect employees, promote quality in workplace, enhance competitiveness and create favorable conditions for the unemployment inclusion. Ultimately the aim of flexicurity is to bridge the gap of conflicting interests between employers and employees, trying to keep up with a workable and realistic development model.

In this context, most countries enacted measures that lead to partial deregulation of the labor market and flexibilisation of labor relations in terms of time, duration and conditions of employment. It is obviously encouraged to design and implement a development plan that is friendly to both employees and employers, while reduces unemployment and decreases inequalities. The most important lesson learnt from the recent economic crisis is the confirmation of flexicurity as an optimal employment strategy, as the social sub models (for instance, the Nordic one) with good levels of flexicurity handle new challenges productively. On the contrary, the sub models that predominantly use flexibility without being compensated for by an adequate level of security (for instance, the Anglo-Saxon one) have had poorer results. Insufficient flexibility is also an obstacle for resilient employment policies. This development plan should be formed based on the optimal use of the workforce and on working conditions aligned to modern economic and social needs.

Therefore in the case of Cyprus, the gained experience yielded from the implementation of the aforementioned Plans, provides an indicative implementation framework that serves a vast number of targets. However, in a future implementation of such projects special attention should be paid in analyzing strengths and weaknesses in order to eliminate weaknesses. The main topics that need special attention include:

- Targeting of any future interventions to preserve and enhance quality of work as well as the sort of combination of flexibility and security that satisfies both employees and employers.
- Adjustment of the respective interventions in selected target groups² that may benefit from the implementation of flexible working arrangements.

2. Such as women, elderly, and VET learners.

- Take the necessary action (information and publicity actions) in order to disseminate objectives, goals and results of future plans. Such actions aim to familiarize potential beneficiaries and public with the whole concept and actual benefits of flexible forms of employment.
- Effective and orderly functioning of control mechanisms, in order to ensure high degree of compliance with the requirements and conditions of each plan, as well the effective implementation of labor and social security legislation.
- Provision of short-term training programs of employers before placing them in flexible workplaces in order to promote integration into satisfying operational environment.
- Development of functional and efficient systems that fits employees' skills to the needs of product and labor organization in enterprises.

In any case, successful transition to a flexible, socially equitable and efficient labor market is achieved through interventions that deviate from the rationale of a development model, based on low labor costs, deregulation and deterioration of labor relations. In this direction, corrective actions are required to eliminate ambiguities and deficiencies of the current legal and institutional framework for flexible forms of employment, that minimize the deregulation characteristics of labor market, benefit employers while at the same time transmit various characteristics of alternative options between employers and enterprises.

In addition, working time flexibility provides fertile ground for balancing flexibility with security in organizations. For instance, sliding schedules and flexi-time may be implemented to balance specific basic human needs such as childcare, elderly care etc. Furthermore, compressed working week might be helpful towards creating time for families, parental leave, study leave or attendance of training programs that promote career objectives. Switching easily from full-time to part-time employment in permanent jobs may enhance various benefits to employees with diverse needs.

Moreover, in all project formulation processes, the high-level strategic and institutional **framework has to be considered**. The context of Sustainable Development Goals (SDGs) is the basic development framework that must be considered when formulating interventions for promoting flexible work-arrangements. During the UN General Assembly in September 2015, the four pillars of the decent work agenda (employment creation, social protection, rights at work, and social dialogue) are considered as integral elements of the new 2030 Agenda for Sustainable Development that places job creation in the heart of economic policy-making and development plans. Specifically, Goal 8 of the 2030 Agenda calls for the promotion of inclusive and sustainable economic growth, full and productive employment and decent work. Decent work sums up employers' expectations by involving opportunities for productive work, fair income, security, social protection, personal development and social integration.

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