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the Global Economy



In the second of our series of interviews with LAB affiliates we asked **Dr Rachel Kurian** to explain the role of ‘flexicurity’ when it comes to protecting workers, and to consider why austerity has been the dominant response to economic crises in Europe.

What does the concept ‘flexicurity’ mean? In the context of economic globalisation what role does flexicurity play?

Flexicurity refers to the policy which attempts to combine flexibility and security in the labour market. It assumed importance in the mid-1990s in Europe, as the European Commission and others flagged it as a means of improving the competitiveness of labour through flexible work practices but still retaining the security that was embedded in the European social model. The concept in itself has a positive connotation, claiming that both labour and capital would benefit from accepting the principles of flexicurity. This is misleading.

Although the term has been used mainly in the European context, the promotion of flexible work (pay, hours of work, etc.) is very much in line with the neo-liberal underpinnings of policies promoting economic globalisation. Unfortunately the security problems that often emerge as a consequence of economic globalisation are not taken into account. In many instances, the focus is on how best to provide an environment which can increase (local and multinational) corporate profits through flexible work practices while workers’ rights (or security of employment) are often viewed as obstacles in these processes.

At the European level does flexicurity adequately protect vulnerable workers? Does it adequately protect women in the workforce?

It would be easy to give yes and no answers. But clearly the processes are more complicated and involve negotiations between the different social partners, including the trade unions. While there are some exceptional cases (The Netherlands and Denmark in the period 1994-2003), on the whole flexicurity has meant de-regulation in favour of increased flexibility and devaluing security. One could see the potential value of informing flexicurity policies from a gender perspective, particularly as women are often associated with the more ‘flexible’ jobs. Unfortunately such exercises have tended to assume a somewhat ‘technocratic’ focus (the development of indicators and making flexible work compatible with women’s domestic responsibilities for example) while depoliticising the issue of gender equality and not challenging prevailing gender power relations in the labour market. In doing this exercise less attention has also been given to differences between women (class, ethnicity and other relations) or the multiple forms of exclusion that the more vulnerable women experience, which could impact on the forms and nature of their labour market participation.

Why did austerity become the dominant response across Europe to economic crises?

While the dominant policy discussions on the economic crisis still appear to be highly influenced by neo-classical/neoliberal thinking (and thereby cuts in fiscal policy, tightening monetary policy etc.), I am increasingly convinced that the use of the paradigm and language of choice and freedom, hides, in many ways, the underlying issues relating to the (re) distribution of power and resources in the global economy. Thus, while austerity is part of the neo-liberal development approach, discourse and response to the so-called economic crisis, (ostensibly to deal with problems of potential inflation, etc.), the reality is that those who control the world economy, and more particularly multinationals, have pushed this process for policies that would increase their hold on cheap labour, raw materials, other resources and incentives (favourable tax regimes for instance), and that would strengthen their role in the global market for production and services. The language of neo-liberalism in the last 30 odd years in many ways perpetuates the “illusion of choice” while suggesting that no other ways is possible.

What is the relationship between poverty and human development?

Statistically there is a strong correlation (sometimes argued as causality) between GDP per capita and the Human Development Index (HDI). Nevertheless, the key is to look at some of the outlier experiences (Sri Lanka, Costa Rica, and Cuba, during certain periods) which suggest that government intervention can result in levels of HDI which are much higher than would have normally been expected for the prevailing levels of GDP per capita. Thus, while poverty can result in low levels of human development, government policy, particularly regarding education, health and social security can play an important role in changing this association.

The Laboratory for Advanced Research on the Global Economy (LAB) has as its objectives to provide a hub for creative work across disciplines and from theory to practice on issues central to concerns around justice under conditions of globalisation. How might the LAB's mandate help inform your research?

I teach, research as well as undertake projects on labour issues, focusing on how economic globalisation has impacted on different categories of labour and what challenges these people face in terms of realising not just their human and labour rights, but also social justice. Although I have a formal disciplinary background as an economist, understanding how people's rights have been affected in these processes involves bridging this discipline with deliberations in law, human rights, gender and political studies. Under these circumstances, it is clear that the mandate of the LAB is fully consistent with my priorities in teaching, research and project work.

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Rachel Kurian, LAB 'views, Laboratory for Advanced Research on the Global Economy Interview 2, Centre for the Study of Human Rights, LSE (March 2014).

For more LAB 'views: www.lse.ac.uk/humanrights/thelab