

**Employment Policies – Challenges for the Churches
From the Values Perspective of the Christian Churches in Europe**

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It is not only in recent years that the Churches in Europe have again and again issued statements on questions of social and economic policy – in the course of Europe's long history, their influence has always made itself felt in one way or another. Accordingly, exploration of the religious roots of the European economic and social model is also continuing to make further progress. In the context of the debate on the familiar “Three Worlds of Welfare Capitalism” which Gösta Esping-Andersen¹ described as long ago as 1990, it has even proved possible to “distill” factors appertaining to the different Christian denominations that have influenced the various forms in which economic concepts and conceptions of the welfare state have found expression in Europe. Distinctions are to be made in this respect not only between Orthodoxy, Catholicism and Protestantism, but on the Protestant side also between the state church traditions of Lutheranism, which have exerted a great influence particularly in their Scandinavian manifestations, and various schools of Reformed Protestantism such as Calvinism or the Reformed Churches in general. Thus “it becomes clear that among the sources feeding current political efforts to create a European social market economy there are traditions that are markedly influenced by religion – even if the proponents of such a social model are not particularly aware of it.”² The significant differences between the Anglo-American liberal model and the continental European one can to a large extent be explained in terms of the different variants of the Protestant faith, whereas the important distinctions within Europe between the southern, the continental and the northern models can be derived from the varying degrees of influence of Orthodox traditions and Lutheran and Catholic social doctrine.³

This is not the place to go into these differences in detail: and besides, there is much in this area that has not yet been properly researched. But if one looks into the statements on the development of the welfare state in Europe made by the Churches over the last ten or twenty years, one discovers a whole series of interesting convergences that can be brought together conceptually into a single economic and social model under the heading of “just participation”, or, as one might also say, “fair shares”; and this circumstance makes it possible to state a position with regard to the issue here under discussion, namely that of how to ensure that flexibility and security are kept in a proper relationship to each other. This at any rate is the thesis that I hope to be able to demonstrate, render plausible and open up for discussion in the following paper. It must be admitted from the start that in view of the wide diversity of religious traditions, this is a very rough and ready procedure. These thoughts should

¹ Gösta Esping-Andersen: *The Three Worlds of Welfare Capitalism*. Cambridge 1990.

² Philip Manow: *Plurale Wohlfahrtswelten. Auf der Suche nach dem europäischen Sozialmodell und seinen religiösen Wurzeln*. P. 208

³ *ibid.*, p. 210

therefore also be understood merely as a contribution to a debate in a context that in many ways reflects a variety of Christian and denominational traditions.

I

(God's purposes with humanity)

Any Christian reflection on social ethics must take as its starting point those theological dictums that describe the way God acts in and with the individual human being in respect of other human beings. In all Christian traditions, and quite unambiguously, this relationship is primarily designated by the term love. It is seen as being the divine purpose for every human being that he or she should play a part in the lives of others, of all others, i.e., in modern parlance, of society. This idea remains outstandingly expressed in the Protestant understanding of vocation, but in other Christian traditions too above all in the calling of all human beings to contribute to the fabric of society through their work, understood in the sense of service. Or it is expressed in people being able to live out the purpose for which they were created in the image of God. The freedom of the Christian is not freedom from the obligations of this love, but is manifest in a conscious and deliberate affirmation of it. Work in its turn is understood in one way or another more or less definitely as participation in God's creative activity, which shapes the world and is constantly changing it. My work, my occupation, is the place in the system of social cooperation where God has placed me - to which he has called me. It follows that my occupation is far more than simply a job to be changed arbitrarily and at will. And even from these very basic considerations concerning the value of human work, maxims or criteria for an appraisal of the concept of flexicurity can already be derived.

Thus there are no two ways about it: from a Christian point of view, **the** fundamental requirement of a just society is formulated as follows. A society is just if every man and every woman can live in it in accordance with his or her purpose in life. At this point, it must deliberately be left open what in concrete terms this purpose, this vocation, may be. This cannot be determined in abstract, general terms, but only by each individual in his or her subjective encounter with God. However, the structures of society must provide room and facilitating opportunities for this; that is to say, it is above all a matter of upbringing and education that will enable each individual to develop his or her inherent potential.

II

(Core definition of just participation)

A society which is as just as possible from a Christian point of view must satisfy the conditions mentioned at every level. In the words of the EKD Memorandum "Just Participation", this means: "A just society must enable as many people as possible to recognise their individual talents, to develop them, and to use them productively for themselves and for others. A just society thus invests as much as possible in extending people's ability to organise their own lives and to enhance its dimensions

of social concern and economic activity for all. And a just society is able to support its people in using their individual talents and abilities [*what the Bible calls “charismata”*], to be as self-sufficient as possible in earning their own living while being supportive of others. [...] The concept of just participation means just this: the comprehensive involvement of everyone in education and training, economic activity, social security, and other expressions of solidarity. By definition, this concept does not limit participation to only a few aspects of society, let alone to just one.”⁴

Viewed in this way, the enabling, involving and caring instances of society can be seen as parts of a single structure – at least in respect of the role of the individual. This focuses on the ideal pattern of individual people who involve themselves, contributing their gifts and caring for themselves and for others. The institutions of society must function in such a way as to enable this. And that means above all providing appropriate fair opportunities for education and training for all, in principle without selection. Such opportunities may be considered to be fair and just if a disproportionately large share of the available resources is applied to assisting children who otherwise, due to the nature of their home backgrounds, have fewer opportunities. In cases where the primary structures of the family or the immediate environment fail to provide children with comprehensive enablement, compensation must be provided. And the structures of flexicurity must be such as to ensure this as well. The yardstick that is to be applied must be the greatest possible advantage for the weakest or poorest members of society. They must benefit more than proportionately from the reforms. But this means it must be taken as a premise that those people who, as a result of their situation in life, find it particularly difficult to display all-round flexibility are precisely the ones who have to be given support. Flexicurity must on no account become yet another programme benefiting those who are already advantaged without it!

III (A fair system of cooperation)

The logic of these ideas is that a society should be considered well-ordered or just if it offers a fair system of cooperation which as far as possible involves everybody.⁵ The decisive question is: "How are the institutions of the basic structure to be regulated as one unified scheme of institutions so that a fair, efficient and productive system of social cooperation can be maintained over time?"⁶ This concept of fair cooperation embraces three essential features which relate to fundamental ideas as to what constitutes justice:

- This form of cooperation is a self-regulating one that the participants enter into on their own responsibility: “Social cooperation is guided by publicly recognized rules

⁴ Just Participation: Empowerment for Personal Responsibility. A Memorandum of the Council of the EKD on Poverty in Germany (Gerechte Teilhabe. Befähigung zu Eigenverantwortung und Solidarität. Eine Denkschrift des Rates der EKD), Gütersloh 2006, p. 11; translation by LWF Language Services.

⁵ John Rawls: Justice as Fairness. A Restatement. Ed. by Erin Kelly. Harvard University Press 2001, p. 5.

⁶ *ibid.*, p. 50

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and procedures which those cooperating accept as appropriate to regulate their conduct."⁷

- The modalities must be such as to be accepted as reasonable by all involved; they are based on the principle of mutuality. "All who do their part as the recognized rules require are to benefit as specified by a public and agreed upon standard."⁸
- The driving force behind the cooperation is the idea of rational advantage, or the good of all concerned. "The idea of rational advantage specifies what it is that those engaged in cooperation are seeking to advance from the standpoint of their own good."⁹

What is of decisive importance is that in order to ensure that all do actually cooperate, redistribution in favour of the weaker members of society will always be necessary. "The concept of distributive justice is thus of great importance; when individuals are no longer able to earn their own living, receiving essential income support is absolutely necessary if they are to be able to make use of any further non-income support."¹⁰ Redistribution is necessary to compensate for inequalities which arise either from the current situation, especially the economic situation, or else from inequality of birth or natural gifts. This applies also - or indeed, probably especially - to the establishment of flexicurity: it is pointless without a substantial increase in the degree of security provided - an enhancement of the efficiency of social policy.

IV (Participation in gainful employment)

Decades of experience in Europe have shown that participation in work in the economic system is able not only to provide external material protection against distress and poverty - even it does not automatically do so - but that far beyond this, such participation has a clearly identifiable influence on "attitude" and the mobilisation of inner forces which give the individual all-round resilience. Participation in gainful employment carries with it much more than simply the practical benefit for the individual; in our society it has very much to do with recognition in the sense of acknowledgement that one is leading a full, adult life - the creation of self-image for the individual, derived from the fact that I am able to provide for myself by playing my part in social cooperation with others. Both are important: being able to provide for oneself and cooperation or interaction with others.

The Christian Churches for their part will always warn against allowing this type of recognition, which is inevitably very strongly orientated towards people's

⁷ *ibid.*, p. 6

⁸ *ibid.*, p. 6

⁹ *ibid.*, p. 6

¹⁰ EKD, *Just Participation*, p. 10

achievements, to become the ultimate yardstick, and against staking everything on the possibilities of such gainful employment alone. On the other hand, however, the Churches are also constantly underlining the very great extent to which one's own work has to do not only with participation in society, but also with participation in God's creation and thus with the realisation of one's own purpose in life, one's vocation.

To this extent, one can only endorse the "eight common principles of flexicurity", which aim at "getting more people into good jobs". In particular, these are a matter of:

- "Reducing the gap between those in non-standard, sometimes precarious contractual arrangements on the one hand (so called "outsiders") and those in permanent, full time jobs on the other (the "insiders")" – at least to the extent that the gap is not reduced by levelling down;
- "Developing internal and external flexicurity, by helping employees move up the career ladder (internal) as well as across the job market (external)".

V

(Globalisation as intensified expectations of flexibility)

A decisive factor in assessing the current situation on the labour markets is the changed context of Europe's economic and social policy model since 1989, the phenomenon ubiquitously discussed under the label "globalisation". Fundamentally this term refers to the fact that as a result of the opening of frontiers, new players have appeared on the markets in which the world's economies compete, and these are putting substantial pressure on existing businesses and the entire fundamental economic structure of Europe. Different sectors of the economy are feeling this competitive pressure to varying degrees; but all in all it has brought about a considerable shake-up of traditional structures in recent years. Above all, existing forms of cooperation, especially in Central Europe, have been put under strain due to the constraints of increasing rationalisation and the need to enhance profitability. This alone is enough to demonstrate the necessity of realignments in the relationship between labour markets and social policy.

Thus in many areas, market-style relationships have replaced hierarchical structures in organisations, especially in the internal structures of major companies; they have gone over to making even the very smallest areas profit-orientated by creating their own internal markets through which individual business units compete or cooperate with each other. At the same time, new model patterns of behaviour for employees have developed in that they are nowadays expected to act independently in an entrepreneurial way, which is an attractive proposition for highly and very highly qualified staff in particular, and affords them new opportunities for self-realisation. The victims of these developments, on the other hand, are often the less well qualified employees, who are marginalised by the fact that their jobs can relatively easily be relocated to low-wage countries. In general, there has been a substantial increase in the compulsive pressure to constantly restructure companies, for the sake

of adapting them continuously to changing market and competitive conditions. The degree of dependency on movements of capital on the world markets has increased.

Whereas the Christian Churches, despite this development, are fundamentally affirmative with regard to the existence of a free market - "the existence of the market is in itself a potential good. It is one of the most successful human social devices ever conceived"¹¹ – they point out at the same time that in its manner of operation it comes up against clear limits. "According to the Gospel and the depth of human wisdom, what is necessary for life cannot be a commodity or exclusively a commodity."¹² Among the factors mentioned in this context are jobs. As they are a fundamental precondition for a life in dignity and respect, the provision of jobs for all should not be subjected to the logic of the market. The logic of the market cannot rule in all areas of society: otherwise the market becomes an idol, and the labour markets in particular. Nevertheless, under present-day circumstances this can no longer mean a right to keep the same job for the whole of one's life - but to have a job of some kind. The provision of sufficient jobs in the first place and the task of ensuring the employability of all cannot be left primarily to market forces. Flexicurity offers a possible answer.

VI (Greater flexibility is necessary)

Under these conditions, it is in principle understandable that greater flexibility should be demanded at all levels of corporate organisation, in order to meet the constantly new demands of the process of adaptation. Leaving aside a whole series of modifying factors, this applies also to opportunities for employment and thus to the opportunities that people have to participate. Shorter and shorter reaction times challenge companies to be equally flexible in their dealings with larger and larger sections of their workforce, i.e. to be able to undertake appointments and dismissals – hirings and firings – as quickly as possible in accordance with the market situation. The so-called "breathing company" that functions in this way is becoming more and more popular, even though the conditions are quite different from sector to sector. On the other hand it remains vital, particularly in high-tech fields and areas that demand high qualifications, to hold on to core staff even if the market situation is less favourable for a certain length of time, as the company will need qualified staff quickly again in order to be able to react appropriately when the situation changes.

Flexibility also means that employees have to keep up with the need to constantly enhance their qualifications, and are less and less able to attach their work-related identity to the execution of particular work, or even to particular products. The classic, romanticised view of work as a craft which to a certain extent can be pursued for its own sake is thus fading more and more into the background. As a result, forces that create identity, and which for many employees have grown up out of their work, are

¹¹ Church and Society Commission of the Conference of European Churches: European churches living their faith in the context of globalisation, p. 32

¹² *ibid.*, p. 33

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being undermined and displaced into other areas. And then there are other risks as well, culminating above all in the loss of a sense of the value of one's own labour. There are bound to be many workers who are not up to fulfilling the increased demands for constant reorientation, and may easily find themselves falling by the wayside.

So far, this flexibility has been making itself felt above all on the margins of companies, i.e. more flexible forms of employment with a lower degree of protection against dismissal have been introduced in order to promote the integration of new recruits from among disadvantaged groups of job-seekers, or to accommodate those who would like to retire earlier, or who wish to have greater freedom of choice. In addition, differences in work organisation, working hours, remuneration and workforce numbers in different phases of the production cycle have also led to further demands which, taken together, point in the direction of a model, formerly been associated with Scandinavia, that gives a high employment rate priority over the possibility of workers spending a long time with one employer. Flexibility in this sense does not necessarily mean social insecurity, unemployment and even poverty, but the ability to move backwards and forwards between different jobs in different companies. The crucial factor in fostering such an attitude, which learns to understand such changes not primarily as a threat but as an opportunity, is the existence of trust, of confidence in the system. This means the self-confidence of those involved, which needs to be supported by an institutional setting based on fairness. Every individual must have the feeling that no-one will be allowed to go to the wall.

VII

(Social security as risk absorption)

Nevertheless, it is not possible to simply dismiss the impression that flexibility as it has been implemented in practice up till now has in very many areas gone hand in hand with a one-sided shifting of increased risks onto the workforce, e.g. in the case of temporary employment through agencies or the growth of low-wage sectors, or also of cuts in the level of social benefits, as has been the case in Germany above all with regard to “Unemployment Benefit II”. On the other hand it is also clear that the necessary additional flexibility can only really be effective and can only ensure identification with one's work and a creative approach if it is associated with good protection against social risks in the event of a particular contract of employment being terminated.

In general it is the case in modern societies that people are more ready and willing to take risks if the fear of social exclusion in the event of failure can be reduced by effective measures of social protection. In the case of employees accepting expectations of additional flexibility, this means that in return adequate or at any rate more effective standards of security must be ensured than has been the case in the past. One can imagine that from this there might be derived a great historic compromise: that employees or those who represent their interests in the trade unions or elsewhere would on the one hand renounce protection against dismissal and other measures that safeguard them in their employment, while receiving in return much more generous social security benefits and measures of protection against social risks in the event of their losing their existing jobs and becoming unemployed.

This would mean that on the level of material security and of the enabling and advisory institutions that come into play in the event of unemployment, substantial expansion would have to be effected. At the same time, a non-discriminatory atmosphere would need to be created in this area. If in future it becomes more and more usual for a person to be unemployed several times in the course of his or her working life, then it must be possible to organise the resulting situations as times of transition which are not experienced as crises by those affected, but may even be accepted by them as opportunities to seek a new orientation, and lived through without any loss of social legitimation.

This means that, as one might say, a good extra dose of social security would need to be introduced in this area, i.e. a situation in which people are enabled, in a situation relatively free of anxiety, to get back into paid employment, to the extent that the situation on the labour market allows. The often quoted and appropriate image of the welfare state as a trampoline still needs some filling out at this point. So far, however, most security systems, perhaps with the exception of those in Scandinavia, remain far removed from this position.

VIII

(Development of working capacity)

In view of the increasing expectations of flexibility, however, social security alone is not enough to be able to ensure as much true participation as possible. Of at least equal importance is the targeted and sustained development of people's working capacity, i.e. of their qualifications and their ability to achieve, whereby however the sum of their experience of life also forms part of the skills they have learnt. This "capacity", which may be regarded as a true asset, true capital, is not to be mobilised from the outside, but assumes that people who engage in economic activity are able to do so in the fullness of their humanity; that they have jobs that make sense and through them are involved in a meaningful form of cooperation. More or less everyone has such capacity, and it may be considered frightening how little it is actually made use of in today's economy.

This situation is connected with the fact that while the modern economy has developed people's working capacities as no other period ever did before it, it has also repeatedly drastically devalued them, above all through restructuring processes with the loss of jobs. As a rule, this would appear to be the simplest way of saving costs and increasing returns. But the fact is overlooked that still today – indeed, it is more and more the case today – it remains the living human capital that creates true value. However, it needs a living, creative climate in order to be able to realise its potential. And indeed: never before have people been as competent and as independent as they are today. Never before have there been so many opportunities to form networks and to organise oneself. This may be associated with an enormous gain in people's self-assurance and their ability to shape their own lives, which enhances the quality of participation. The modern economy does away with the need for workers who are willing to stand at the conveyor belt and thus submit to inhuman working conditions. And that is a good thing.

It follows that promoting the development of human capital in the form of people's working capacities can at the same time also foster participation and should be organised in such a way as to do so. This involves above all greater autonomy for people engaged in economic cooperation – i.e. empowerment – which at the same time implies greater responsibility. The traditional forms of co-determination at factory or corporate level need to be developed further in this direction. In today's world of work, it is no longer the machines that break down – on the contrary, they are becoming more and more perfect; it is people who do, because they are unable to come to terms with the new demands being made upon them. Initiative and creativity are one side of the coin; the stress and suffering they give rise to are the other. The very thing that creates these problems – greater freedom – at the same time also contains the solution to them: only through and in freedom is it possible for the worker to further develop his or her personality. Assistance is required to bring this about.

IX (Welfare that activates)

What has been said about the development of working capacity applies equally to the area of the advice and assistance that people can take advantage of through welfare institutions. The institutions in society engaged in this field, such as social security offices, job centres, youth departments etc., must pursue enabling, empowerment approaches more strongly than they have in the past, in order to restore to people their subjective self-assurance and the opportunity to be able to participate in society, and in the labour market in particular. Here it can only be the case that the state, through case managers or social workers, must accept social and educational responsibility for individuals. But if people's creative potential really is to be mobilised in this way, it is essential for the process of what in German is called "*fördern und fordern*", of assisting while at the same time making demands, to be implemented in a relatively anxiety-free manner, in which the two sides meet eye to eye on equal terms. Activation brought about merely by compulsion will break down again sooner or later.

Forms of activating welfare are of great importance to non-stigmatising arrangements for the transition periods between jobs. The person seeking help must have the feeling of being treated as an adult and given advice on a basis of fairness and equality, and not of being threatened with ruin. Unemployment pay or benefits must be high enough to ensure this. It is easy enough for anxieties to gain the upper hand in such situations anyway, so that sanctions against the person concerned should scarcely be provided for or invoked. Much will depend on the atmosphere in the institutions administering the arrangements: flexicurity must mean that it is perfectly normal to be able to turn to them for assistance. It may well be conducive to such a situation if in many cases the granting of assistance is linked to some performance by the other side, so that it takes on the form of an exchange, of an agreement to give and take, which is then sealed in the form of a contract signed by both sides.

X **(Summing up)**

The idea of just participation allows a picture to take shape of a society linked in solidarity in which supportive welfare measures are organised in such a way as to enable individuals to exercise their responsibility and to "do their bit" by performing services that further all-round solidarity. Redistribution will remain necessary, but it must be a redistribution in the direction of providing the resources that enable such structures to be maintained. Only if this is done to a comprehensive extent can the challenges of increasing flexibility, which there is no way of avoiding, also be mastered. Comprehensive participation of people in the economic process is therefore only possible if insurance can be provided against the risks of flexibility by the joint efforts of all. Greater insecurity in one's current job can be balanced by greater general security, so that there will be greater opportunities for all and the ability of the economy to create prosperity can be maintained under the conditions of globalisation. Such a concept may very well reflect Christian ideas of an all-embracing community of solidarity.

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However, the risks are only too apparent. The relationship in the flexicurity concept between demands and impositions on the one hand and relieving factors on the other must be well-balanced, and perceived and felt to be fair. If from the economic point of view labour is more distinctly becoming a tradable commodity, then from the social point of view a distinct, as one might say, decommodification of the worker must take place. The focus must remain on the human being.

And so to conclude it remains to emphasise what the Christian Churches in Europe have clearly demanded: "Social balance and social justice are integral parts of the concept of the social market economy. They can be achieved not only ex-post through the system of redistribution. Efforts to create ex-ante justice are at least as important and probably more effective. Anyone who questions these principles calls the welfare state into question."¹³ And precisely that applies particularly clearly to changes in the direction of flexicurity.

¹³ *ibid.*, p. 23