

# **The conceptual evolution of labour law in Iran with the emphasis on flexicurity in labour market**

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## **Abstract**

The economic, social changes, particularly globalization and subsequently challenges facing scope of labour relations caused to appear fundamental attitudes in regulation of labour relations. The new economic relations resulted from the global productions have formed the employment relationships in a way that previous protections seem inefficient. Hence, the existence of a new structure is essential for flexibilization of labor market as well as social network for supporting the workers against globalization risks and this flexibilization. On these lines, in the international arena, the employment-based flexicurity approach is introduced to modify interests of agents of labor arena. This approach, in orientation of protection of “employment” has changed the base of labour law that is based on conflict of interest of social partners. The survey of the articles of labour law of Iran shows that labor law doesn’t have necessary flexibility, in other words, labor law does not enough capacity to balance in labour market. Therefore, in order to get along with the new international politics, reforms are taken place in the sphere of labour relations in recent decade. The survey of rules and regulations in the sphere of labour relations shows that the legislator makes basic changes with considering the principles of flexicurity approach and base of rules and regulations in labour relations has changed with respect to protection of “employment”.

**Keywords:** labour law, labour market, labour relations, flexibilization, flexicurity

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## Introduction

During the 20th century, most countries in the industry itself the regimes that had lift to workers job security, adequate income, social insurance and other benefits. Different countries to achieve these goals, the way several were fitted. In fact, often they endow to its workers employment stability to workers, the ability to predict, the trust and etc. They had organized their forces under the system called the "internal labour markets" that it's during employee person were traveled the specific process hierarchical and graduated since hiring to retirement and have been benefit from grade promotion.<sup>5</sup>

In the late twentieth century, labor law was contested in industrialized nations. A very competitive space by liberal trade regimes and manufacturing technologies imposed new pressure on corporations to make their operations more efficient and easier, minimize their work forces and fit production line with the market of unstable and quick of transmission. In these circumstances, the speed and intensity of economic competition comes that for employers (for human society as a whole) it don't remain a way except flexibilization; i.e. more flexible in labor relations to rescue in economic competition cycle. Under the impact of these changes, they saw your labour law as greatest obstacle. Thus, they rescue the system of their "internal labour market and were abandoned their implicit commitments in that direction.

Finally, pressure on behalf of trade unions and the changing trends in the all people and Politicians impel most industrial countries to abandon their work supports and to change their labour law. Now they have made a new way of employment relations that does not create long-term affiliations between the worker and the employer. This applies to employers the flexibility to hire for medium-term and because corporations are facing increasingly with competitive production markets, allowing quick adjustment in production methods. At current time, labour laws have rewritten throughout developed countries.<sup>6</sup>

Almost in the whole world, new labour laws designed to increase flexibility in the enterprises in order to reduce costs, initiatives in develop the skills and enable quick reactions against rapid changes of global markets. To achieve these goals, a new order formed in law format; a order that is destroyed many of workers protections in the recent 100 years. Hence, in the developed world, effort of employers for flexibility has been result to rewrite labour laws and often repeal them that was supported the welfare of whole workers.<sup>7</sup>

Changing of the pattern of employment has been in this way that it gives to employers the flexibility that hire medium-term workers and pay to per employee in accordance with the individual participation and the value of his (or her) work in the external labour market. Other aspects of the new working relationships, we are bringdown the occupational hierarchy and raising the competence of the lower-categories employees. A recent growing process is the result

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<sup>5</sup>. V.W.Stone, Katherine, "The Globalization of Productive and the Flexibilization of Work: Reconstructing Employment Regulation in the 21<sup>st</sup> Century", 2009, p. 1. Available at: [http://www.law.yale.edu/documents/pdf/Intellectual\\_Life/Stone\\_Intro\\_Chapter1.pdf](http://www.law.yale.edu/documents/pdf/Intellectual_Life/Stone_Intro_Chapter1.pdf)

<sup>6</sup>. V.W.Stone, *op.cit* (2009), P. 1.

<sup>7</sup>. V.W.Stone, Katherine, "Flexibilization, Globalization and Privatization: the Three Challenges to Labour Rights in our Times", *Public Law & Legal Theory Research Paper Series*, UCLA School of Law, 2005, No. 05-19, P. 4.

of appreciation of the role of knowledge, skill and creativity of employees is in the success of the enterprises. Enterprises have designed the various types of programs to empower work forces in order to devolve limited competencies to lower-categories employees and instead take knowledge, skills and creativity.<sup>8</sup>

In fact, in the new employment relations, employers instead supplied workers job security with the long-term employment; endow employability security to the workers, the ability that acquire a skill to give more positions in the labour market to them. Also, employers aren't guaranteed promotion of the grade to the grade; instead give the ability to them that are prepared in the whole labour market for the progress and better opportunities. In this employment relation, workers instead of that expect from the companies that hire them for long term, should manage their jobs.<sup>9</sup>

Finally it must be said that labour market policies have no desire to return to the past supportive regimes because new economic relations resulting from the global productions, employment relationships have shaped to the way that past protections appears inefficiency. In the 21<sup>st</sup> century, the task is that we identify the created damages by these new forms of employment and render new regulatory solutions that provide the ability of the creation of social protections that we need in new economic space. A new structure for better jobs and a social net that protect the workers against the risks of globalization and flexibilization.<sup>10</sup>

Hence, economic, social developments and consequently labour market problems and challenges facing scope of labour relations caused to appear fundamental attitudes in regulation of labour relations somehow that provided the necessity of thinking to a new mechanism in this arena.

Indeed, with respect to the necessity of flexibility in the labour market and on the other hand the sensitivity of job security introduced an approach as flexicurity in recent years. The term is attributable to the social-democratic Prime Minister of Denmark and the first time by Netherlands country as "flexicurity Act" in 1999 year in order to counter with the challenges of labour market.

The perpose of Flexicurity policy is creation of balance between security and flexibility in a dynamic labour market and the adjustment of the interests of agents of work arena. This policy contrast with traditional and retrospective approach that is conflict of interests of the actors of the arena. On these lines, in many countries particularly European countries, flexicurity approach was applied as a desirable model of labour market. Hence, they changed their laws and regulations in accordance with the above approach.

The necessity of synchronouseing of labour laws and regulations of Iran with the new approaches and the transformations of the scope of labour relations in international arena caused that in the recent decade in order to establish the balance between flexibility and security in the labour market is codified particular regulations. The made amendments in the area is so that have provided the causes of fundemental development in labour law of Iran. So, survey of the flexicurity approach as the new paradigm of work and surveying labour code of Iran finds necessary from this aspect and conceptual development of this branche following new

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<sup>8</sup>. *Ibidem*, P. 5.

<sup>9</sup>. V.W.Stone, *op.cit* (2005), P. 5.

<sup>10</sup>. V.W. Stone, *op.cit* (2005), PP. 3-4.

disputations. Hence, the basic issue in the paper is that amendments of labour laws and relations governing on labour relations in Iran in the recent decade to what extent align with flexicurity approach in the sphere of work?

Based on this problem, the question also arises: labor code of Iran as the main source of labour relations to what extent to create equilibrium from necessary flexibility and security in Iran's labour market?

The present paper survey the concept of flexicurity as the new paradigm of work in the international arena and also survey developments of the scope of labour relations in Iran tailored to this approach.

## **1- Flexicurity; the new Paradigm of work**

### **1-1- Definition of flexicurity**

The notion of flexicurity indicates a carefully balanced combination of flexibility, where it matters for job creation, and protection, where it is needed for social security. The notion is based on the co-ordination of employment and social policies. This means that employment policies should create the best situations for job growth, while social policies should ensure acceptable levels of economic security and social security for all<sup>11</sup>.

Some authors have defined this concept maximal, for example, as a policy that its aims access to a balance between flexibility and security. Some define it as reliable flexible employment by adapting the labour market flexibility with criteria of contrast with growth of social exclusion and the emergence of the poor worker class. The European Commission defines the flexicurity as a comprehensive strategy to increase flexibility and security simultaneously in labour market.

Sometimes, this concept has been described as a situation of the labour market; for example, Wilthagen and al considered the flexicurity as a strategy for the weaker groups in the labour market:

“A policy strategy that attempts, synchronically and in a deliberate way, to enhance the flexibility of labour markets, work organisation and labour relations on the one hand, and to enhance security – employment security and social security – notably for weaker groups in and outside the labour market, on the other hand”<sup>12</sup>

Wilthagen believes it is not sufficient for certain strategies or policies to be called flexicurity strategies if both flexicurity and security are developed separately. The definition implies that flexicurity strategies and policies are developed in a coordinated and deliberate way, e.g. during or through negotiations between social partners or between individual employers and employees at various levels.

Finally, an essential element of this definition pertains to weaker groups, either in or outside the labour market. This means that policies or measures that enhance labour market flexibility and exclusively increase the (employment, income or social) security of stronger/insider groups are not to be counted as flexicurity policies or measures.<sup>13</sup>

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<sup>11</sup>. Viebrock and Casen, *op.cit*, P. 307.

<sup>12</sup>. Wilthagen, T and Rogowski, R, “The Legal Regulation of Transitional Labour Markets”, 2002, in Schmid, G and Gazier, B, and *The Dynamics of Full Employment*, Labour Markets and Employment Policy Series, 2002, p. 250. Available at: Library of Congress Cataloguing in Publication Data (UK).

<sup>13</sup>. Wilthagen Ton and Tros Frank, “The Concept of Flexicurity: A New Approach to Regulating Employment and Labour Markets”, *European Trade Union Institute*, Published By Sage, 2004, p. 170.

Furthermore, Wilthagen and Tros also present a institutional definition: “Flexicurity is a degree of job, employment, income and ‘combination’ security that facilitates the labour market careers and biographies of workers with a relatively weak position and allows for enduring and high quality labour market participation and social inclusion, while at the same time providing a degree of numerical (both external and internal), functional and wage flexibility that allows for labour markets’ (and individual companies’) timely and adequate adjustment to changing conditions in order to maintain and enhance competitiveness and productivity”.<sup>14</sup> Klammer and Tillman and Ferrera define flexicurity as social protection strategy for flexible work forces.<sup>15</sup>

The flexicurity is reflecting an increasing trend for employers to favour relaxed employment protection legislation. The latter would allow enough flexibility to swiftly hire or fire employees, or to make internal adjustment to the organization of work in their firms (e.g. shortening hours of work, thus lowering wage costs) depending on the variations of demand in the business cycle. However, increased flexibility for employers can result in increased insecurity for employees. A policy of flexicurity strives to reduce and manage that insecurity through: measures *external* to the firm – i.e. *external flexicurity* (e.g. through income protection for unemployed people, and high levels of spending on active labour market policies, such as extra training in in-between periods, and information, advice and guidance services that help to match supply to demand in the labour market); and through measures *internal* to the firm – i.e. *internal flexicurity* (e.g. through guarantees to employees of a minimum salary that ensures an acceptable standard of living, in return for work sharing, for instance, or for accepting to take on tasks within the firm that were not included in the employment contract).

Furthermore, some redefine the flexicurity based on employment security but no job security.its reason is the protection of workers and no jobs. Some terms that have been used to cover the same sense of flexicurity, including the labour market security, supporting of the dynamics of the labour market and transitional labour markets.<sup>16</sup>

The fundamental idea behind the concept of flexicurity is that flexibility and security are not contradictory to one another, but in many situations can mutually supportive. Flexibility is not the monopoly of the employers, just as security is not the monopoly of the employees. In modern labour markets, many employers are beginning to realise that they might have an interest in stable employment relations and in retaining employees who are loyal and well qualified. On their part, many employees have realised that to be able to adjust their work life to more individual Preferences, they too have an interest in more flexible ways of organising work, e.g. to balance work and family life.

In fact, the traditional and retrospective thought has based on conflicting of interests,<sup>17</sup> while there is today a new basis to create equilibrium between flexibility and security, i.e. flexicurity policies in order to synchronize economic and social policies and the concept of flexicurity is a

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<sup>14</sup>. Viebrock and Casen, *op.cit*, P. 308.

<sup>15</sup>. Wilthagen and Tros (2004), *op.cit*, p. 170.

<sup>16</sup>. G.Sultana, Ronald, “Flexicurity: Implications for Lifelong Career Guidance”, *the European Lifelong Guidance Policy Network* (ELGPN), 2012, pp. 3-4.

<sup>17</sup>. Madsen (2006), *op.cit*, p. 3.

third way between flexibility of free-market economies and social security nets of welfare states.<sup>18</sup>

## **2-1- Historical background of the flexicurity concept**

Historically, flexicurity has followed a cyclical path: starting as a national idea –of Denmark or the Netherlands-, it moved on to the European Union level.<sup>19</sup>

The sociologist and member of the Dutch Scientific Council for Government Policy (WRR), Professor Hans Adriaansens in the mid-1990s launched the concept in speeches and interviews. Adriaansens defines it as a shift from job security towards employment security and makes the case for a different attitude towards flexibility (among workers) and for a flexible and activating social security system.<sup>20</sup>

Arguably, the neologism was picked up by academics in the Netherlands and subsequently in other European countries, such as Denmark, Belgium, Germany and etc.<sup>21</sup>

A new approach was adopted at the end of 1995 when the Dutch Minister of Social Affairs and Employment, Ad Melkert (Labour Party), introduced it in a memorandum entitled ‘Flexibility and Security’.

This memorandum contains an interrelated set of starting points and proposals for modifying the dismissal protection enjoyed by employees in standard employment relationships, eliminating the permit system for temporary work agencies in respect of their placement activities and enhancing the legal position of temporary agency workers, whose relationship with the agency is to be considered, in principle, a standard employment contract.<sup>22</sup>

The Netherlands had, in contrast to for instance Denmark, a rather restrictive system for dismissal of permanent employees, which has induced enterprises to increase flexibility in the workforce by hiring groups of temporary workers on fixed-term contracts. Generally these “atypical” workers have a lower level of social security (e.g. rights to unemployment benefit, pensions and holidays) and a lower level of employment security than the permanent staff. The whole point of the Dutch flexicurity legislation, which took effect in 1999, was to correct this imbalance between an inflexible labour market for core workers and an insecure labour market situation for the contingency workforce.<sup>23</sup>

Another reading implies that the origins of flexicurity go back to labour market policy reforms introduced by the Danish social-democratic government in 1993 and subsequent years.<sup>24</sup>

Flexicurity is, however, not a concept describing only the Dutch labour market situation. The wish to combine flexibility with security is also evident in the policy discourse at EU level, in particular in the Commission’s Green paper from 1997: Partnership for a New Organisation of Work, which states: ”The key issue for employees, management, the social partners and policy makers alike is to strike the right balance between flexibility and security”.

At a number of EU summits, and especially in connection with the Lisbon strategy from 2000, as well as in the European employment strategy, this ambition to strike a better balance between

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<sup>18</sup>. Madsen, Per Kongshoj, ““Flexicurity” through Labour Market Policies and Institutions in Denmark”, 2002, In Auer, P and Cazes, S, *Employment Stability in an Age of Flexibility*, Geneva: International Labour Office, 2003, pp. 59–105.

<sup>19</sup>. Louvaris Fasois, *op.cit*, p. 4.

<sup>20</sup>. Wilthagen and Tros (2004), *op.cit*, p. 173.

<sup>21</sup>. Viebrock and Casen, *op.cit*, P. 307.

<sup>22</sup>. Wilthagen and Tros (2004), *op.cit*, p. 173.

<sup>23</sup>. Madsen (2006), *op.cit*, p. 3.

<sup>24</sup>. Viebrock and Casen, *op.cit*, P. 307.

flexibility and security has been voiced repeatedly. However, within the EU system no concrete instruments or guidelines as to how to achieve this desirable state have yet materialised. With respect to this, however, an important step forward was taken in the Presidency Conclusions from the Brussels European Council in March 2006 stating that: The European Council stresses the need to develop more systematically in the NRPs comprehensive policy strategies to improve the adaptability of workers and enterprises.

In this context, the European Council asks Member States to direct, special attention to the key challenge of "flexicurity" (balancing flexibility and security): Europe has to exploit the positive interdependencies between competitiveness, employment and social security.<sup>25</sup>

### 3-1- Flexicurity forms

The concept of flexicurity is a multidimensional concept that it may have different forms. With reference to Atkinson Flexible Firm model, Wilthagen and Tros distinguish between four kinds of flexibility:<sup>26</sup>

External-numerical flexibility: the ease of hiring and firing workers and the use of flexible forms of labour contracts;

Internal-numerical flexibility: the ability of companies to meet market fluctuations (e.g. via over-time, flexi-time, part-time, temporary work, casual work or sub contracting);

Functional flexibility: the ability of firms to adjust and deploy the skills of their employees to match changing working task requirements; and

Payment or wage flexibility: the ability to introduce variable pay based on performance or results.

Again, Wilthagen and Tros distinguish between four kinds of security:<sup>27</sup>

Job security: the certainty of retaining a specific job (with the same employer), e.g. via employment protection legislation; employment security: the certainty of remaining in paid work (but not necessarily in the same job or with the same employer), e.g. via training and education (and high levels of employment);

Income security: the certainty of receiving adequate and stable levels of income in the event that paid work is interrupted or terminated; and

Combination security: the reliance on being able to combine work with other—notably family—responsibilities and commitments, often discussed under the heading of 'work-life balance'.

As illustrated in the figure below, there are sixteen potential combinations of flexibility and security, which, however, are not all conceivable in practical terms (for instance the case of combined numerical flexibility and job security). This matrix is a heuristic tool, applicable for instance in characterising different flexicurity policies or combinations of flexibility and security in certain schemes, or to describe stylized relationships between flexibility and security in different national labour market regimes.

First, there is not only a trade-off between flexibility and security. Finally, the point should be mentioned that the flexibility gains of employers do not necessarily mean a loss of security

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<sup>25</sup>. Madsen (2006), *op.cit*, p. 3.

<sup>26</sup>. Wilthagen and Tros (2004), *op.cit*, p. 171, and Viebrock and Casen, *op.cit*, PP. 308-309.

<sup>27</sup>. Wilthagen, Ton and Tros, Frank, "Dealing with the "Flexibility–Security Nexus": Institutions, Strategies, Opportunities and Barriers", *AIAS Working Paper*, No. 10, Amsterdam: Institute for Advanced Labour Studies, 2003, p. 7, And Viebrock and Casen, *op.cit*, P. 309.

among employees; similarly, security gains of employees do not necessarily have to go along with flexibility losses among employers.<sup>28</sup>

<b>Flexicurity</b>	<b>Job Security</b>	<b>Employment Security</b>	<b>Income Security</b>	<b>Combination Security</b>
<b>External Numerical Flexibility</b>	- Types of service agreements - Employment Protection Legislation - Early retirement	- Employment services - Training / lifelong learning	- Unemployment payments - Other social benefits - Minimum wages	- Job security for various types of leave
<b>Internal Numerical Flexibility</b>	- Shortened weekly working period / part-time working arrangements	- Employment Protection Legislation - Training / lifelong learning	- Complementary payments for part-time workers - Training benefits - Sick pay	- Different leave arrangements - Part-time retirement
<b>Functional Flexibility</b>	- Job enrichment - Training - Renting labor force - Temporary contracts	- Training / lifelong learning - Work rotation - Team work - Well qualified	- Performance based payment schemes	- Flexible working time arrangements
<b>Wage Flexibility</b>	- Local adjustments to labor force costs - Reduction in social security payments	- Amendments to social security payments - Employment subsidies - Salary supplements	- Collective wage agreements - Adjusted payments for shortened weekly working periods	- Flexible working time arrangements

Table (1): Flexicurity Matrix

#### 4-1- the fundamental components of flexicurity

Flexicurity didn't come up as an early invention within the common EU labour market. On the contrary, just like the overall European Employment Policy, it emerged at a very late phase, if compared with the economic internal market policy, which existed from the early years of the European Community. However, we can distinguish three basic steps that can shortly describe the evolution of the flexicurity idea and the EU labour policy in general. As we start from its pre-history we move on to its appearance in the Lisbon Agenda and conclude to its contemporary status in a European Union level. The first phase was characterized by the subtle passage from 'labour market policy' to 'employment policies': the Delors 1993 White Paper on growth, competitiveness and employment gave a new perspective on the necessity of labour market

<sup>28</sup>. Leschke, J, Schmid, G and Griga, Dorit, "On the Marriage of Flexibility and Security: Lessons from the Hartz-reforms in Germany", *Wissenschaftszentrum Berlin: Discussion Paper*, 2006-108, p. 3. And Madsen (2006), *op.cit.*, p. 6.

reforms and underlined their complementary role in the enhancement of economic growth and European integration. The second phase began with the formulation of the goals for flexicurity with the Green Paper-Partnership for a New Organization of Work and its official incorporation in the EU level under the Amsterdam Treaty in 1997. Inspired by particular national achievements in the labour market, the European Commission gave to the flexicurity concept an important role within the new Lisbon Employment Strategy in 2000. From that moment on, EU and individual member states focused on the merger of the model of a flexible labour market with this of a robust welfare state. The third phase commenced ten years later, when the European Commission proposed a renewed strategy in order for the EU to keep up with the needs of the globalized economy. Europe 2020, as this strategy was called, focuses, among others, on the enhancement of the 'security' part of flexicurity. In that way, it has a double aim: to promote vocational training and development of job skills as well as to support regional cooperation for wider mobilization of workers and coordination between states, mainly in demand and supply issues.<sup>29</sup>

The Lisbon Strategy constitutes a milestone in the European labour law field, not only because it focuses on the enhancement of the cooperation and collaboration between member states but because it crystallizes for the first time a number of principles on flexicurity. It is interesting to observe a swift from 'job security' to 'employment security'. This means that the EU focused more to the constant upgrade of job skills and a never-ending flexible vocational training.

Apart from that, the EU Commission stressed that flexicurity is not aiming towards 'social dumping' but aspires to establish a more efficient model of employment. In its own words "flexicurity means to reinforce the implementation of the Lisbon Strategy, create more and better jobs, modernize labour markets and promote good work". For that reason, the EU appears to have a more soft-law approach towards flexicurity, rather than a stiff and explicit binding policy. It establishes guidelines and creates a general framework for cooperation and coordination. Through the Open Method of Coordination (OMC), as it is encapsulated in Article 148 TFEU, member states have the opportunity to analyze their employment policies and to become better by following the guidelines made by the EU.<sup>30</sup>

According to the communication from the Commission, there is agreement within the EU that flexicurity policy should include the following components:<sup>31</sup> (Table 2)

- *Flexible and reliable contractual arrangements* through modern labour laws, collective agreements and work organisation.
- *Comprehensive lifelong learning strategies* to ensure the continual adaptability and employability of workers, particularly the most vulnerable ones.
- *Effective active labour market policies* that help people cope with rapid change, reduce unemployment spells and ease transitions to new jobs.
- *Modern social security systems* that provide adequate income support encourage employment and facilitate labour market mobility.

The communication advocates a policy package with the following characteristics:<sup>32</sup>

- Moderate employment protection legislation encompassing all employees to avoid the segmentation of the labour market that occurs in many European countries, where employees

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<sup>29</sup>. Louvaris Fasois, *op.cit*, p. 12.

<sup>30</sup>. *Ibidem*, p. 13.

<sup>31</sup>. Calmfors, Lars, "Flexicurity- an Answer or question?", *Swedish Institute for European policy Studies*, www.sieps.se, 2007, p. 2.

<sup>32</sup>. *Ibidem*, p. 2.

with open-ended employment contracts are heavily protected, whereas employees with fixed-term contracts have very little protection.

- Stronger incentives for lifelong learning. These can include tax deductions for employees as well as the substitution of funding at the branch level for current funding by individual employers of their staff (because individual employers may be discouraged from investing in the skills of their employees by the risk that trained staff may be recruited by other employers).
- Generous unemployment insurance that is combined with activation measures to offset any negative effects on the intensity of job search activities.
- A “corporatist” approach where a consensus on flexicurity measures should be reached between employers, unions and the government” through an active “social dialogue”.

As depicted in the flexicurity model, constant mobility of employees is achieved through consecutive vocational training and the enhancement of professional skills.

These two are necessary preconditions for the functionality of the flexicurity model, since without their existence employability and labour transition wouldn't be feasible. For this reason, many saw the need for flexicurity to adapt to the new “socio-economic” challenges.<sup>33</sup>

Finally, social partners must become better involved in the process of policy making, by extending their consultations in new sectors and occupations. Member states have the opportunity to analyze their employment policies and to become better by following the guidelines made by the EU.<sup>34</sup>

The Netherlands and Denmark are two instances of countries that implementing the flexicurity approach have changed their employment policies successfully.

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<sup>33</sup>. Andor, László, *Company Strategies in Europe: Flexibility and Social Dialogue- Contribution of the Second Eurofound European Company Survey to the Flexicurity Debate*, Brussels: European Foundation for the Improvement of Living and Working Conditions, 2010.

(Summary) Available at: <http://www.eurofound.europa.eu/docs/events/semflexibility/eventssummary.pdf>

<sup>34</sup>. Louvaris Fasois, Christos, “Flexicurity in Times of Crisis: The Cases of Denmark and Greece, *International and European Labour LawLLM*, Tilburg university: Faculty of Law, 2012, PP. 13 and 15.

Policy components			
Flexible and reliable contractual arrangements	Comprehensive lifelong learning (LLL)	Effective active labour market policies (ALMP)	Modern social security systems
<ul style="list-style-type: none"> <li>○ The idea is to help "outsiders", who are employed on short-term or irregular contracts or are unemployed to find work and to move into stable contractual arrangements.</li> <li>○ On the other side, flexicurity is also to help "insiders" who are permanent employees with open-ended contracts, prepare themselves for job changes ahead of time in the case of redundancy due to economic change.</li> </ul>	<ul style="list-style-type: none"> <li>○ Strategies to ensure the continual adaptability and employability of workers, particularly the most vulnerable.</li> <li>○ It is about ensuring that EU citizens have complete at least their secondary education.</li> <li>○ It is also about ensuring that enterprises invest more in human capital and allow employees to develop their skills.</li> </ul>	<ul style="list-style-type: none"> <li>○ Supporting transitions between jobs, as well as from unemployment and inactivity to jobs.</li> <li>○ Help people cope with rapid change, reduce unemployment spells and ease transitions to new jobs.</li> <li>○ By implementing ALMPs such as an efficient job search support and good work incentives, jobseekers can be encouraged to find new employment.</li> </ul>	<ul style="list-style-type: none"> <li>○ That provide adequate income support, encourage employment and facilitate labour market mobility.</li> <li>- Include: broad coverage of social protection provisions (unemployment benefits, pensions and healthcare) that help people combine work with private and family responsibilities such as childcare.</li> </ul>

Table (2): the components of flexicurity policy<sup>35</sup>

### 5-1- The real worlds of flexicurity

In the literature of flexicurity, the Netherlands and Denmark have been known as primal examples that have provided the combination of the flexibility and social security in the job market successfully.<sup>36</sup> There are many similarities among the models of the Danish and Dutch flexicurity but also are seen differences (table 3).

“Flexicurity” Act of Netherlands took effect in January 1999. This Act is the result of a series of efforts and the made measures to reduce unemployment through make flexible labour law of the Netherlands. In order to flexibilization of the provisions of dismissal has been adopted a strategies in this Act, including reducing the period of notice, easy access to unemployment benefits in cases of dismissal for economic reasons and the lack of protest in cases that the worker has accepted his (her) dismissal and only demand unemployment benefits.<sup>37</sup>

The main feature of Dutch flexicurity is the combination of types of flexible and non-standard work with social security rights, the expansion of active labour market schemes and temporary work agencies with employment, training support and wage guarantees. This approach can be described entitled normalize non-standard work. Indeed, the main cause of a

<sup>35</sup>. Obadic, Alka, “the Danish Flexicurity Labour Market Policy Concept”, *FEB- working paper series*, University of Zagreb: Faculty of Economics and Business, 2009, p. 6.

<sup>36</sup>. Viebrock and Casen, *op.cit*, P. 313.

<sup>37</sup>. Heerma Van Voss, *op.cit*, p. 7.

positive performance of the Dutch labour market is flexicurity policies. As well as the role of the social partners and social dialogue in the development and promotion of flexicurity policies has many importance in the Netherlands.<sup>38</sup>

In the literature of flexicurity is referred to the Danish employment system as primal instance of a labour market with desired function, so that the Danish model and flexicurity are same almost.<sup>39</sup> Hence, Danish flexicurity model has attracted the opinion of many academics and policy makers in the international arena.<sup>40</sup> The Danish labor market model is described entitled golden triangle.

Golden Triangle consists of three components: flexibility, security and the active labour market policy. The first element, flexibility, refers to the ability of the employer to hire and dismiss their workers easily based on productivity and economic growth. The second element, security, is mean to create a protective network that ensures unemployment benefits for workers who are looking for jobs.

The last component but Most important, is the active labour market policies. These policies are concerned to applied methods such as placement systems and occupational training, etc.<sup>41</sup>

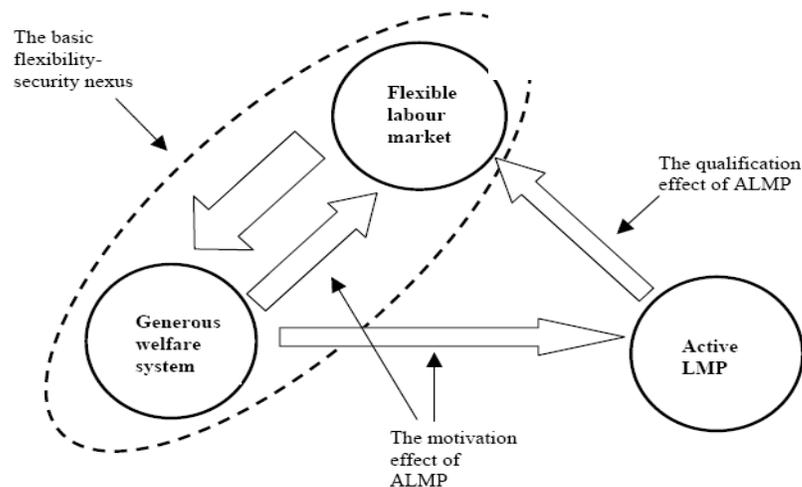


Figure (1): The Danish "flexicurity model"<sup>42</sup>

According to Torben Andersen, the Danish model combines a strong welfare system with a dynamic employment market. This means that the generous privileges that the unemployed enjoy are paid in the form of taxes by the existing active labour force. These contributions are indispensable for the viability of the system: welfare state is mainly supported by the employees' and employers' contributions and without these the employment benefits wouldn't exist. The

<sup>38</sup>. Viebrock and Casen, *op.cit*, p. 315.

<sup>39</sup>. Madsen (2006), *op.cit*, p. 7.

<sup>40</sup>. Andersen, Torben.M and Svarer, Michael, "Flexicurity-Labour Market Performance in Denmark", *Cesifo Economic Studies*, vol. 53, Oxford University Press, 2007, p. 389.

<sup>41</sup>. Larsen, F, "Active Labour Market Policy in Denmark as an Example of Transitional Labour Market and Flexicurity Arrangements-What Can Be Learnt?" *TLM.NETWorking Paper*, Aalborg University, 2005.

<sup>42</sup>. Madsen, Per Kongshoj, "The Danish Model of Flexicurity- A Paradise with some Snakes", University of Copenhagen, *Department of Political Science European Foundation for the Improvement of Living and Working Conditions*, 2002, p. 2.

sooner an unemployed reenters the labour market, the less money the state pays for him or her. That is why the constant renewal of the system and high employment ratio is of great importance for the proper function of the flexicurity model,<sup>43</sup> so that Denmark's economy is known based-employment.<sup>44</sup>

Certainly this question arises that what the changes were made in the Danish industrial relations which led to such economic mutation?

The Danish social partners play an important role in the implementation of the flexicurity model due to the acceptance of situation of the collective bargaining and organizational key responsibilities. In fact, the social partners are involved in all of the main elements of the flexicurity model i.e. in the contractual arrangements, lifelong training, active labour market policies and social security.<sup>45</sup>

The role of social partners in providing contractual arrangements is so remarkable that collective agreements don't form without them<sup>46</sup>. forasmuch as labor relations in Denmark is based on Voluntarism (principle of volition) and the lack of government intervention in economic matters, Trade Unions and employer associations have approval authority of conditions and working time in the national and local levels and even specific sections. Hence, collective bargaining plays a major role in the Danish industrial relations<sup>47</sup>.

Especially Social partners have maintained their powers in relation to social security so that heretofore have prevented from the amendment of social security schemes. Responsible for the management of local unemployment insurance funds are the labour unions. In addition, providing one third of unemployment benefits is the responsibility of social partners that are undisputed players of the Danish social security system.

As well as about lifelong learning should be said that social partners are present at different levels of national, section and firm.<sup>48</sup> The main base of the Danish labour market is lifelong learning and due to its importance, often social partners have discussion on the issue.

Another important element is active labour market policies. Active labour market policies had a key role in the development of the Denmark economy, so that it can be said that one of the most effective changes in the Denmark economic mutation is the plan of Active labour market policies.

The above statement indicates that the concept of flexicurity is based on the social partners. Indeed, not only the social partners theoretically should be willing to acceptance an agreement for the community, but also the social partners in practice have very institutional responsibility in the current system; therefore, Danish flexicurity can be viable and finally efficient only if the trust and Voluntarism Maintain and consider in this system<sup>49</sup>.

Also with Netherlands and Denmark, most of countries selected the flexicurity policy as the dominant model of their labour market.

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<sup>43</sup>. Louvaris Fasois, *op.cit*, pp. 27-28.

<sup>44</sup>. Andersen and Svarer, *op.cit*, P. 393.

<sup>45</sup>. Mailand, Mailand, *Denmark: Flexicurity and Industrial Relations*, European Industrial Relations Observatory *Online*, 2009. (Summary) Available at:

<http://www.eurofound.europa.eu/eiro/studies/tn0803038s/dk0803039q.htm>

<sup>46</sup>. Madsen (2006), *op.cit*, p. 7.

<sup>47</sup>. Louvaris Fasois, *op.cit*, p. 30.

<sup>48</sup>. Mailand, *op.cit*.

<sup>49</sup>. Louvaris Fasois, *op.cit*, p. 34.

<b>Dutch flexicurity approach</b>	<b>Danish flexicurity approach</b>
<ul style="list-style-type: none"> <li>- Promoting of use of flexible and non-standard employment kinds (by granting unemployment benefits to people with fixed-term, temporary and part-time employment contracts);</li> <li>- Simultaneously it provides flexible employment forms with Rights related to working conditions and social security as standard employment.</li> <li>- Such an approach can be attractive and appropriate for countries that have a large number of workers with non-standard contracts (such as fixed-term, temporary and part-time)</li> </ul>	<p>Attention and less dependence to non-standard employment forms and more based on:</p> <ul style="list-style-type: none"> <li>- More flexibility for all workers through new methods organizing of work or through flexible and various arrangements of working time as well as easy job protection provisions;</li> <li>- Comprehensive and widespread unemployment benefits in order to providing income security for unemployed person and</li> <li>- Active labour market policies with the purpose of updating skills and the activation of unemployed person.</li> </ul>
<p>In both views, "<b>social dialogue</b>" is the main feature of any effort to planning and legalization flexicurity policies.</p>	

Table (3): the flexicurity in Netherlands and Denmark

## 2- Flexicurity and labor rights in Iran

In order to properly understand the evolution of labor law in Iran in recent years, it seems necessary to review current labor code. Therefore, prior to examine changes in codes and regulations, we survey labor code as the main source of labor in terms of flexicurity approach. In the next section, a number of indicators that have been examined, including labor contracts, working conditions, and working termination and its process, collective bargaining and else.

### 1-2- An overview of the current labour code

#### 1-2-1- types of employment contract

According to Article 7, the contracts of employment are two types: temporary and permanent. The legislator also mentioned explicitly the give-period contract in Articles 24 and 25. These articles limited employment contracts only in the three kinds, while today various forms of contracts, such as contracts with temporary work agencies, contract based on the request are common. And employers and workers have more freedom in election contract due to economic conditions or the nature of the work and so on. With respect to the rigid forms of work that employers won't be able to adjust the cost of production and labor market conditions, the expansion of forms of employment contracts in today's labor markets is essential.

According to note 2 Article 7 of the code, a temporary contract is permitted only in cases that the considered job is part of ongoing activities of workshop. In fact, the temporary contract is exceptional solution that should be used in certain cases and permanent contract is conventional device of the relationship between employers and workers.

Now the question is whether the temporary workers enjoy the security and necessary benefits of full-time workers?

About the safety of workers with temporary contracts must say that in labor code, occupational safety of workers with permanent contracts for this category of workers is considered. In fact, the study of concept of different articles of labor code and according to Article 1, Article 5 And with respect to the fact that worker word is used absolute without preservation, this indicator of labor code consists on the types of workers, including temporary and permanent contracts.

In addition, the mention of pay and benefits without promiscuity at beginning of Article 39, this concept will come to mind that all forms of wages and benefits of workers set forth in code that legislator determined in code include this sort of the workers. Legislator indicated to the working hours stipulated in the parties contract in paragraph C of Article 10 and pointed out that working hours should be set forth in the contract. This clause can be taken that with inserting whole workers under the code legislator has wanted when the contract between the parties concluded and in these contracts the amount of time is less than the hours set forth in the code like part-time employment contract the is included the labor code., employers cannot invoked it as ground to withdraw from the peremptory norms (jus conges).

### **1-2-2- legal change in the status of ownership**

In accordance with Article 12 Of labor code, any changes in legal status of ownership of the workshop don't effect on the contractual relationship of workers that their contract become certainly. The concept of this article shows that the new employer, despite the desire to make changes in the type of product, type of activity and the type of technology, is required to maintain the former workshops and workers with the same former conditions and don't make change in the work of other conditions, workers, unless with prescription of local labor offices.

According to legislators viewpoint for stability and sustainable security in contractual relationships of employee and employer in this article, any legal change in the status of ownership of the workshop don't change the terms of the contract in order to prevent the possible wastage of worker right and the new employer is deputy of obligations of former employer. However, the new employer as deputy of old employer complies with the employer's rights and he has been deprived of any change.

### **1-2-3- The labour contract suspension**

The silence of Article 15 of the labor code about surplus workers after modification of closed part the shop by force or unforeseen events is important. In fact, no clear rule of the surplus workers in addition to the lack of job security for workers may impose costs on employers that are, therefore, appears surplus workers receive unemployment insurance and legislator rebuked this item.

According to Article 17, labor contract that led to worker arrest and his detention don't lead to sentence, suspended for a period of detention and worker returns to work after his arrest. According to Article 18 of Workers arrest due to the employer's complaint, during the proceedings on settlement of dispute, the Contractor will be suspended and the job will remain without tenure, as dismissal of the employee is uncertain.

According to these articles, due to the harsh conditions of labor code about contract, an employer can not hire other people for the job. In addition, according to Note of This provision, the employer must pay at least 50 percent of the monthly salary to his family until the decision of the Board, and this means additional charge is paid by the employer if the worker is proof of infringement. In addition, the workshop is as a support unit looks to be amended so that any payment until a court judgment is not paid.

Article 19 of this law, contract labor during military service remains suspended and that the employer is required to continue the contract after the end of the service of worker, while employers may need the labor force in the absence of workers and it may lead to a waste of resources at the time of restart of work of worker.

### **1-2-4- termination of an employment contract**

According to Article 21, Termination of an employment contract by dismissal of the employee is not possible. The code does not allow termination of contract by the employer, but

the employee may at any time resign and leave the workplace and the employer does not allow any resistance against this behavior. Article 21 recognized the cases of termination of the employment contract, it points out the resignation of the employee without the consent of the employer, and however, the employer has not been given such permission.

according to Article 27, The employer had power to terminate the contract when failure of the worker or his violation of disciplinary regulations happen, and this termination is like the dismissal, but the labor code deliberately is refused to apply the word dismissed as a termination of the employment contract .

In addition, some of the matters that are considered as a valid reason, such as, requirements of management workshop are blacked out. Termination of employment contract due to economic problems has not been raised. In fact, due economic problems of an enterprise is not considered proper and fair reason for workers.

But if the worker fails to perform duties or violate disciplinary regulations that ultimately is permit to the employer in order to terminate of the contract, how is process of the termination of the contract ? Must the employer inform the third party or be held accountable to dismiss any worker?

Article 27 deals with the manner of dismissal. According to the article, if the worker fails to perform assigned tasks or violates workshop disciplinary regulations after notes written, the employer has the right to terminate the labor contract provided that there is the positive opinion of the Islamic Council and also in addition to pays claims and unpaid wages, in proportion to the years of work experience the equivalent of one month's salary as severance pay to his workers. The necessity of Islamic Council agreement to the dismissal of workers is unusual and rare.

In addition, the ability of the employer to dismiss a worker may be due to the formal requirements such as the necessity for a written warning to the workers, the necessity for information to a third party (such as the Islamic Labor Council) and consent them. These requirements must be respected each time that the employer decides to terminate the contract. Legislators don't point out about the mass expulsion in labor code, in other words the legislature; don't allow mass deportation of workers as avoidance to mention the word dismissal.

Legislature don't expect period of notice of the decision of dismissal of workers in the labor code and Only declaration workers to termination employment thirty days before leaving work is expected.

#### **1-2-5- compensation and benefits of termination employment**

According to Article 31, If an employment contract terminate due to retirement, disability of worker, the employer is required to pay 30 days wages for each year of work experience of workers. It undermines the ability of production with due attention to the employer pays, while the payments should be made by social security.

In addition, Article 32 of the labor code based on the obligation for paid two months' salary in proportion to the years of experience of working as a result of reduced physical and intellectual abilities due to Working recognized Medical Commission Health Organization as the only competent authority to determine the issue and is expected a way to Workers protest or defend their rights.

According to Article 165, if the dispute settlement panel found unjustified dismissal of the worker, the its decision is based on return of worker to his work and pay his shoulder straps on the dismissal, otherwise workers receive severance pay as legislators expect in Article 27. If the worker won't return to work, the employer is obliged on based experience of working of worker, in proportion to every year to pay his wages and salaries amounting to 45 days.

According to the above article, the employer is also obliged to pay compensation even in the case that the authorities are justified and this payments will increase if the authorities unjustified dismissal and ordered the return of workers to work, but the workers does not wish to return, therefore, unemployment insurance funds or other bodies should pay severance pay because payments of additional costs and compensation by employers will follow increase of production cost and decrease of investment incentive.

#### **1 -2-6- working conditions**

##### **1-2-6-1- change working conditions**

In accordance with Article 26 Labor code, any major change in working conditions that is contrary to the usual practice workshop or at work place, it is applicable after the written approval of the ministry of Labor and Social Affairs,. The objections against this article consist in: 1- written approval of the ministry of Labor and Social Affairs with any changes isn't essential. 2- Routine practice is not defined according to industry changes. This reservation limits desired management, because if the workshop manager wants to create change based on the condition workshops, this change should be allowed by the office of Labor and Social Affairs

In addition, under certain conditions, the working conditions of workers, including work shift, night work, increase or decrease the number of workers and changes in the production line should change, while in Article 26 of the Labor code It was prevented from doing so and thus the employer won't be able to change the conditions of the workers in an emergency.

##### **1 -2-6-2- minimum wage**

According to Article 41, the minimum wage in labor code is regulated on the basis of inflation and maintenance of the living standards of workers. Concept of this article shows wage role as factor of creation of flexibility in the labor market and wage is determined on basis of inflation rate as the central and it is not related to the result of work.

In addition, determination of the minimum wage varies in national or regional level and in terms of socio-economic sectors and its sub-sectors in the country. In this regard, it is observed that legislator hasn't accepted the unit and national minimum wage in Article 41 of the Labor code, but the minimum wage rate is considered for different parts of the country or industry.

##### **1-2-6-3- time and overtime**

According to Article 51, workers working hours should not exceed 8 hours a day. However, the note 1 of this article states that with agreement between the employer and workers or their representatives , employer can increase work hours on some days, other days decrease work hours less than the amount prescribed, as long as of 44 hours does not exceed a week. The hard and harmful work, working hours should not exceed 6 hours a day and 36 hours per week.

According to Article 59 of the code, employer can refer extra work to worker if the worker agreed with it and he is entitled to receive 40 percent extra on wage of ordinary work of per hours. In accordance with the note of this Article, except in exceptional cases and with the agreement of the parties, extra working hours should not exceed 4 hours per day.

In general, above statements shows that the flexibility of working time is limited and employer don't have enough flexibility to reduce or increase the amount of employee working hours and days.

In addition, although the legislation allowed to refer extra work to worker in exceptional cases and with the agreement of the parties, but pay 40% of the additional cost imposed on the employer, and for this reason the employer does not want to use this method.

##### **1-2-6-4- working conditions for women**

According to Article 78 of the Labor code and Article 14 of the executive procedure of the nursery and daycare that is subject of Article 78, enacted in 1370, in workshops which workers are women, the employer is obliged to allow half hours to nursing mothers for giving milk to their child after three work hours until the end of the two years of the child. This opportunity is part of their working hours and the employer is obliged to create child care centers (such as the nursery, kindergarten, etc.) in accordance with the number of children and with regard to their age group, too. However, this article is based on the social protection of women workers, but some of this support would impose costs on enterprise and cause employers to prefer men to women in recruitment of workers, and reduce employment opportunities for women, while it seems to impose these costs should be borne by the employer and the state jointly.

### **1-2-7- union of workers' and employers**

Article 130 Labor Law stipulates that workers of units of productive, industry, services, agriculture and trade can establish Islamic Associations for promotion and development of Islamic culture and defense from the achievements of the Islamic Revolution and the implementation of principle 26 of the constitution. According to Article 131 of the legislature allowed establishing trade association in order to protect the rights and interests of workers and employers in a particular profession or industry, and improvement of their economic . Moreover, according to principle 104 of the constitution, in order to secure Islamic justice , cooperation in planning and coordinating in the development of the production, industrial, agriculture and services units, councils composed of representatives of workers, employees and managers create .

In accordance with the above articles, the Islamic Labor Councils are one of the legislative bodies,. According to Article 1 of the Islamic Labor council act, in the production, industrial, agricultural and services units, Council composed of representative of workers and personal elected by the General Assembly and representative of management, called "Islamic Labor Council" is established. Ideological nature and the involvement of representative of management (employer) in the selection of members of the Islamic Labor Council are violation of independence of Council and free of workers for establishment of union and management it. The Islamic Community is Another association predicted on the basis of the above articles, At end of Article 130 is stipulated that the Ministry of State, Labor and Social Affairs and the Islamic Propaganda Organization prepared procedure of the establishment and the duties and authority and how of Performance of Muslim community and is approved by the Council of Ministers. It seems, the Islamic Communities can not be the real case in these conditions.

According to Note 4, Article 131 of the trade association as one of the union predicted in labor code, workers can only have one of the three cases of Islamic labor Council, the trade Association or workers' representative. Also accordance with Article 137, a commission composed of representatives of the Supreme labor Council, the Ministry of State and the Ministry of Labor prepare subject of the establishment of the central Organization by workers and employers Unions and procedures of elections of the Central Council and the Statute of the organizations of employers and workers, and the Ministers board ratifies it.

Moreover, according to Article 138, the position of leader may have representative in each of the organizations mentioned providing Expediency. Due to the fact that the authenticity of the will of the workers and employers for making decisions about issues and avoidance of state intervention in the decisions are reasons of workers' and employers organizations, the government representative may limit their activities in organizations. In fact, the presence of the

government representative has prevented the establishment of dynamic and genuine workers 'and employers' organizations in mentioned organizations.

Although these materials show that the legislature recognized the right of establishment of association of workers and employers, but with the restrictions mentioned above, actually it inhibit the establishment of which is true.

#### **1-2-8- collective bargaining and agreements of work**

According to Article 141 of the labor code, collective agreements of work are valid and functionality when benefits considered at them don't be less than what the code envisioned and do not contradict with the current codes and regulations of the country and Government legal approvals. According to Article 144, if agreements were concluded for a certain period, parties do not have the right to make any change alone, unless with the discretion of the Ministry of Labor in exceptional circumstances. In addition, Article 146 provides that the provisions of collective agreements have the priorities on all individual contracts, except in cases where the benefits specified in individual contracts are more than benefits specified in collective agreements.

In viewpoint of Legislator, authority of mentioned agreements subject to the fulfillment of the provisions

Because the legislative authority is subject to the fulfillment of the provisions of the treaty recognizes the outstanding work of the law is the main objective of labor law protection of the worker the employer is in. of the above indicated The authenticity of the will and intention of the social partners in the field of labor relations do not have a consensus.

#### **1-2-9- welfare service of workers**

Legislator obligate employers to provide various welfare services for the workers, such as, social security, housing, transportation services, co-operative companies of workers , sports facilities in the articles(15, 4, 153, 152, 151, 149, 148)

Although the legislature intended to protect workers and their welfare, but imposing of the cost of providing mentioned services to the employer brings negative results. It is more appropriate that legal protections of government is within the framework of the direct social protection, social security, unemployment insurance and work instead of imposing social costs on employers should take place

In general the study of articles if labor code shows that one-sided obligations for employers and Economic pardones and lack of attention to labor productivity, efficiency and customer satisfaction make labor market more inflexibility and reduce efficiency. Change of the legal status of ownership and new management that is obligated to a new contract with workers that their employment contract is terminated is one of these limitations. There are restrictions such as workforce adjustment by new administrators and retainment new workers with the same conditions and its instance about termination of the employment contract that is considered as essential limitation in labor law in Iran.

Impossibility of change in working conditions (in terms of work shifts, increasing or decreasing the number of workers of production line) has also been emphasized in the law. The economic employer is unable to create fundamental change in the working conditions of workers. Suspension of the labor contract of side of worker is as well as the above cases, that the employer is requires to hire a worker to work again after a few years even after leaving work. These are restrictions that can affect the employer for efficient production and creates new problems in the scope of activity of an enterprise.

Maintenance and providing of job in stagnancy conditions by enterprise is another important case in labor code, while it is possible that enterprise don't have ability to pay workers wage. In other words, in this condition, the economic decision of the enterprise is impaired in terms of high employment of production factors and minimizes the cost of in the world full of today's competitive amount of competition the enterprise reduces in arena of national and international productions. even we can state this subject causes that enterprise are feared to employ new production factors that increases significantly for various reasons such as extra payments to workers without attention to their efficiency and decrease of work period of workers by increasing leave period (parturition leave)

As well as providing the services, such as establishing of gymnasium work force, Supplying of vehicles, the establishment of the kindergarten and ... are cases that cause increase of cost of production because employer employ production factors.

Job security of worker is another category that there is in labor code. Employment contract is temporary in many industrial countries and The employer terminate the contract any time that it be necessary, but it doesn't impair to Job security of worker Because of a strong social security system is accountability and there is a comprehensive system of unemployment insurance payments and reduce worker stress and insecurity .

So it must be acknowledged that the mandatory job security through codes and regulations, results in the inability of managers in the management of enterprises and the economic performance of enterprises have been affected by the abuse. In many countries, , the institutions facilitating labour market including active labour market policies, play role the instead of legal technique and force the Government creates certain flexibility in the labor market through such policy and the expansion of unemployment insurance system.

In general, it seems that the amount of flexibility labour law is extremely low and unilateral support in the context cause negative effect on investment , growth of production, capacity, and quality of work that the impact of the its final reveals in reducing employment. So the reform of the code related to labor market, especially the labor code can be at the head of labor market policy reform priorities.

## **2.2 Recent developments in labor regulations**

In recent years, orientation of Forth program act of Economic, Social and Cultural Development that insisted on revision of regulations of labor relations was the focus of beneficiary social forces For the first time, Forth program act of Economic, Social and Cultural Development, adopted in 1383, considered the main axes of flexicurity approach (flexibility, security, active policies of labor market and social dialogue).

on this lines, the fifth program act of Economic, Social and Cultural Development of 1390, Act of elimination the production and investment barriers enacted in 1387, the Act of regulations part of provisions to facilitate the renovation of country industries and reform 113 article of Third Development program act approved in 1385 and guidelines of training by " new master-apprentice "method enacted in 1390, each one indicates to some axis of flexicurity approach and some articles of labor code have been violated, so that legislators are trying to modify the protective aspect of labor code with focus on worker and has acted for more flexible labor regulation.

### **2-2-1- flexibility**

In accordance with paragraph (e) of Article 101 of the Forth Program Act of Economic, Social and Cultural Development of "national program of development of decent work", the

government is obligated to revise regulations of labor relation in order to make more interaction and flexible labor in the labor market, While before the adoption of the Fourth Program Act of Development legislator clearly and comprehensively did not raised flexibility in the labor market.

Accordingly, the legislature provides in review the labor code and regulations in paragraph (d) of Article 41 of Fourth Program Act of Development with issue of improving the business environment that government should consider necessary flexibility to resolve the dispute in labor relations, this code for the first time explicitly raised the issue of flexibility of labor relations in a way that labor code and regulations should be flexible in order to settle disputes between workers and employers and generally flexibility considers in labor market.

In addition, paragraph (a) of Article 73 of the Fifth Program Act of Development, the government is required to establish the necessary flexibility in resolving disputes between workers and employers and to align their interests. In fact, while the legislator emphasize on flexibility in resolving disputes, it escapes from the traditional approach dominating labor relations based on conflict of interest, and considers the common interest of workers and employers.

The necessity of flexibility and Rapid response capability to changes in global labor markets has caused legislator consistent with global developments in paragraph (d) of Article 73 of the Fifth Program Act of Development obligates the government to strengthen New Condition And Status of Work with respect to Changes in technology and the special requirements of the production of goods and services provided.

The issue of flexibility has been considered in ordinary laws, such as Act of removal of industrial investment and production barriers. Expediency Council approved Act of removal of industrial investment and production barriers in 1387. As the name of the Code is given, basic intentions and aims of its codification help to production and capitalists' encouragement and economic growth for industrial activity, but the most important happen create reforms in labor code that is the most important part of Act of removal of industrial investment and production barriers. Prior to the enactment of this code, employment contracts terminate only with the death or retirement of workers, the expiry of the contract period or the end of the employment with temporary period and the employee's resignation, but with the ratification of this code, to revoke of contract and reduced the production were added to the ways for end of workers and employers relationship.

In fact, the conditions of termination of the employment contract were considered as one of the growth barriers for industrial investment. Perhaps for this reason, the legislator has ignored supportive nature of labor code in order to remove old concerns of supporters flexibility by the inclusion of paragraphs (g) and (h) of Article 21 of the Labor code in Act of removal of industrial investment and production barriers legislator noted the contract specifications and says: "The contract in addition to precise specifications both parties must contain the following: a) type of work or profession or task that the worker should be engaged, b) the base salary and wages and supplement, c) working hours and holidays and leaves, d) place of work, e) the date of conclusion of the contract, and) the contract period so that it be for a certain time, and g) other cases where customs and habits of Job and place necessitate.

According to paragraph (b) of Article 8 of the Act of removal of industrial investment and production barriers, the following paragraph as paragraph (h) added to context of article (10) of the labor child:

Paragraph (h) - the conditions and how to terminate the contract

In addition, this code indicated to one of the key deficiencies in the current labor code that is termination of contract and it has determined the conditions and how of termination of labor contracts.

Article 21 of the labor code stipulates that contract will expire in the following ways:

- A) the death of the worker, b) retiring of workers, c) total disability of workers, d) termination period in employment contracts with the expiration of for temporary period and non-renewal explicitly or implied, (e) completion of the work in the contracts related to given work, and resignation of worker .

According to paragraph C of Article 8 of Act of removal of industrial investment and production barriers, the following paragraph as paragraph (g) added to Article 21 of the Labor Law:

Paragraph (g) – termination of the contract, as forecasted in the contract context.

Article 21 of the Labor code, the first article from the third issue of labor code about termination of labor contract. In fact, this article is important because it has direct affect on job security of worker and whatever that is in paragraphs of the article considers legal authorization for contract termination and non-employment. The addition of this paragraph means flexibility in the termination of working relationship at any time termination conditions were stated in favor of the employer in contract

According to the paragraph D of Article 8 of the Act of removal of industrial investment and production barriers, another paragraph in addition to the previous paragraph as paragraph (h) of Article 21 of the Labor Law added:

"H: deduction of production and structural changes because of economic conditions, social, political and necessary of changes in technology accordance with the provisions of Article 9 of the Act of regulations part of provisions to facilitate the renovation of country industries." As noted above, this paragraph will be one of the legal ways for the contract termination in accordance with Article 21 of the labor code. The legislator tried to forget again the supportive nature of "labor law" to meet concerns of the supportive nature old critics, because due to this new paragraph, employers have permission without clear criteria only by reason of social and economic determinism to account settlement workers.

Act of regulations part of provisions to facilitate the renovation of country industries, with the aim of facilitating the renovation of industry and the increase of productivity i.e. Support from industry, production and economic is one of codes that is considerable in this area. It means legislator tried to modify supportive aspect with relating this code to labor code because implementation part of labor code depends on anther code that its purpose is opposite of mentioned code. In other word, all centers with references expected in mentioned article establish with supportive approach of employer and industry.

According to Article 9 of Act of regulations part of provisions to facilitate the renovation of country industries in order to improve productivity, human resources of industrial enterprises is determined with the participation of workers' organization and management of each company. If parties agree about surplus labor force, the surplus force at least two months last wages and benefits for each year of work experience in the workshop or other ways agree, in accordance with the criteria of paragraph A of Article 7 of the Unemployment Insurance Act of 1369 covered by unemployment insurance .if no agreement results in terms of teamwork composed of government representatives, social security organizations and employers 'and workers' union, surplus workers is paid workers severance pay according to criteria of paragraph A of Article 7 of the Unemployment Insurance Act of 1369 covered by unemployment insurance

According to Article 9 of the above-mentioned law and it's, employers 'and workers' union is reference of determining of surplus workers and exactly it is subject of agreement of the worker and employer agree in this scope. According to Article 5 executive regulations of the Article 9, subject is assigned to a working group that the Ministry of Industries and Mines is head because its work priority is support of the industry.

Another point in the article is the surplus force receives at least two months last wages and benefits for each year of work experience in the workshop or other ways agree according to agreement between employer and worker, but if subject was assigned to teamwork. Executive surplus force will only receive severance pay in labor code. This means that the agreement between the worker and the employer is important and if employer and the employer and workers' union don't agree, in the event of disagreement, the surplus will receive less severance pay.

According to Article 9 of the above-mentioned law and its executive regulations, reference determining surplus workers per unit of labor and employer organizations agreed statement of employer and employee agree is precisely in this area brings. According to Article 5 of the law of Article 9, subject to a working group chaired delegated to the Ministry of Industries and Mines has the priority of the support of the industry.

### **2-2-2- social security**

In recent years, legislator has tried to emphases on Necessary social support form worker in upstream documents. According to paragraph (a) of Article 95 of the Fourth program code, the government is obliged to expand and to deepen comprehensive system of social security in integrity-learning aspects and effectiveness in order to establish justice and social stability. According to paragraph (c) of Article 101, legislator emphases to expand social protection, social security, unemployment insurance, development and strengthening of compensation mechanisms, social protection of workers in the informal labor market. Therefore, in accordance with paragraph (d) of Article 41 of this law, the government is obliged to secede social and employment security from text of law labor adopted in 1369 from the text and move to Code of the Comprehensive Social Security and unemployment insurance.

According to the code, the expansion of social protection can be found in the development of social security, unemployment insurance, the establishment and strengthening of compensatory mechanisms, support of workers of informal labor market, he said. While legislator meanwhile considering social protection from various perspectives has referred to the integrity and effectiveness of the system. Establishment of effective and efficient supportive system will provide the reservation of economic and social security of workers and payment of unemployment benefits to them until their re-employment meanwhile avoidance from imposing labor adjustment costs to employers, workers and. However, it should also be noted that the expansion of social security should not become a barrier to employment, decrease business competitiveness resulting in financial deficit or employment rather than create permanent dependence. Social safety nets should provide support as long as people can get job.

In the Code of fifth development program in accordance with Article 27, the government authorized the establishment and deployment of a comprehensive social security system for at least three layer laminated with the following:

- Social assistance, including support services and empowerment
- Basic social insurance includes the basic pension and basic medical insurance
- Supplementary pension of Retirement and health insurance with respect to integrity, structural integrity, alignment and coordination between these layers.

In addition, in accordance with Article 73 of this code, the government is obliged to amend social security code, with emphasis on strengthening the unemployment insurance as part of social and occupational security of workers with approach of increase of unemployment insurance coverage and unemployed workers in certain conditions of employment.

### **2-2-3- active labor market policies**

In The Code of fourth development program , according to Article 155, the government is obliged to prepare national sectoral and ultrasectoral documents and in order that the documents be basis of regulation of annual programs and the annual budget. For this reason, a national document, "Development of employment and reducing unemployment" was prepared in which the goals and policies of active labor market policies, including a five-year period specified in the circular.

Active labor market policies in the Code of Fourth Development program, according to the ultrasectoral document of development of employment and reduced unemployment can be regarded as follows:

(A) Improvement of the quality of education provided for workforce with emphasis on attention to the needs of the labor market

(B) Enhance the quality of job seeker centers and employment Service agencies to reduce employment costs and increase business efficiency of work force selection and establish health and balanced competition between the public and private job seeker centers

(C) Support from non-governmental training centers with emphasizes on skill training tailored to attract graduates in the labor market

(D) Support the growth and entrepreneurship centers and non-governmental organizations in implementing the people -centered and participatory plans about development of employment opportunities and entrepreneurship development

(E) Establish appropriate incentives and eliminate current barriers to encourage employers of private and cooperative sectors in hiring youth, women, university graduates, the disabled and war veterans in order to make full use of existing capacity with priority knowledge-based and export-oriented and activities and R & D units

(F) Due to the diversification of activities in rural areas with emphasis on the development of nonfarm parts.

(G) Multilateral efforts to organize and to security employment in way Veterans codified policies within the framework of the strategic document of services to veterans

(H) due to the employment of low-income group within the framework of special programs of employment.

Entrepreneurship is centered in the field of employment in the Code of fifth development program. 13 articles from the program directly address the issue of employment and improving the business position in the country. Including Article 21 concerning professional competence and skills in the country and an integrated system of professional competence and skills improvement creates based on it. In Article 24, the human development indicators such as education and income indicates, and articles 69 and 70 refer to improvement the business position and create a single window service for service to entrepreneurs

In Article 75, the council called council of state and private sector dialogue to remove production barriers and investment in the country has been created. Article 80 mentions issue sustainable employment, entrepreneurship development, reducing regional imbalances and the development of new business. Establishment of National Development Fund to develop employment, production and investment has been emphasized and social relationships and

employment and entrepreneurship and rural development has been indicated in Article 227 and 194 of the Code of fifth development program. Among policies contained in the program in the field of employment, in the most important articles that addressed directly to the policy of active labor market, mention following.

In accordance with Article 21 in this code, the government is obliged to develop professional competence through increasing knowledge and skills with attitude to do the actual work environment, reform of educational pyramid of labor code and improvement and empowerment of human capital, reducing distance between level of competence of labor force with World standard, and create new occupational technical opportunities for young people and the promotion of professional technical training for professional technical and Applied Science system of country including formal, informal and Unorganized, within a year of the date of enactment of this code, government provide the necessary mechanisms in the following fields and implement with prediction of the proper requirements.

(A)- continuation of the internship and training system in formal, secondary and academic, professional technical informal Applied Science education

(B) providing skills improvement in the country by granting loans with preferential rates and establishment of physical and framed spaces with simple circumstances and predispose to the active and effective presence of non-governmental sector in the development of formal and informal and skilled education and Applied Science of the country C-rise and facility of beneficiary participation from professional technical education of non-governmental sector

(D) Coordination in the policy-making and management in scheduling professional technical trainings in country as a dynamic and coherent system tailored to the needs of the country

(E)-application of framework of national vocational qualifications integrally for communication of competencies, qualifications and certification different levels and types in of professional and business scope in order to recognize lifelong learning and determine the merits of to the different skilled levels.

In order to implement this Article in the Code of fifth development program, Procedure of technology skill training system is ratified by the ministry broad in 1390 so as to promote and transfer labor knowledge and technology, to update job skills the continuous increase productivity

On these lines, the guideline of "New Master-Apprentice" is codified with approach of the creation of necessary contexts for productive and sustainable employment in accordance with updating technologies and also continuity and stabilization of current and required jobs of society specially in domestic and traditional jobs by using the capacity of non-governmental sectors in the development of skilled trainings and in implementing general employment policies and Procedure of technology skill training system ratified by ministry board by 1390 and as well as Article 21 of the Code of Fifth Development program for using training capacity of actual work environment and for implementing of the skill and technology strategic document of Vocational and Technical Training organization to develop Training patterns by the Ministry of Labour.

Also, according to Article 80, the government is allowed for the creation of sustainable employment, entrepreneurship development, reducing of regional imbalances and the development of new jobs, perform the following steps:

A – financial support and encourage the development of networks, clusters and productive chains, creating a link between small, medium, large enterprises (grant of targeted aid) and

perform necessary arrangements to strengthen the technical - engineering –reduction power, R & D and marketing small and medium enterprises and development of information centers and e-commerce for them

B – Remove of growth problems and obstacles and the development of small and medium enterprises and help to mature and change them to large and Competitive enterprises.

C - Expanding domestic business and jobs from remote way and plans creating employment in private and cooperative sectors of employment especially in areas with unemployment rates higher than the average unemployment rate in the country

D - Legal and financial support and regulation of policy incentives in order to become economic unorganized activities to organized units

E - Financial support from the private sector to develop and expand the teaching of business, entrepreneurship, technical and vocational and applied science.

F- Applying step reduction and or providing part of premium insurance of workshops employers share that employ new labor force with approval and introduction if workshop is established new and or there is no reduction in the workforce in before years.

#### **2-2-4- Tripartism**

Support of social dialogue and tripartism was one of the achievements in recent years; reform of code and regulations governing labor relations is in this field. In accordance with paragraph (b) of Article 101 of the Code of Fourth Development program, the legislator emphasize on issues such as social bargaining of government and social partner as civil institutions of labor relation collective negotiation and bargaining , conclusion of collective agreements and establishment of tripartite council of national consulting, expansion of tripartite mechanisms in labor relation, promotion of social bargaining and reinforcement of civil unions and labor relation.

In paragraph (d) of Article 41 of the Code of Fourth Development program, the legislature also provides to improve the business environment in the country and predispose to economic development and interaction with the world, the government is obliged to review the labor code and regulations and to respect the mechanism of tripartism.

In addition, in accordance with Article 25 of the Code of Fifth Development program, the Government is obliged to codify national document of decent work with tripartism approach and with partnership of labor and employers union in order to establish the rights of workers and employers and to improve the relationship between employees and employers.

According to paragraph (c) of Article 73 of this code, the government is obliged to align the interests of workers and employers and government duties with approach of support from production and tripartism .The emphasis on tripartism involves the an independent and strong worker and the employer union, For this reason, legislature is considered improvement of worker and the employer unions that involve legal right of guild protest.

#### **Conclusion**

With regard to the article in order to answer the basic and secondary questions, Conclusion is resulted from a done study with raised questions, as follows:

The traditional approach governed on the labor code is based on the asymmetric relationship between the contract parties, because the traditional approach, as the main objective of labor law, is to provide mechanisms to compensate for inequalities.

Therefore, the traditional approach governed on the labor relationship can be summarized this way:

- Hard contractual arrangements and rejection of Flexible forms of employment from the labor market
- Non-implementation of active labor market policies and not the executive education in labor market
- Unfamiliar education process for labor market
- Government inattention to current training and lack of the power of institutions to do and insignificant and limited services in the field
- Social security weakness and inequality of social security benefits as many differences that there are between certain categories of employees and self-employed people.
- Focus on collective bargaining, namely collective bargaining takes place at a centralized level, due to the low density of trade unions.
- Reducing the role of social partners in decision-making.
- The lack of balance between the flexibility of the labor market and social security.

Following the development of technology, the globalization of production and services, privatization, out-sourcing of enterprises and changes in the structure of the labor force, employment and the nature of work has changed and workers are increasingly subject to various contractual arrangements. Flexibility in various kinds and dimension such as flexibility in kinds labor contracts, work time, payment, multi-duty job and free mobility job without be stable to special place are significance of the change. In addition to labor force need to different skills with the earlier skills. The basic elements of the employment relationship have changed and the fundamental base of labor law is challenged.

In this context, the policy of "flexicurity" as the solution to economic problems Europe union and the necessity of changes making in labor market institutions in order to modernize it for withstanding against the challenges of globalization without compromising the competitiveness, the productivity and the welfare of workers was raised and handled.

Aim of This approach is combination of goals and means to achieve the desired balance between flexibility and security simultaneously. According to this view, consensus and public discourse are appropriate means to achieve a more efficient and sustainable labor market requirements. In fact, supportive and productive social dialogue, mutual trust and developed industrial relations are essential to introduce comprehensive security policies. Apart from its holistic approach, this concept is combinations of discrepancy elements that provide tangible solution for the functioning of the labor market without reduce social security. Accordingly, reduction of job security can only be achieved through increase employment security and generally the security of the labor market (employment protection, labor market policies and social rights) is possible.

Hence, the appeal of flexicurity as a strategy and its progress is made many countries become interested to learning from successful models such as the Netherlands and Denmark. The "flexicurity" would be an appropriate model for the legislation for creation of the balance between flexibility and security.

Code of flexicurity Netherlands results from long development for becoming flexible Netherlands labor law on order to reduce unemployment, but flexicurity policies have developed consciously and in general can be known as normalization of nonstandard job. Also social partners have played important role for development of the approach in Netherlands.

Moreover, the aim of Denmark from applying a comprehensive "flexicurity" approach is that instead of keeping the job available, support their employment. Denmark labor market has highly dynamics and flexible contractual arrangements are a common practice. Social Security benefits are high and the policy of active labor market ensures the viability of the labor market. Lifelong learning plans increase job skills and if Denmark labor market has extensive flexibility, stabilize it.

Industrial relations in Denmark are based on the consent and this issue allows to social partners for the adoption of treaties and agreements without removing the flexibility. In fact, the main reason of growth expansion of concept flexicurity in Denmark labor market refer to cooperation and social dialogue that has the profound root in Danish society.

Political and institutional capacity in the form of reciprocal trust and solidarity between the social partners and the government to develop and expand the flexicurity policies is necessary for the transfer of flexicurity policies, the transfer requires the existence of a network of centralized and decentralized for cooperation and negotiation.

Finally, one of the lessons that Denmark's experience showed us, it is a good example for providing of context of the changes and reforms in the labor market and the national debates. So, it seems that the process of collective bargaining is the best access way to flexibility and security, with being able workers and employers to reach a practical solution jointly rather than a unilateral decision. In fact, collective bargaining can induce trust to sense of commitment to the process of change among workers, which can lead to better working relations between the two sides, while the removal of one of flexibility elements and security in the labor market and social dialogue with the process, causes the negative results for the market.

Study of articles of Iran labor code in terms of flexicurity approach indicator shows that the job protection provisions are to benefit of workers. Factors such as the type of employment contract, minimum wage, and condition of contract termination, special facilities for women workers and etc in labor code are difficult and consolidated. Although the legislator pay special attention to job security workers, but job security hasn't determined in accordance with the economic parameters, namely the job security of the workforce is not supported in terms of its effectiveness.

In most cases, Legislator anticipated requirements for employers and considered less duty for workers. In addition to, no type of compensation to workers by employers is predicted. In fact, even the resigned workers and workers who dismissed due to some legal cases, is paid severance pay to them. The employer's losses caused by the premature abandonment of workers from work are not considered. It indicates that the regulations relating to the dismissal of workers in Iran have no flexibility.

On other hand, the direct costs of dismissal (severance pay and pay for unjustified dismissal) are also very high. In fact, labor code has predicted various payments in order to help to labor code that the payments can lead to increase use pay labor force and with regard to the payments are one of investment barriers and inflexibility production of labor market

In the framework of the current labor law, although the inflexibility controlled the unemployment rate in the short term, but it reduces the employers' incentive for investment and production in the long term, and thereby the rate of unemployment increases.

With regard to the subjects mentioned, the current labor law don't have necessary flexibility , in other words it don't have the necessary capacity for the balance of the labor market, therefore, we can say that the attitude governed on Iran labor code is worker and employer interest conflict attitudes. Therefore, the necessity of labor law reform with the aim of flexibility of the

labor market and improvement labor relations can be considered as another inference from current paper.

In recent years, according to new social conditions, laws and regulations governing the relations between workers and employers in labor relations in Iran, according to the transformation of the particular of globalization and somewhat and special Regulation is considered in the scope.

Study of objectives and labor market policies in the code of Fourth Development program, indicate the fact that, the necessary policies has been considered for achieving the flexibility-security approach for the first time in this program and the issue of labor market extensively have been included. Hence, in the next codes and regulations, including the code of fifth development program, Code of the production and investment barriers, the Act of regulations part of provisions to facilitate the renovation of country industries and education instructions by " modern master-apprentice " way which everyone has considered somehow some of axis's of flexicurity approach today's regulations and articles of the code have violated it in a way that is trying to modify the supportive aspect of labor cod and work towards more flexible labor regulation .

One of the main elements of flexicurity is flexibility. The phenomenon of globalization and consequently the need of labor market to flexibility and in order to enhance international competitiveness, increased productivity and the ability to respond quickly to changes and fulfilling the expectations of employers legislators decided to consider clearly the issue of flexibility in labor relations related legislation.

The precondition for a flexible labor market is high level of social security, namely, augmentation of the social security lead to flexible labor market. Hence, considering the issue of job security is as the red line is labor law and social security is essential as a supportive and safety net with the aim of direct supporting from the unemployed,. For this reason, legislator has emphasized on the issue of social security and generally social supports clearly.

In order to achieve balance between flexibility and security in labor markets, implementation of active labor market policies is essential. In fact, the benefits payment and In general social security during unemployment will not solve the problem of discontent. Payment of benefits during unemployment solves the part of unemployment problems and solution of the other part of problems depends on active labor market policies in order to create employment for them. In fact, the unemployment insurance system is linked with active labor market plans. Although these benefits will be able to protect workers against the risks of labor market. Negative consequences of payments receive can be adjusted and compensated, by activation strategies in unemployment period. In a way that the labor market is as an essential element to achieve a balance between flexibility and employment security.

Due to the flexibility-security approach is all-oriented, tripartite conversation is the most efficient way to achieve the demands and needs of the parties of labor relationship. Three main pillars of tripartism in the field of labor relations and production are workers, employers' trade unions, and governmental agencies that everyone has an important role in the codification of regulation and decision -making related to economic development of country. So that the lack of involvement of each of them in defense of their collective interests cause interferes in the process of tripartism and the nullification of the interests of relevant groups and, ultimately, undermine the national interest is. Hence, the necessity of reinforcement of the union of workers' and employers should be considered in order to realize the true meaning of tripartism. Hence, the

legislator considered labor market policies and tripartism as a fundamental step to achieve labor market flexibility and security.

Finally, the recent orientation of Iran's codes and regulations has changed with respect to., in fact, legislator has provided causes of labor law development with considering the axis's of the approach and has changed the codes and regulations governing the labor relations based on conflict of interests of the social partners in order to adjust the interests of the working field. However, in practice, the labor market is faced with many challenges and failures. Hence, the only way to change the current labor code in order to establish the optimal balance between flexibility and security requires to strengthening elements such as active labor market policies, especially lifelong learning strategies and extensive participation and social dialogue in a free and democratic space with presence of the true representatives of workers and employers.

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