

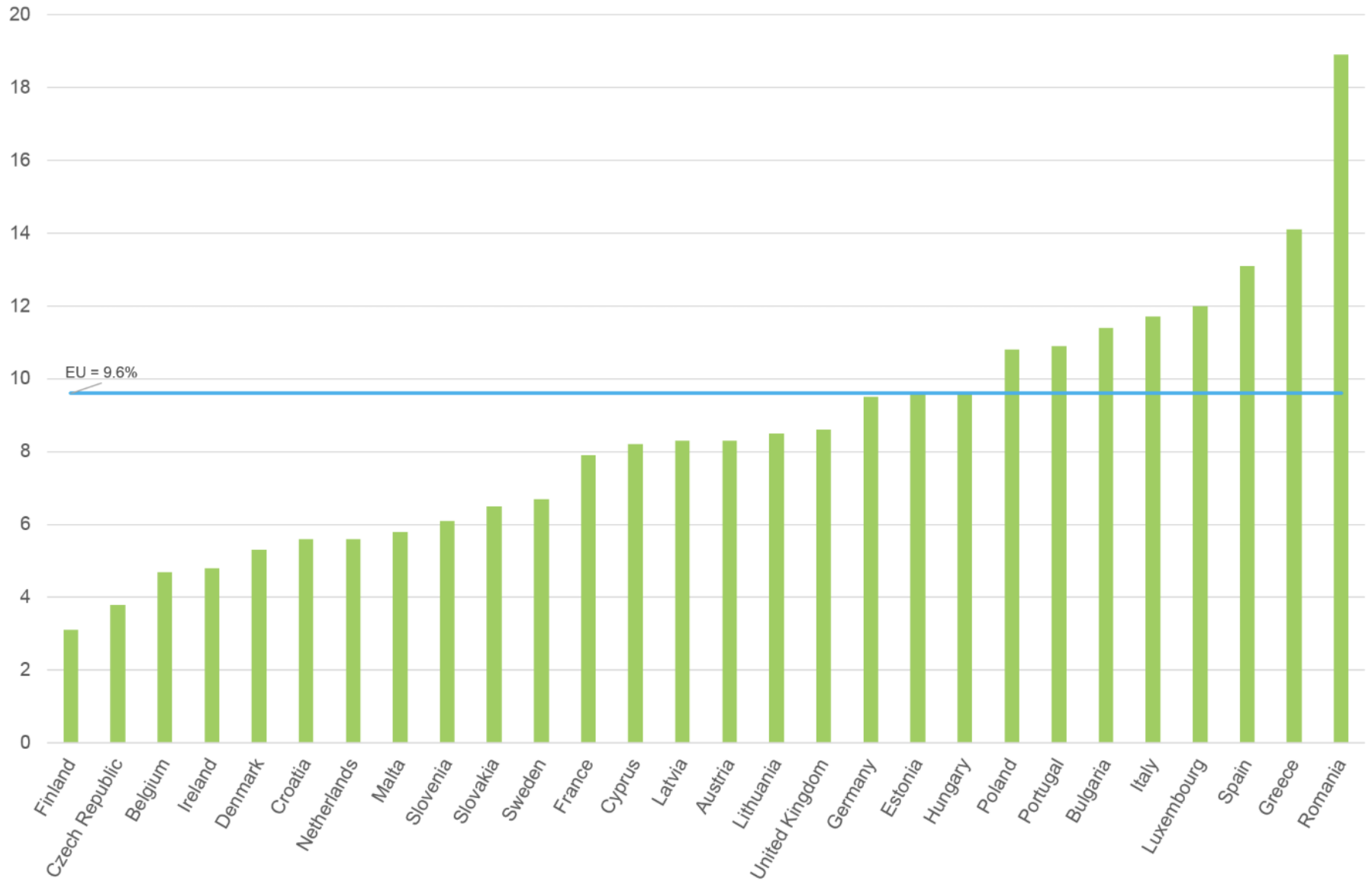
Let's Change the Mode
LABOUR AND HEALTH INEQUALITIES IN EUROPE
Sofia - 14 October 2018

David Rinaldi

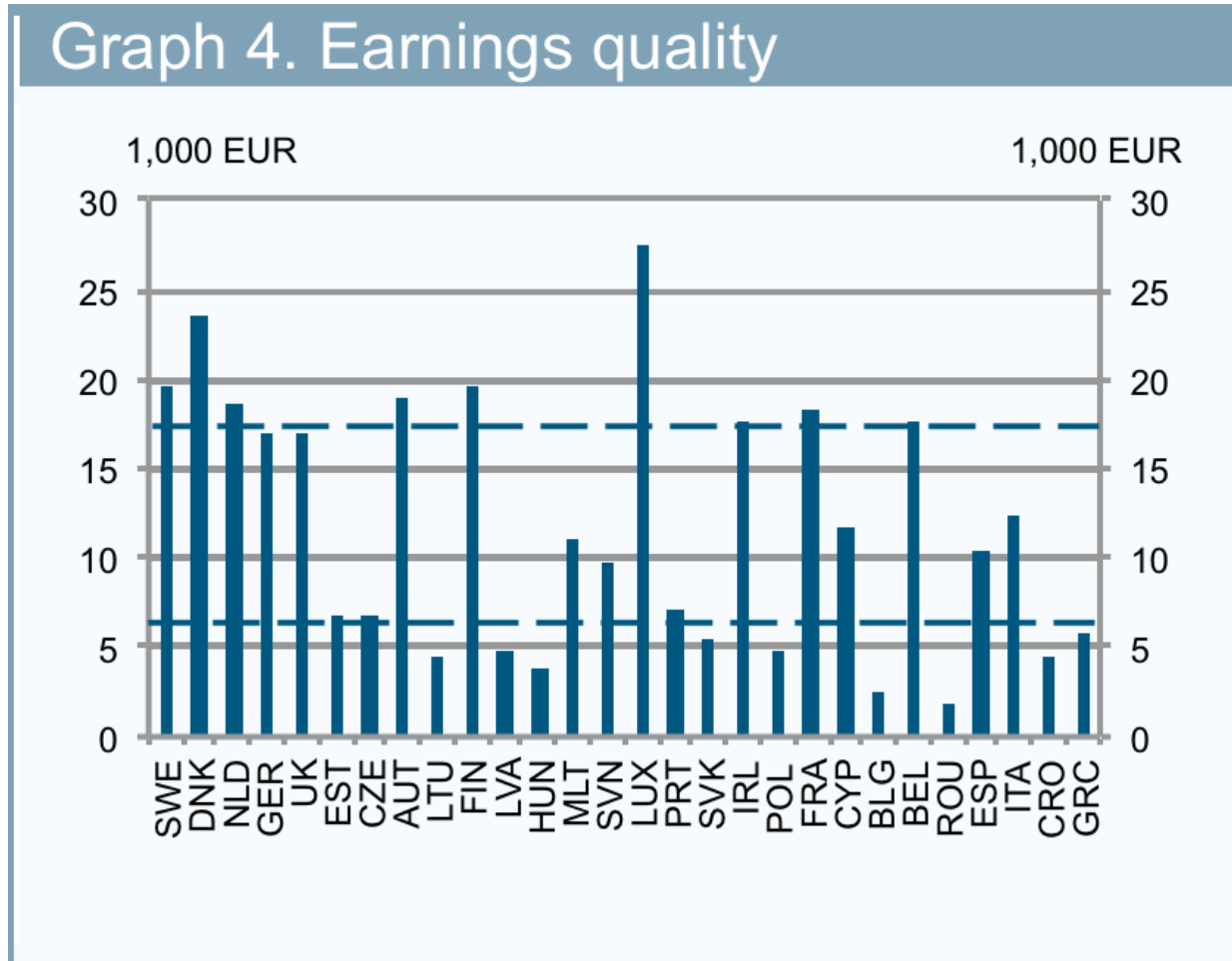
Senior Economic Policy Advisor, FEPS

Associate Professor, Université Libre de Bruxelles, Institute for European Studies

In-work Poverty



Quality of Earning



Key messages to #ChangetheMode

- 1. Creating jobs isn't sufficient, creating quality jobs is our mission**
 - 2. High job quality is a key to a high employment rate & productivity**
- Looking across the European countries, there is no tradeoff between high employment rates and good quality jobs
 - Conversely, there seems to be a correlation between job quantity and job quality



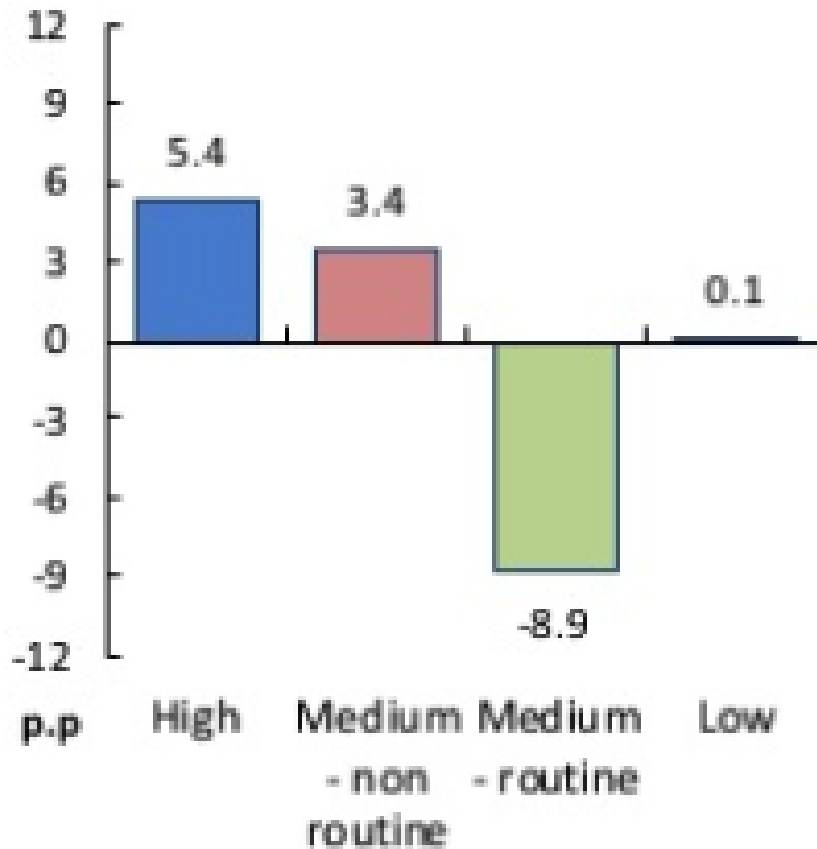
Future of Work

- What are the consequences of ongoing societal transformations? Are they manageable?
 - Digitalisation (Online Platforms)
 - Automation and AI (Robotics)

Problems with **QUANTITY & QUALITY**

- ✓ Decline of 'routine task intensive' jobs
 - ✓ New forms of atypical work and contracts
-
- Do we require a new definition of social protection?

Job Polarisation #FutureofWork



Commercial Break 😊

WORK IN THE DIGITAL AGE

Max Neufeind
Jacqueline O'Reilly
Florian Ranft

CHALLENGES
OF THE FOURTH
INDUSTRIAL
REVOLUTION

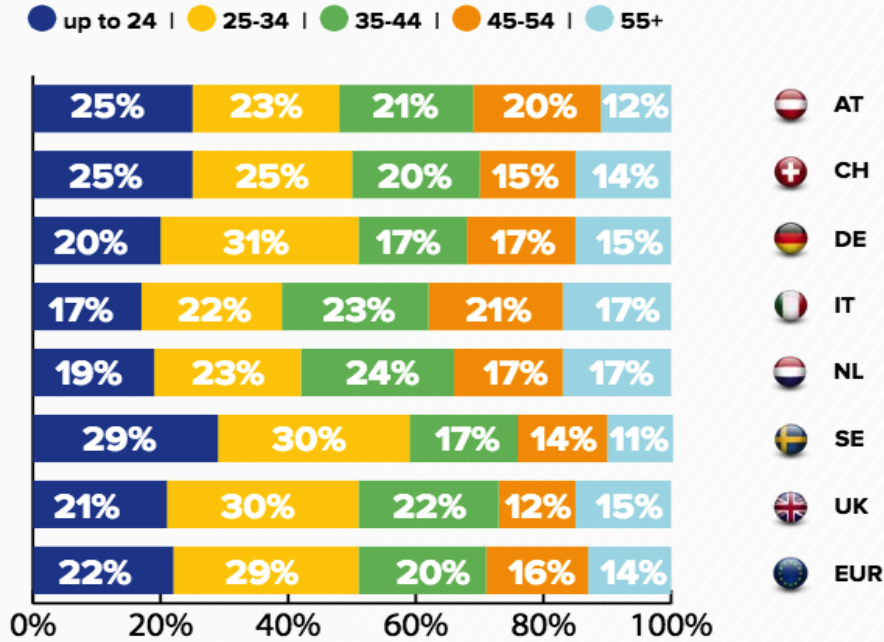


WORK IN THE EUROPEAN GIG ECONOMY

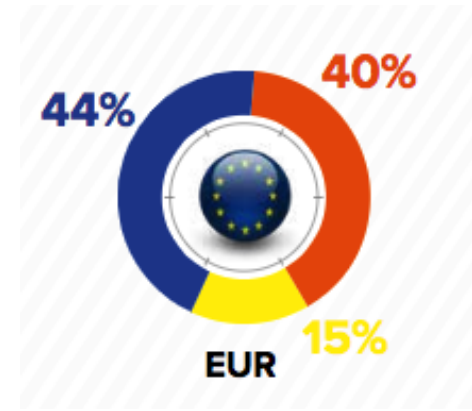


New forms of work – Gig Economy

CROWD WORKING IS NOT ONLY FOR MILLENNIALS



CROWD WORK IS GENERALLY A COMPLEMENT TO OTHER INCOMES BUT FOR SOME IS THE MAIN INCOME SOURCE



Legend: up to 10 | 10 to 75% | 75% to all

Earnings from crowd work as a proportion of all personal income up to 10% | 10% to 75% | 75% to all

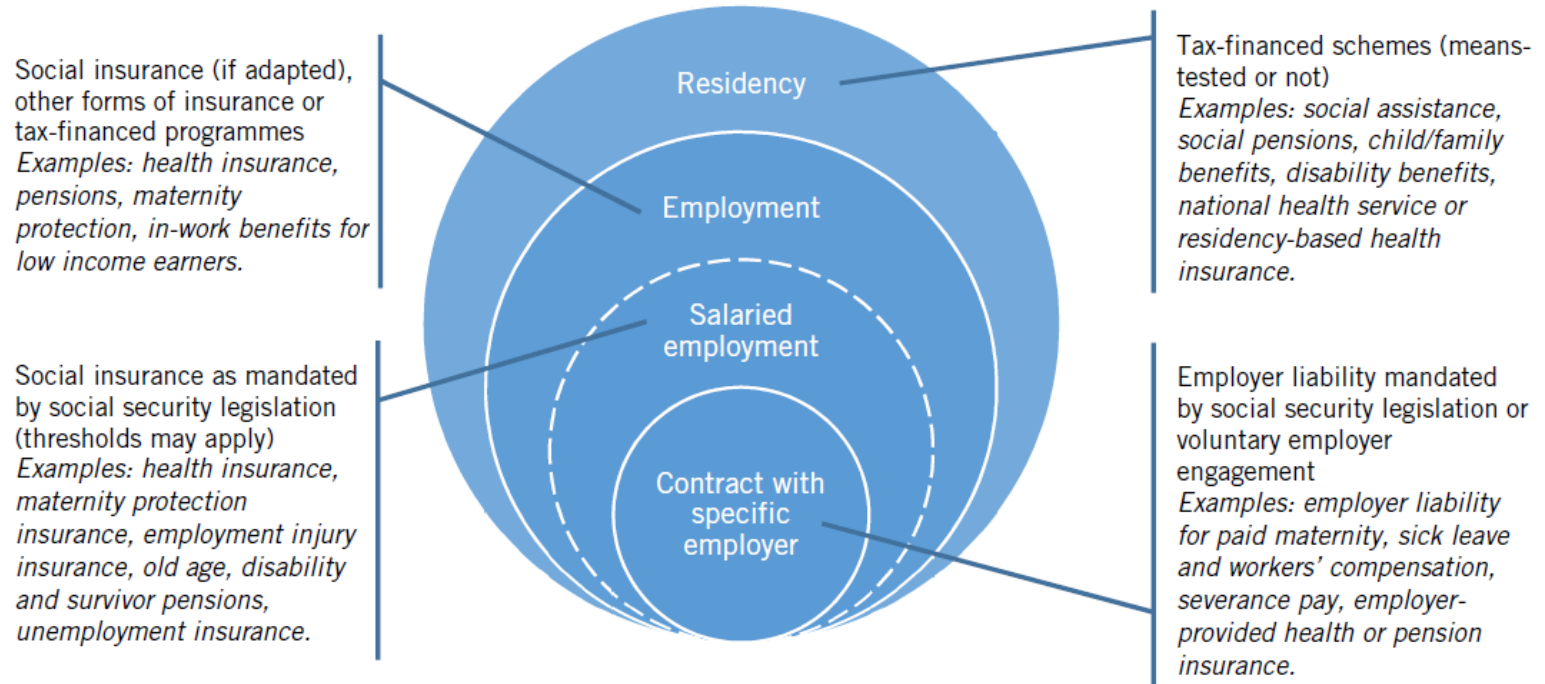
Social Security Coverage

Access to any form of social protection benefits / US Crowd-workers

	Crowd work only	Crowd work is main	Crowd work secondary	All workers
Health insurance	37.9	39.0	34.1	36.3
Pension/ Retirement plan	23.5	31.0	48.7	35.1
Unemployment benefits	12.8	9.0	21.0	16.1
Workers' compensation	17.1	20.6	24.5	20.6
Disability benefits	11.2	15.6	15.6	13.5
Others	3.7	4.5	2.9	3.5

Source: preliminary results of crowdworker survey, conducted by U. Rani et al., ILO

Social Security Types



Source: ILO

European Pillar of Social Rights

- What for?
 - ✓ Revisit ('modernise') the social acquis in the light of the new challenges of the XXI century
 - ✓ Promoting 'upward social convergence' in the euro area
- 20 Principles:
 - Equal opportunities and access to the labour market
 - Fair working conditions
 - Social protection and inclusion:
 - Childcare and support to children, Social protection, Unemployment benefits, Minimum income, Old age income and pensions, Health care, Inclusion of people with disabilities, Long-term care, Housing and assistance for the homeless, Access to essential services

Ongoing EU initiatives

To give real bite to the EPSR:

1. First phase consultation of Social Partners under Article 154 TFEU on a possible action addressing the challenges of **access to social protection for all**
2. The proposed Directive on Transparent and Predictable Working Conditions — **Revision of the Written Statement Directive**
3. The proposed Directive on **Work Life Balance** for Parents and Carers
 - The EU Budget... ESF+, cohesion and its conditionalities
 - The European Semester... economic governance and CSRs
 - European Labour Authority & coordination role

What Role for a European Labour Authority?

OPTION 1: SUPPORTING ROLE

- Rationalise and manage existing instruments and structures in the field of labour mobility (e.g. with regards to the coordination of social security systems, posting of workers, labour inspection, undeclared work).
- Provide citizens and business with information about their rights and obligations in mobility situations.

OPTION 2: OPERATIONAL ROLE

- Missions outlined under option 1.
- Boost cooperation between national authorities by taking over and developing the technical tasks of existing structures in order to tackle previously identified shortcomings and create synergies.
- Provide common (non-binding) technical standards for national inspectorates, aiming to reach a harmonised application of EU rules.
- Offer expertise and training to national authorities.
- Support the fight against abuse and fraud concerning social and employment legislation.
- Play a mediating role in the event of disputes between Member States.

OPTION 3: MANDATORY ROLE

- Missions outlined under options 1 and 2.
- Adopt common binding technical standards for labour and social security inspectorates.
- Arbitration role so that binding decisions can be adopted in the event of a dispute between national authorities.
- Organise and fund joint transnational inspections.

ADVANTAGES

- Improved cooperation between competent national authorities.
- It would facilitate workers' mobility and the freedom to provide services for companies.
- Most easily acceptable option for all EU countries.
- Limited costs.

- Significant improvement in the cooperation between national authorities; authorities of the host country can more easily access documents/information held by the authorities of the country of origin.
- Efficiency gains and time/resource savings for the competent national authorities.
- Stronger capacity to tackle abuse and fraud.
- No treaty changes required.

- Cost and time savings in the resolution of disputes.
- Important contribution to the fight against abuse and fraud.



Health Inequalities in Europe:

Setting the Stage for Progressive Policy Action

Interplay between labour & health inequality

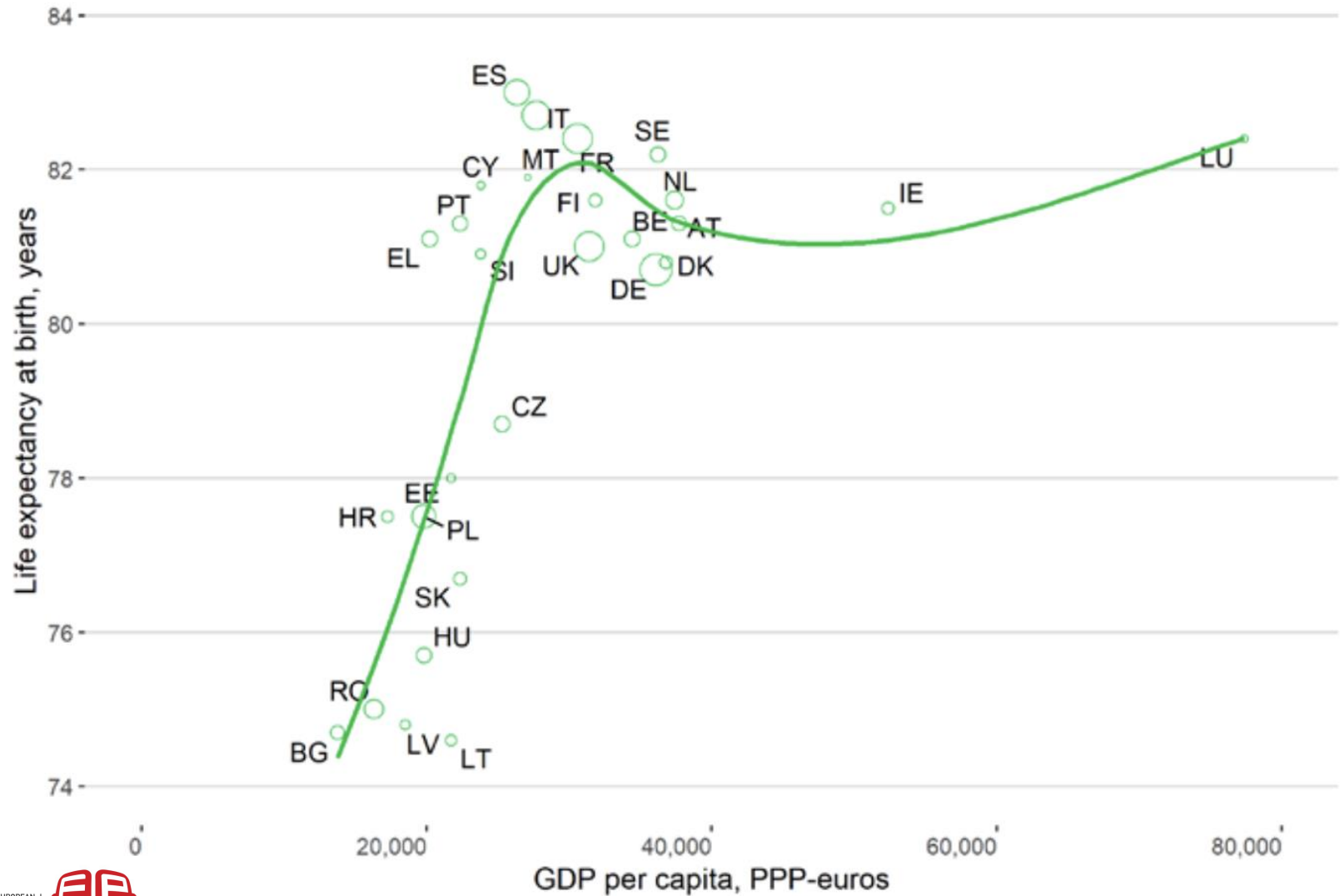
- 1 Insecure and temporary employment is associated with negative health consequences
- 2 Lack of work life balance, extended working hours, and bad working conditions contribute to health problems
- 1 Cuts in government spending on social protection due to austerity have been linked to higher health inequalities in Europe

The **economic costs** of health inequalities in the European Union is estimated

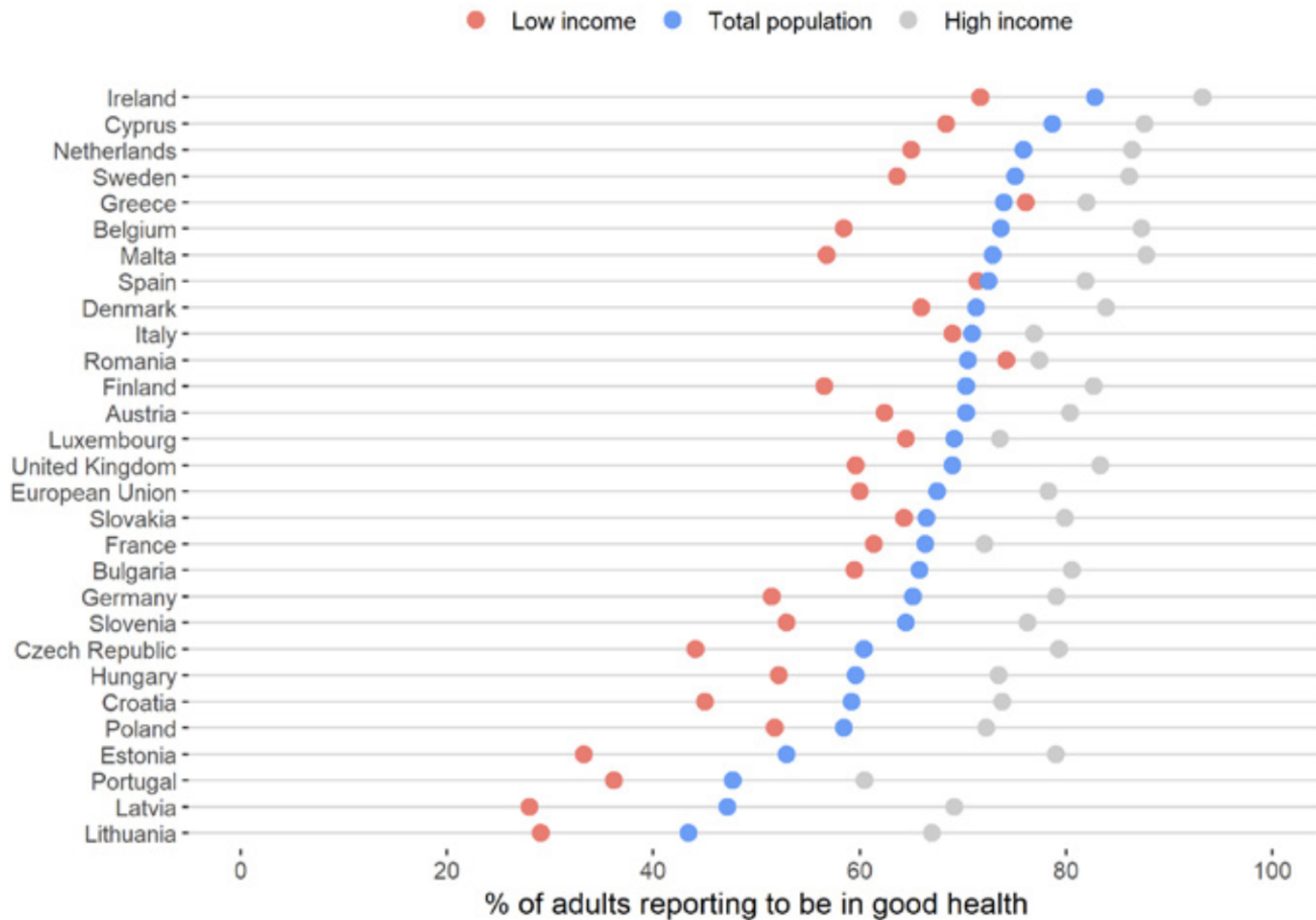
to cost €980 billion per year, or 9.4% of EUGDP due to:

- lower productivity
- higher healthcare and welfare costs

Preston Curve: Life expectancy & GDP pc



Disparity in Self-Reported Health

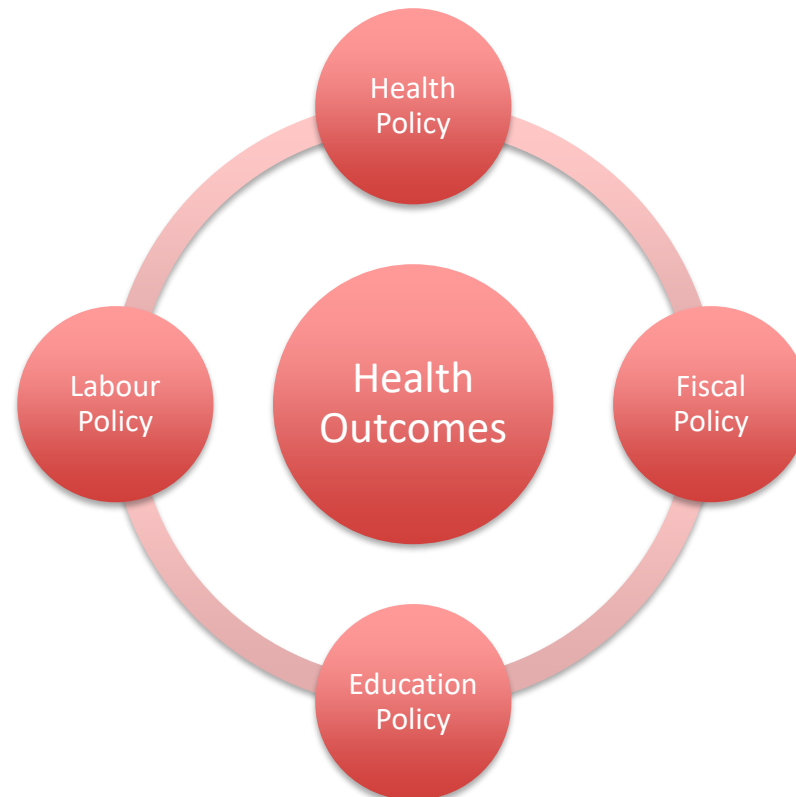


Is it possible to contrast health inequality?

Let's imagine a different Europe

>>> Increasing the health of the lowest 50% of the EU population to the average health of the top half would improve labour productivity by 1.4% of GDP each year

>>> within five years, the GDP of the EU would be more than 7% higher



FOUNDATION FOR EUROPEAN
PROGRESSIVE STUDIES
FONDATION EUROPÉENNE
D'ÉTUDES PROGRESSISTES



@FEPS_Europe
@Rinaldi_David

For comments: david.rinaldi@feps-europe.eu