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The European Foundation for the Improvement of Living and Working Conditions has commissioned and financed two 9-months projects on secondary analysis on the European Working Conditions Survey Data: “Working conditions and employment security and employability” and “Working conditions of an ageing workforce”.

1. Working conditions and employment security and employability
Lia Pacelli

In the current European debate on labour market and employment policies, the concept of flexicurity, meant as a balance between flexibility and security needs of employers and employees, has gained a prominent role. This work has proposed a set of four new indicators of the security dimension - based on the fourth European Working Conditions Survey (EWCS) - that may contribute to the debate on flexicurity. They are: a) objective job insecurity; b) subjective job insecurity; c) employability; d) vulnerability. To measure objective job insecurity we quantify the expectations regarding the tenure in one’s current job using objective indicators, such as the type of contract, the characteristics of employer and elapsed job tenure. Subjective job insecurity can be assessed by asking directly workers about the perception they have about the stability of their current employment relationship. We think of employability as a construct of several human capital elements that influence one’s chances to become and/or remain active on the labour market; elements accumulated both during the past 12 months on the job, and during all previous job experiences (or at school). The concept of vulnerability refers to a specific condition characterised by the potential inability of people to withstand income losses eventually associated with some events, such as job loss, sickness, employment injuries, occupational diseases or even maternity. In order to analyse vulnerability we focus on different aspects related both to the household structure and to the institutional safety net eventually available to the individual in need. We analyse how our four indicators are linked to each other. When an individual experiences high objective job insecurity, also his/her subjective job insecurity is likely to be high, and vice versa. When an individual experiences high vulnerability s/he is also likely to experience high objective and subjective job insecurity. On the other hand, individuals experiencing high employability are also likely to experience low levels of (objective and subjective) job insecurity and vulnerability. Overall, it emerges a possible clustering of “negative” features for the same individual (high job insecurity and vulnerability, low employability). This clustering of negative features is stronger for female and young workers. Furthermore, many of the relations that emerge at the individual level emerge again at the country level. E.g. countries were average employability is low are also countries where average objective job insecurity is high.
Wages are not included in our indicators, so we can analyse how indicators and wages are related. In particular we ask whether more insecure jobs pay lower or higher wages and what is the role of employability. Our analysis highlights that wages decrease as objective job insecurity increases. At the same time, we also notice a upward shift of wages as employability increases, for given job insecurity level.
Also, we analyse the relation between our indicators and a number of institutional/political features at the country level. Main findings are as follows. Employability is higher in countries where lifelong learning participation rates are higher, while EPL does not seem to play any significant role on employability. We relate our vulnerability index to the normative criterion proposed by Espin-Andersen and known as decommodification. The decommodification criterion refers to the ability of policy to free individuals from market mechanism and to assure them an acceptable standard of living. Workers
seem to be less vulnerable in countries characterized by a higher “decommodifying” and more generous welfare system. We then analyse the relationship between objective job insecurity and a number of aspects of the working relations that are deemed to be particularly important for the well-being of the workers. We calculate that the greater a job’s objective insecurity the greater is also the probability that the job is low paid, that job satisfaction is lower, that employability is lower. We also find that when objective job insecurity is high it is more difficult to reconcile work and life. On the other hand, our results do not indicate that objective job insecurity has any particular association with workers’ health. Finally, we discuss gender discrimination. We find that employability is lower for female workers; furthermore, gender discrimination along the employability dimension is stronger in jobs providing low employability, while this discrimination disappears in jobs that provide high levels of employability. About the elements that contribute in creating the employability gap, we find that women accumulate less employability in terms of learning and in terms of task rotation; no difference can be found in the accumulation of training between males and females. The latter result may be explained by the actual difficulty to discriminate in offering training courses, since this dimension can be easily observed. Also gender wage discrimination emerges in the data - i.e. female workers are mainly concentrated in the lower part of the wage distribution - and it does not disappear even after taking into account observable differences in individual and job characteristics.

2. Working conditions of an ageing workforce
Claudia Villosio

The focus of the secondary analysis of European Working Conditions Survey proposed in this report is the analysis of quality of work from an age perspective and of sustainability of job across ages. The report has highlighted how age is an important factor in describing working conditions. There are significant differences between younger and older workers for most job characteristics. To cite just a few, young workers are the most exposed to physical risk factors at the workplace and the less satisfied with working conditions. On the other hand they receive more training and they have a higher degree of involvement in high performance work organizations. At the opposite side stand older workers who are more “protected” from risks exposure, have a higher degree of autonomy at the workplace and a low degree of work intensity but are penalized with respect to involvement in new organizational forms, training and learning new things at work. Young and older workers share the higher probability of being subject of acts of discrimination at the workplace and to a lesser extent the difficulty in acceding to information technology. Conversely, adult workers carry a heavy burden for what caring activities outside work is concerned and are those who report the lower level of satisfaction with work-life balance. Four aspects have been analysed and developed in the whole report.

1. Career and employment security
Ensuring career and employment security is an important condition in promoting quality of work and employment. In this section employment characteristics and the diffusion of non standard contracts, job satisfaction, discrimination and harassment at the workplace, earned income have been analysed.

2. Health and well being
EWCS data provide us with an overview of the conditions of the work ability building as defined by Ilmarinen (2005). Three aspects of the health and well-being dimension (risk exposure, work organisation and health problems) and their impact on the perceived job sustainability have been investigated.

3. Skills development
In terms of new opportunities resulting from the ageing process, a very important possibility is offered by the increase and life-long accumulation of human capital. By means of composite indicators we have analysed the incidence of training, the opportunities for learning and the access to new technology across ages.

4. Reconciliation of working and non-working life
Policies to more generally promote a better balance between work and family responsibilities are encouraged by the European Commission and represent a major challenge for most European governments. Our analysis on EWCS data gives some more insight into this issue.

Main conclusions
To try to sum up the role of the different causes at work in determining the elderly participation rates and to give a rough evaluation of how different factors facilitate or hinder the employment of older workers, we have correlated some aspects of working conditions with older workers’ employment rates. Positive correlations are found with respect to work autonomy, presence of high performance working organizations (HPWO), access to learning and training. On the other hand, a clear negative correlation between employment and the exposure to physical risks at work is detected. Not surprisingly, correlation between satisfaction and employment is positive. A very important target in terms of age groups has resulted to be that of workers approaching retirement (45 to 54 years old). It has emerged how important is to monitor working conditions of this group of workers in order to ascertain the presence of factors that could determine
their premature exit from the labour market. Research on the issue of employability of older workers, in fact, has pointed out how the low participation of older people in the labour market is the result of a combination of wages and rigidity in the workplace’s organization, inadequate skills and competences, and bad health status, rather than the wish to retire early (OECD 2006). In this context it is important to monitor the sustainability of work also for the youngest workers, who face the higher incidence of precariousness and risk exposure. Our analysis has brought evidence as to the fact that workers facing the worse working conditions and eligible to retire have probably left the labour market.

**Temporary jobs: port of entry, trap, or just unobserved heterogeneity?**

Fabio Berton, Francesco Devicienti and Lia Pacelli

In order to study the port-of-entry versus trap hypotheses of temporary jobs in Italy we use the discrete-time dynamic multinomial logit model with fixed effects proposed by Magnac (EJ 2000) on a sample of labor market entrants from the WHIP data. We distinguish among several kinds of labor contracts (open-ended, fixed-term, training contracts, apprenticeship, quasi-subordinate and self-employment, including non-employment as the reference state) and between contract transformations occurring within the same firm and job changes across different employers. Table 1 shows the parameters estimates at two-year intervals after controlling for contract sorting due to workers’ heterogeneity; columns display the current state, rows the lagged one. Positive figures mean that the odds of being in state j with respect to non-employment when the lagged state is k are larger than when the lagged state is non-employment. For the column labeled “open-ended” the comparison among the rows is therefore informative about the port-of-entry hypothesis: higher figures mean a better springboard to a permanent job. In turn, the comparison among the columns for any given lagged state tells us about the most likely outcomes in terms of labor contracts: high figures on the main diagonal is thus evidence for the trap hypothesis. Our main results are the following: (i) individual heterogeneity plays an important role in sorting the workers into the different types of contracts (estimates with no control for individual heterogeneity are larger in absolute value). Nonetheless, (ii) whatever the initial state of a worker, retaining the same contract is always the most likely destination, even after individual heterogeneity is controlled for. Despite this evidence of persistence, (iii) the port of entry hypothesis cannot be denied in Italy, in the sense that the transition to open-ended employment is more likely for individuals holding any type of temporary contract than for unemployed individuals. However, (iv) some temporary contracts are better than others in providing access to open-ended employment: our results suggest that training contracts are the best port of entry to open ended employment, while quasi subordinate work is the worst. Finally, an important qualification to the trap effect hypothesis is found once controlling for transitions between firms as opposed to permanence within the same firm. In fact, our results indicate that (v) both port of entry and contract persistence are present within the same firm more than across firms, i.e. it emerges a sort of long cursus honorum within the firm from temporary to open ended contracts. The only condition that increases the probability of getting an open-ended contract in a new firm is having had a long employment spell with an open-ended contract in the previous firm.

**Table 1. Estimates with individual fixed effects**

<table>
<thead>
<tr>
<th>Origin (lagged state)</th>
<th>Open-ended</th>
<th>Fixed-term</th>
<th>Training</th>
<th>Apprenticeship</th>
<th>Quasi-subordinate</th>
<th>Self-employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open-ended</td>
<td>1.74</td>
<td>0.43</td>
<td>-0.21</td>
<td>-0.51</td>
<td>-0.03</td>
<td>0.57</td>
</tr>
<tr>
<td>Fixed-term</td>
<td>0.69</td>
<td>1.60</td>
<td>0.65</td>
<td>0.59</td>
<td>1.31</td>
<td>-0.79</td>
</tr>
<tr>
<td>Training</td>
<td>1.42</td>
<td>0.79</td>
<td>2.18</td>
<td>0.01</td>
<td>-0.51</td>
<td>0.90</td>
</tr>
<tr>
<td>Apprenticeship</td>
<td>0.35</td>
<td>0.38</td>
<td>0.56</td>
<td>1.94</td>
<td>-0.90</td>
<td>-0.76</td>
</tr>
<tr>
<td>Quasi-subordinate</td>
<td>0.14</td>
<td>0.70</td>
<td>1.03</td>
<td>0.10</td>
<td>1.29</td>
<td>1.18</td>
</tr>
<tr>
<td>Self-employed</td>
<td>0.85</td>
<td>0.28</td>
<td>0.71</td>
<td>-0.70</td>
<td>-0.56</td>
<td>3.54</td>
</tr>
</tbody>
</table>

Note: bold if 95% significant.

**Work and health. First evidence from an integrated informative system on work accidents**

Roberto Leombruni and Massimiliano Giraudo

According to Eurostat, in 2001 there were 4.7 million of accidents at work in Europe, with an absence of four days at least (Eurostat 2004). Considering also accidents with a maximum of 3-day absence – which unfortunately are not systematically registered by the present information systems – the estimates report about 7.6 million of injuries every year, of which 4.900 fatal. These figures mean that in the European Union every five seconds there is a worker who is victim of work accident, and every two hours there is a worker dying on the job-place. The fatal accidents were in Italy 1.170 in 2006 (last year for which we have a final data), which means three per day on the average. Even though Inail reports a rather considerable fall compared to 2001, the reduction must be at-
tributed almost entirely to the decrease of accidents *in itinere*¹.

If we limit ourselves to accidents occurred on-the-job we do not note any trend of improvement: in 2002 they were 1.082, while in 2006 they are 1.062. How can we judge there figures? According to the ESAW project (*European Statistics on Accidents at Work*), leaded by Eurostat to harmonize and compare the national informative flows, in Italy we register a performance near to the average of other European countries, with regard to both fatal and non fatal injuries.

The data collected within ESAW, however, presents some limits, due to the impossibility to link the work accidents to the people effectively exposed to the risk. This implies that the incidence rates presently published are calculated on the basis of approximations of the stock of people exposed to risk, which limits the precision of the estimates and the possibilities of drilling into the statistics. To overcome this gap a new integrated informative system on the accidents at work has been created. This system has been developed for the Minister of Health by the Epidemiology Service of the Piedmont Region in collaboration with the University of Torino and the Laboratorio R. Revelli. It is based on the integration on an individual basis of data on working careers present in WHIP (*Work Histories Italian Panel*) with data about the accidents occurred from 1994 to 2003, coming out from the National Institute of Insurance Against Occupational Accidents (INAIL).

The result of the integration, considering the differences in the two reference populations, is largely satisfying. The percentage of accidents for which a working career is found within WHIP is 95%. This percentage decrease to 87% considering only events in which a work episode is found consistent with the time of the injury. Stratifying for economic activity the percentage of success is superior to 90% in manufacturing, constructions, wholesale; lower scores are reached in sectors where public administration is more diffused (health, distribution and production of electricity, gas and water), which is coherent with the low coverage of WHIP of these sectors.

The integrated archive confirms the main trends published by Eurostat, and in particular the trend to a decrease in the overall injury risk. There are however some figures which deserve a closer scrutiny. This is the case of women, for which in the second half of the nineties we register first a growth and then a fall in the injury risk, and the overall picture is that of no progress over an entire decade.

¹ According to law, the *in itinere* accident consist in the injury occurred during the regular round trip from home to work or, if there isn’t a canteen, during the round trip from the job place to the place where the meal is eaten into.

The longitudinal sample will allow other important explorations, for example with regard to the link between injury risk and age, or nationality. Moreover, thanks to the link with work careers, it will allow to investigate the impact of work experience in decreasing those risks.

There are however some limits in this new information system, such as the sectoral coverage, that nowadays doesn’t include the public sector, and the sample dimension, which limits the scope of studies to the national scale, and is not sufficient to investigate rare events such as fatal accidents.

Some of these limitations will be overcome by an ongoing extension of the database which aim is to enrich the health information linked to the working histories and to sensibly increase the sampling ratio.

**FUTURE EVENTS**

- **Workshop:**
  “Bumpy careers and flexicurity issues”
  13 March 2009
  Collegio Carlo Alberto, Moncalieri (Torino)
  Keynote speaker:
  **Henry Farber (Princeton University)**

- **AIEL Conference 2009**
  November 2009
  Collegio Carlo Alberto, Moncalieri (Torino)

**WHIP UPDATE 2008**

Following the release of new data and updates from INPS, the Laboratorio R. Revelli will release an update to 2003 of the job_spells archives (*Rl_annu* - Full Edition and File Standard - with the inclusion from 1997 of a new variable on type of contract ([www.laboratoriorevelli.it/whip](http://www.laboratoriorevelli.it/whip))

This newsletter is downloadable from the website [www.laboratoriorevelli.it](http://www.laboratoriorevelli.it)

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