Work Place Accidents in Europe

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Comments by
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The paper ... 

... asks a novel and important question 
  – “Do workers on temporary contracts face higher accident risks?”

... compiles comprehensive data
  – Across country, within country, INAIL

... compelling analysis
  – State of the art methods
  – Cautious interpretation

... is a state of the art contribution
I will discuss ...

• Measurement issues
  – Getting the denominator right

• The permanent puzzle
  – Why are permanent jobs sometimes more risky than temporary jobs?

• Why care?
  – Competitive benchmark: No

• INAIL data
  – What it tells us now and what it could tell us
Measurement issues
Accidents happen ...

(especially in BMX)
Measurement issues

• WPA = accidents / workers
  – Labor utilization fluctuates
  – Matters for how we interpret more WPA with high GDP result

• WPAs have declined, but what happened to work-related illnesses (and disability)?

• INAIL
  – (Too) many deadly accidents?
Work got safer ...
... but less healthy

**Figure 4.32**: Occurrence of work-related health problems in persons that work or worked previously by year (%)

- **Musculoskeletal health problem**
- **Stress, depression or anxiety**
- **Other health problem**

*Source: LFS ad hoc module 1999 and 2007 - 9 countries*
The Permanent Puzzle
The Permanent Puzzle

• Why are permanent jobs more risky than temporary ones in Italy and Sweden and not in Spain and the Netherlands?
  – Measurement issue? Incidence vs duration
  – Unemployment benefits? Temporary worker in Italy has very BAD outside option.
  – Accident insurance? Same line of reasoning
Why care?
Why look at WPA?

• Competitive benchmark
  – Workers “shop” for risky and safe jobs
  – Firms offer safe or risky jobs
  – Market offers higher wage for higher risk

• Real world
  – Markets and people are imperfect: frictions, inattention, low probability events, ...
  – State intervention: Regulations, insurance
  – (“Economics of Imperfect Labor Markets” by Tito Boeri and Jan van Ours)
Is there a need for intervention?

• Who compensates?
  – Market compensates via wage
  – State compensates via insurance

• How much is enough?
  – Perfect world: worker indifferent between safe and risky jobs
  – How much do workers like risky and safe jobs?
  – Indifferent: No further intervention needed
Data

• NLSY
  – 7,646 workers, 2,222 dual job holders
  – 1994 – 2000
  – Job satisfaction

• Work-place accidents (BLS)
  – Non-fatal workplace injuries and illnesses per 100 FTE workers by industry

(Details in Lalive (2007), Do wages compensate for workplace disamenities? on www.lalive.org/research)
Figure shows job satisfaction (deviation from individual mean) vs injuries or illnesses (rate per 100 FTE workers) for the U.S.
### Estimates

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<th>indYrFE</th>
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pOLS is pooled OLS, indFE adds fixed effects per individual, indYrFE adds fixed effects per individual and year. All estimates include year fixed effects.
INAIL data
This data is great!

• PPvO explore INAIL data
  – Interesting results on temporary workers
  – Full worker firm fixed effects analysis

• Where could we go from here?
  – Link INAIL with employment records
    • Assess risk incidence and duration
  – Link INAIL with information on wages
    • Explore risk wage tradeoff
Thanks for your attention
Our attempt at this

• Austrian social security data (ASSD)
  – Accidents
  – Employment and wage information
  – Over an extended period of time

• (Details: see Lalive, Ruf, and Zweimüller (2006), on www.lalive.org/research)
Compensation for risk

• Why are wages higher in high risk occupations?
  – Risky firms pay better wages
  – Incidence and duration get compensated
• Matching
  – Risky firms attract safe workers