

Work Place Accidents in Europe

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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 ...

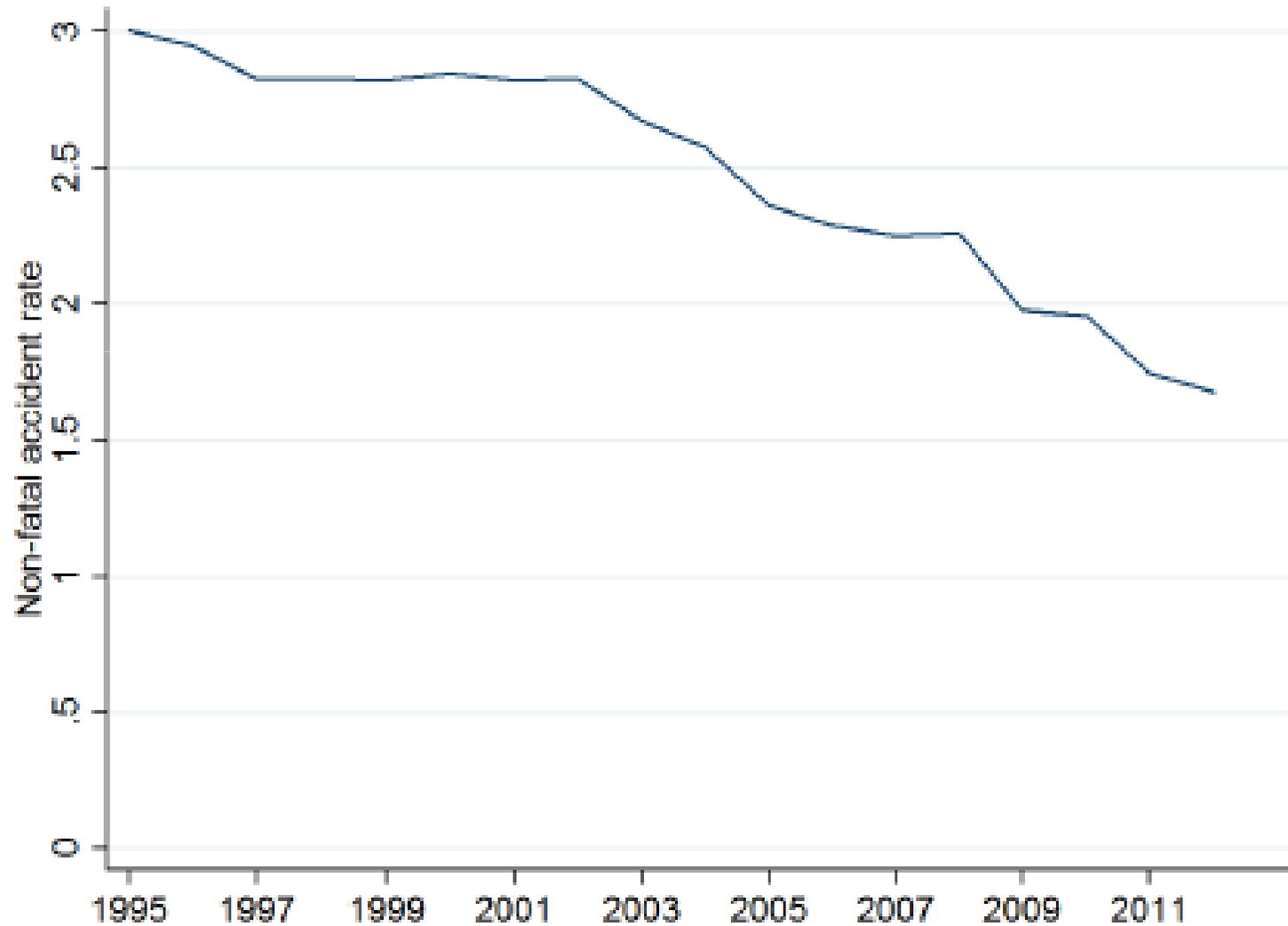
(especially in
BMX)



Measurement issues

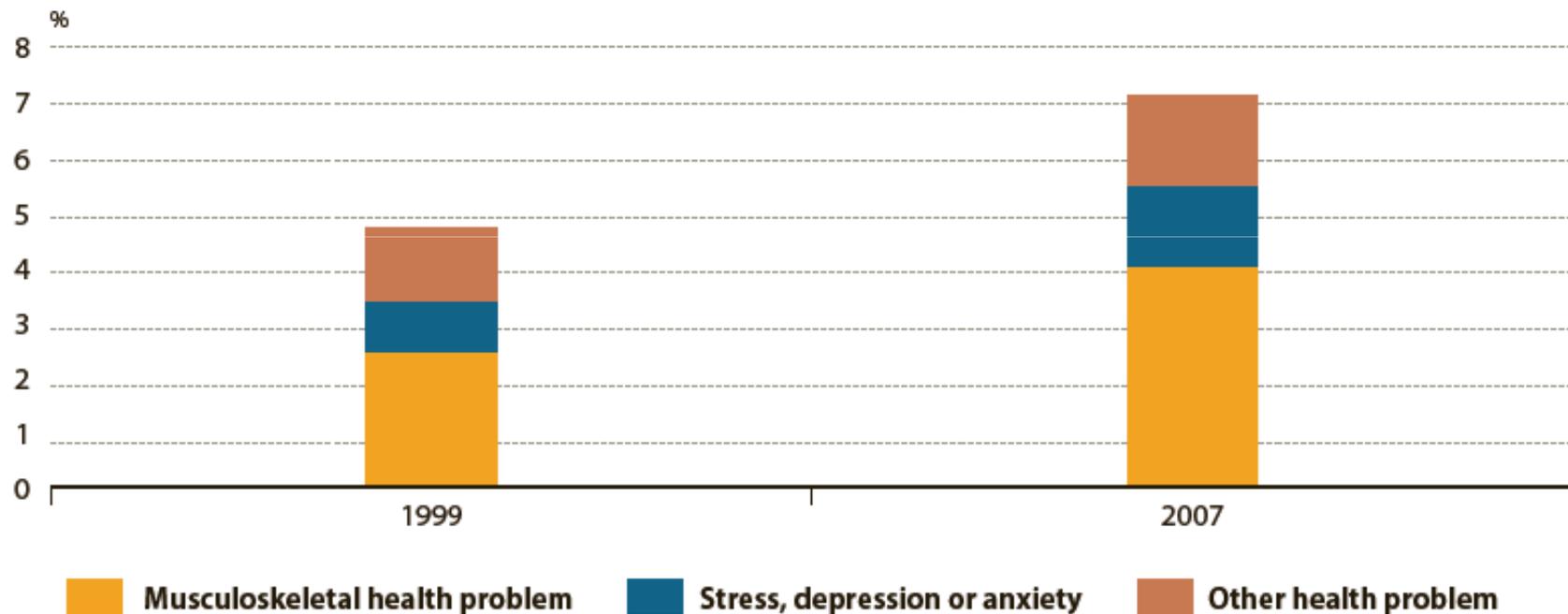
- WPA = accidents / workers
 - Labor utilization fluctuates
 - Matters for how we interpret more WPA with high GDP result
- WPAs have declined, but what happened to work-related illnesses (and disability)?
- INAIL
 - (Too) many deadly accidents?

Work got safer ...



... but less healthy

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



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)

Job Satisfaction and WPA

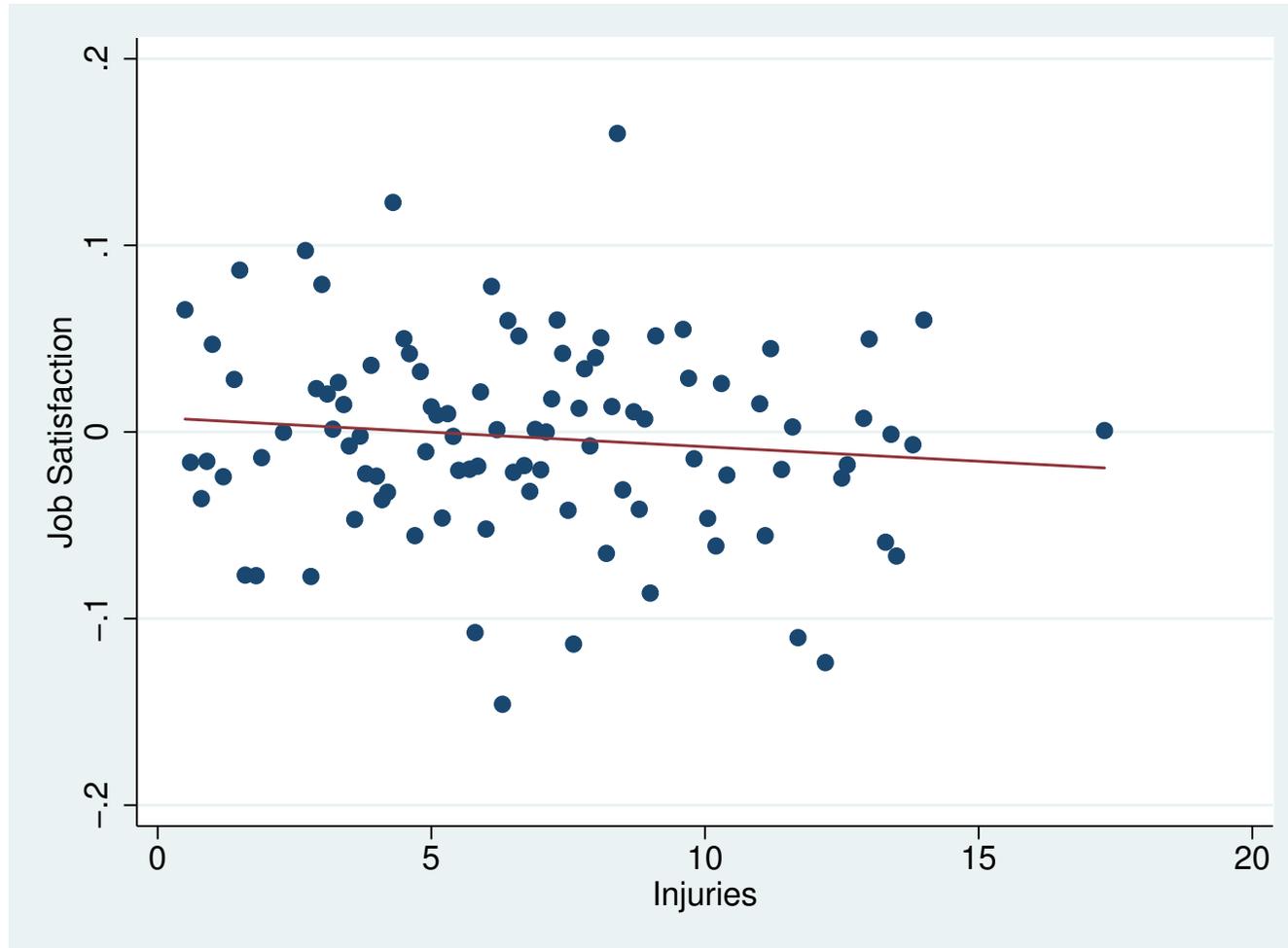


Figure shows job satisfaction (deviation from individual mean) vs injuries or illnesses (rate per 100 FTE workers) for the U.S.

Estimates

	pOLS	indFE	indYrFE
injuries	-0.015*** (0.002)	-0.013*** (0.003)	-0.021* (0.009)
tenure	-0.002 (0.001)	-0.021*** (0.002)	-0.015** (0.005)
R-squared	0.007	0.015	0.015
N	23621	23621	23621

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