

The Role of Employment Relations in Reducing Health Inequalities

**POLICIES AND INTERVENTIONS ON EMPLOYMENT
RELATIONS AND HEALTH INEQUALITIES**

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The association between certain increasingly pervasive employment conditions and serious health inequalities presents a significant policy challenge. A critical starting point is the recognition that these problems have not arisen in a policy vacuum. Rather, policy frameworks implemented by governments over the past 35 years, in conjunction with corporate globalization (itself facilitated by neoliberal policies), have undermined preexisting social protection policies and encouraged the growth of health-damaging forms of work organization. After a brief description of the context in which recent developments should be viewed, this article describes how policies can be reconfigured to address health-damaging employment conditions. A number of key policy objectives and entry points are identified, with a summary of policies for each entry point, relating to particular employment conditions relevant to rich and poor countries. Rather than trying to elaborate these policy interventions in detail, the authors point to several critical issues in relation to these interventions, linking these to illustrative examples.

RELEARNING THE LESSONS OF HISTORY

At its 26th Annual Conference, held in 1944, the International Labour Organization (ILO) issued a declaration reaffirming its fundamental principles—notably, that labor was not a commodity; that freedom of association is essential to sustained progress; and that poverty anywhere threatens prosperity everywhere (1). While clearly shaped by recent experience of global depression and war,

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the reaffirmation also reflected policy lessons learned over the past century. Fifty years earlier, an editorial in the *Lancet* responded to the “sweating of labour” by arguing that when goods were produced for the public, the public had a right to say how those goods were produced, whether that be in a modern factory or by an exploited, subcontracted family working at home (2). That principle remains salient to the global economy today.

The rise of unions and collective bargaining, expansion of social protection and welfare legislation, and the Keynesian economic policies adopted by most wealthy countries after World War II were broadly consistent with ILO principles (3, 4). However, global inequalities were not addressed, and from the mid-1970s, the rising influence of multinational corporations and neoliberal ideology and policies began to unravel even this modest framework (5). Neoliberalism—the idea that competitive private markets provide optimal outcomes in all spheres of social activity and that the role of government should be minimized—progressively came to dominate policymaking, overthrowing Keynesianism (with its focus on government management of fiscal expenditure and redistributive regimes) (5).

Key neoliberal policies included cuts in income tax and/or redistribution (with consequent effects on the funding of health and welfare); privatization of government services; outsourcing; and promotion of competitive markets and more contractualist legal regimes, including direct and indirect measures to promote “flexible” work arrangements and decollectivize industrial relations (6). At the global level, governments made growing use of temporary foreign guest workers—an explicit commodification of labor (7). The ILO had no formal representation, let alone enforceable standard-setting power, with regard to the framework governing international trade (effectively being preempted by the World Trade Organization), while other international agencies (notably the International Monetary Fund and World Bank) pushed neoliberal policies onto poor countries (in exchange for financial assistance packages) (8). Production and service delivery could be organized through international supply chains that effectively eroded or bypassed the most basic labor standards (including the use of child labor). In sum, the rise of neoliberal “market-driven” policies was antithetical to the ILO’s 1944 declaration and a hundred years of progressive social policy development.

The adverse global health effects of inequalities in employment conditions associated with neoliberal policies—widespread downsizing and outsourcing, the rise of precarious employment, the informal sector, unemployment, and child and forced labor—have now been extensively documented (9). The effects are not confined to workers but cascade throughout the community through a variety of mechanisms, including the effects of poverty and work-related disability on families, intergenerational effects of child labor, and the effects of contingent work regimes and/or reduced staffing levels on public health in hospitals and on transport (9).

RECOMMENDATIONS

The foregoing policy context is important, because it directs attention to those areas where interventions are needed. For example, employment conditions are shaped not only by labor market institutions and regulations but by government policies on commercial arrangements (and corporate influence), education, health, welfare, immigration, and employment; by global trade agreements; and by the capacity of unions and the community to mobilize. With this in mind, we can identify a number of central policy objectives:

- Discourage or remove incentives for, or eliminate (in the case of child and forced labor), harmful work arrangements.
- Empower workers and communities to better protect their health and well-being and to ensure that work quality is a central social policy.
- Overturn the politico-legal privileging of economic/commercial arrangements over social and health regulation.
- Establish enforceable labor standards, universal health care, and a social security safety net to protect workers and communities.
- Ensure that those deriving economic gain from work arrangements (however organized) are also held accountable for adverse social and health consequences.

Arguments on behalf of these objectives are not new. For example, policies on workers' participation and work quality have been advocated for well over a decade by leading researchers (10), government agencies, and bodies such as the ILO (with its "decent work" agenda) (11). However, they lacked traction in the face of opposition from neoliberal interests. The discrediting of the latter following the global financial crisis offers a pivotal and historically contingent opportunity (12).

To achieve these objectives, there is a need to change policy direction at the broadest social or macro level, as well as targeting specific work arrangements or their consequences, at the micro level. The different levels of policy interventions can be conceived of as a series of policy entry points (see Table 1). (See the articles in this special section of the *Journal* on the micro-level model (Benach et al., p. 223) and macro-level model (Muntaner et al., p. 215) of employment relations.)

- Policy entry point A refers to changing power relations within society (at the national or global level) and includes all social actors—political parties, unions, corporations, transnational companies, banks, employers' associations, and civil society organizations.

- Policy entry point B refers specifically to modifications of employment conditions that reduce exposure and vulnerability to health-damaging factors, such as regulating temporary work or working hours.
- Policy entry point C relates to actions to modify working conditions such as material hazards and psychosocial factors present in the workplace or living situation.
- Policy entry point D relates to interventions that reduce the unequal social consequences produced by ill health and psychopathological change.

Table 1 (pp. 302–305) summarizes interventions for each of the policy entry points and each of six broad sets of employment conditions: full-time “standard” employment, unemployment, precarious employment, informal employment, child labor, and slavery and bonded labor. The aim here is not simply to illustrate examples of particular policy interventions but to indicate particular focal points. Rather than trying to elaborate on each suggested intervention, we focus on some key issues.

First, at each employment point there are universal policies that do not require differentiation according to the six different employment conditions. Thus at entry point A, altering power relations in society entails eschewing neoliberal policies; enshrining secure and quality employment as a central social policy objective; integrating enforceable labor standards into the global trade/ commerce framework; establishing a wage/welfare safety net, universal access to education, and income redistributive mechanisms to facilitate social mobility; and promoting collective organization and “voice” in the community. At entry point B, universal policies are required to strengthen regulation of employment standards and impose externalities assessments on those seeking to evade these regulatory standards through outsourcing or competition policies. Entry point C policies seek to promote workers’ involvement in occupational health and safety (OHS) and to sensitize health care providers to work-related hazards. Finally, at entry point D, universal interventions include the provision of universal health care and injury/ disease compensation schemes covering all workers (irrespective of employment or residency status), as well as information/support networks for injured workers.

Second, interventions targeting the adverse health effects of particular employment conditions both articulate the universal policies just identified and address specific health threats, as well as recognizing the different circumstances of poor and rich countries. At all levels and in relation to all employment conditions, there is a strong emphasis on mandating minimum standards through legislation and government policy. This is informed by evidence on the failure of voluntary codes, self-regulation, and practices such as corporate social responsibility to secure breadth or reliability in terms of compliance—at best, they are adjuncts to regulation (13, 14). At the same time, regulatory standards need to be implemented, requiring, among other things, an adequately resourced inspectorate, effective sanctions, and community/union pressure on governments to

“deliver.” At the global level, a major challenge is the diversity of national regimes and the absence of effective global regulation.

Labor and health standards need to be inserted into the architecture of trade, with progressive lifting of standards so that poorer countries are not disadvantaged. This requires major reorganization of key international agencies, such as the World Trade Organization, Organization for Economic Cooperation and Development, International Monetary Fund, World Bank, and ILO (15). Supply-chain regulation, and sanctions against countries permitting child or forced labor, offers one option to protect vulnerable workers and ensure that those creating hazardous employment conditions must take responsibility for this (16, 17).

Third, policy interventions are not simply about punitive laws and sanctions, and interventions must target underlying causes. Thus, for example, the provision of food to children attending school, and even basic social safety nets, in conjunction with “living wages” and training/job opportunities, is an effective weapon against child labor, because it addresses the poverty that underpins this practice. Similarly, even rudimentary income support and reemployment opportunities for injured workers in the informal sector can be seen to have macroeconomic benefits once externalities are considered. An analogous point can be made with regard to the considerable wastage of displaced older workers (many the victims of injury or repeated waves of downsizing/restructuring) in rich countries even prior to the global financial crisis (18). Treating labor as a commodity to be dispensed with at whim does not constitute a socially efficient use of this resource—let alone a humane one. Finally, the elimination of harmful employment conditions should be dovetailed with promotion of quality jobs in more environmentally sustainable forms of transportation, power generation, and food production (9).

Fourth, arguments that establishing any form of safety net is beyond the means of poor countries are essentially determinist and ahistorical, considering that rich countries began this process a century ago, when they were considerably poorer and resembled “developing” countries in many respects. More pointedly, there are contemporary examples of low- to middle-income countries providing universal access to health care and community campaigns for work-related injury protection among informal workers (as in Brazil) (9, 19). Arguments about the affordability of safety nets are predicated on an economic model that the global financial crisis has shown to be fundamentally flawed. They also ignore the social costs of failing to provide social security, well-illustrated by the prolonged recession in Japan and the problems being experienced by export-oriented, high-saving, and low-wage, low-social-security “developing” countries in the current global financial crisis.

CONCLUSION

The ascendancy of neoliberal policies over the past 35 years was marked by the growth of poor-quality and health-damaging forms of employment. Proponents of neoliberalism argued that flexible labor markets and other market-driven policies

Table 1
 Typology of policies and interventions, at the national level, for employment dimensions to reduce health inequalities, stratified by main entry points

Entry point	Full-time standard employment	Unemployment	Precarious employment	Informal employment	Child labor	Slavery and bonded labor
A	<ul style="list-style-type: none"> • Incentives for unionization and collective bargaining • Provision of quality work as central policy objective 	<ul style="list-style-type: none"> • Policies to promote full and secure employment • Strengthen job component in poverty-reduction programs (e.g., micro-credits) 	<ul style="list-style-type: none"> • Limit temporary contracts • Incentives for unionization and collective bargaining 	<ul style="list-style-type: none"> • Legislation and land reforms • Incentives for informal workers' organization 	<ul style="list-style-type: none"> • Strengthen enforcement/sanctions • Provide food for attending school programs 	<ul style="list-style-type: none"> • Legislation, effective enforcement on beneficiaries (including those at peak of supply chains) • Trade/investment sanctions on governments tolerating slavery/bonded labor, and incentives for those eradicating practices

- Universal access to public education
- Legislation on minimum wage (poverty)
- Income redistribution through progressive tax system and social services
- Avoid wage discrimination (gender, race/ethnicity, employment status)
- Promote policies toward upward social mobility

- B**
- Incentives/sanctions for reducing employment violations
 - Promote worker input into working-time flexibility (e.g., work–life balance)
 - Regulate downsizing/job insecurity and outsourcing
 - Policies to limit use of “atypical” employment
 - Promote unemployment insurance
 - Active labor market policies (e.g., facilitate access to employment for women and young and older workers)
 - Reevaluate retention of rural area services and agricultural activities on basis of employment, environment, and sustainability
 - Regulatory controls on downsizing, subcontracting, and outsourcing (e.g., supply-chain regulation)
 - Integrated minimum labor standards (industrial relations, occupational health and safety (OHS), and worker’s compensation)
 - Regulation/enforcement to avoid employment discrimination against foreign-born, migrants, and other vulnerable workers
 - Extend regulation to informal work
 - Incentives/sanctions to reduce employment violations in informal economy
 - Promote worker/community health center network or integration of workers’ activities in primary health care
 - Conditional cash transfer programs (e.g., for food, education, and immunization)
 - Civil society mobilization against labor (e.g., consumer boycotts)
 - Antislavery/bonded labor law and enforcement mandated internationally (target penalties for noncompliance)
 - Strengthen law enforcement agencies to interdict and prosecute practices (e.g., NAPTIP in Nigeria)
 - Civil society mobilization against slavery (e.g., consumer boycotts)

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- Strengthen public capacity for regulation and control regarding employment conditions
 - Impose externalities assessment on labor market flexibility, competition policies

- D**
- Expand coverage (access, quality, compensation, rehabilitation) for occupational diseases and injuries (include mental illness)
 - Retaining programs to aid employment reentry of disabled workers
 - Special retraining programs to assist employment reentry
 - Stronger legal obligations on employers to reengage injured workers (including agency workers)
 - Expand coverage and effective implementation of workers' compensation or national illness insurance (e.g., for self-employed, undocumented, and migrant workers)
 - Provision of basic income/anti-poverty support for injured workers and their dependents
 - Provision of basic income/anti-poverty support for injured workers
 - Introduction of special rehabilitation programs
 - Provision of basic income/anti-poverty support for injured workers
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- Universal access to health care, and include OH in primary health care
 - Establish information centers or networks for injured workers
 - Increase capacity of health system to recognize and treat occupational diseases and injuries
 - Create adequate solidarity finance mechanisms to cover compensation and treatment for all
 - Deemed cover for undocumented immigrants/guest workers, child labor, and bonded labor under workers' compensation and social security laws

created jobs and cheap goods (20). The global financial crisis—a product of the same policies—with its social costs of unemployment, homelessness, poverty, and illness, has demonstrated that neoliberal policies are unsustainable. Addressing the health challenges posed by job insecurity and precarious employment, informal work, unemployment, and child and enforced labor requires a reconfiguring of policies, eliminating those that encourage these employment conditions. It requires more activist and empowered communities and state interventions to reengineer and extend basic social protections in rich and poor countries, as well as integrating labor and health standards into the fabric of commercial arrangements and international trade. Finally, policies are needed to develop more equitable and sustainable forms of employment.

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