



What is the value of work? Some institutional perspectives on a ever-changing concept

by Sara Prosdocimi

Tag: #GTL2021 #futureofwork #labourmarket

The aim of ADAPT's 2021 international conference was to examine the contradictions of the current labour market, trying to deconstruct them in order to rethink the value of work.

On the second day of the conference, **through some legal, economic and sociological reflections** that go beyond mere juxtapositions, **an attempt was made to bring to the fore the economic and welfare dimension, to understand today's meaning of work** and to define **“Work and its value (the institutional perspective)”**, thanks to the contribution of Ilaria Armaroli (ADAPT), Bettina Schaller (WEC), Stijn Broecke (OECD) and Christina Behrendt (ILO).

Ilaria Armaroli focused on the **role of industrial relations** in the value of work: in particular, it was underlined how most problems of current labor law have only been exacerbated by the COVID-19 pandemic. But the issues of the **disputes upon markets and work can be traced back to the creation, redistribution of the value of work, and industrial relations, therefore, sought to solve these dilemmas**. Actually, as Doellgast, Bidwell and Colvin argued in 2021 “The field of employment relations involves the study of employment, with a focus on how labor and management combine to create value and negotiate over its division, as well a show people experience the workplace”. Again, recalling J. W. Budd's famous conceptualisations of work, **industrial relations have served for a long time to release work from being just a curse, a necessary burden for human survival and maintenance, and a commodity**, an abstract quantity of productive effort which can be bought and sold in the market. Because, as Polany said “labor is only another name for a human activity which goes with life itself, which in its turn is not produced for sale but for entirely different reasons, nor can that activity be detached from the rest of life”. In this sense, Armaroli underlined why it is so **important to find new ways to assess the economic value of work and, at the same time, to acknowledge, respect and preserve different types of works such as reproductive and domestic work**, and so to use the industrial relation as an instrument to solve the problems about the redistribution and the value of work.

Bettina Schaller (World Employment Confederation) started her speech from some insides of **what the labor market looks right now**. The question that she poses is: **are we witnessing a “great resignation”**? Actually, **41% of employees are considering leaving their current employer**, quit rates are rising in levels never seen in years before and the trend which is recognized all over the world seems to be scarcity. Some **69% of employers report**

difficulties in hiring, a factor which is fascinating because shortages are affecting all sectors, all industries all looking for workers right now. The COVID-19 pandemic has affected the labor markets not only looking at the shortages happening, but also considering the effects of restrictions in working migration, or savings up made by workers that no longer want to return to working position with the same conditions as previously.

Of course, **unemployment rates are not captured in their full extent by the pandemic restrictions on the labor market: at a global level, it is estimated that 70% of the global loss working force during the crisis is attributed to people becoming inactive** (people who lost their work and are not actively searching for new jobs).

What keeps people away from work? Is it only a matter of choice, willingness, labor markets? It has been noticed that the **value of work, the work-life balance now-a-days play a central role** and boundaries between work and “life” are becoming more and more blurred. Money is no longer the only motivation to find a new job: the focus is on security, value, autonomy, flexibility. But also employees are expecting more from their workers, for example well-being, professional development, management.

Schaller affirmed that, perhaps, it is **better to talk about great revaluation instead of great resignation**.

Against this backdrop, another question is **how HR services industry can create more value: many are the answers**, such as supporting the transition to new economies; driving social purpose and social innovation, creating value by guaranteeing rights for workers; simplifying the increasing labor market complexity; acting as a solution provider in terms of risk management; delivering intermediations and making jobs markets working (creating value by contributing to economic growth).

Again, in this framework, different workers are involved: Stijn Broecke from OECD focused on **group of workers who are highly valuable but are not highly valued**, those who are vulnerable in some ways and have not the right recognition and protection. And, once more, the frame of what are the sources of vulnerability is very wide.

Firstly it is important to talk about the **classification** of the employment status of some of these workers: are they employees or self-employed? Referring to them in one way or in the other means different levels of regulations, protections, social protection, factors such as minim wage, holidays, the right to switch off, unionisations and collective bargaining and so on. To act in this issue of misclassification it necessary to make it easier or less costly for workers to challenge their employment status, or to allow labor authorities or union to take cases to courts or to act in prevention throughout inspectorates.

Secondly, strictly linked to the classification issue, it must be recognized that some **workers do “live and act” in this “grey zone”**. For this reason, it is important to identify groups of vulnerable self-employed workers to whom deciding which labor rights and protection must be extended and adapted; and, where necessary, to clarify and assign employer duties and responsibilities in order to fully protect those workers.

Lastly, **labor market monopsony** can be tackled by enhancing collective bargaining (for example some countries have extended to autonomous workers the power of collective bargaining), countering its ill effects through labor market regulation, intervening on sources and abuses on monopsony power, so by fighting labor market collusion, limiting the use of non-compete clauses, reducing informational asymmetries to fully address workers with the right of bargaining that sometimes they do not understand as an instrument, or as contents contracted.

Christina Behrendt from ILO focused on the very important issue of **social protection**. It is widely recognized how COVID-19 pandemic exposed serious gaps in social protection systems and required urgent measures to close these gaps: different responses have been made, automatic responses, through existing social protection systems; and emergency policy responses, to close coverage and adequacy gaps, both by creating new feedbacks and replies for vulnerable groups and by enforcing pre-existing structures and coverages.

Therefore, the **labor market transformation** that we have seen in the recent years **on the one hand has fractured the social contract**, by unfair competition, fragmentation, disempowerment, flexibility at the expense of social security, **but on the other hand has reinvigorated it**, by underling integrated solutions, enforcing representation and social dialogue and empowering social security to support flexibility and decent work.

So the main point is that the social protection system is at a crossroads: if one response could be a strategy of investments in universal social protection, the other way is to approach it in a minimalist social protection policies and fiscal consolidation. What we do have to take in mind is that universal social protection is at the core of human-centred recovery, ensuring that workers in all types of employment enjoy adequate and comprehensive protection, but also following a sustainable and equitable way based on solidarity.

Equity, solidarity and sustainability are all principles recognized also by the 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs), through its central promise of “Leave no one behind”. Industrial relations, social protection, labor markets must follow this principle in order to fully seize the opportunities arising from these transformations.

Sara Prodocimi
ADAPT Junior Fellow
 @ProdocimiSara