LETTERS

May the gross domestic product growth be a valid indicator of decent work?

La crescita del Prodotto Interno Lordo (PIL) è un buon indicatore di lavoro dignitoso?

An ineffective workplace health and safety strategy might result in negative consequences on the society as a whole, especially in periods of economic crisis. Indeed, work-related injuries and occupational diseases occurring in the European Union cost between 2.6% and 3.8% of the Gross Domestic Product (GDP) (1), while, globally, it rises to 4% of the GDP, thus equalling 2.8 billion dollars (2). According to the Italian workers’ compensation Authority (INAIL) data, in Italy, the burden of 40% of this cost relies on public finance, whilst the remaining 60% lies on the private sector (3). From the 1950s, several academics investigated the costs of workplace health and safety. These can be classified as “direct” and “indirect”. Direct costs are usually easily tracked down by employers, as they are monetary and directly connected to unfortunate events, such as the damage to the means of production. Indirect costs, including productivity, overtime wages, the absence of injured workers and a halt in production, are not instantly recognizable and are, therefore, often neglected. Those can, on the other hand, be significantly higher than direct costs, as they are directly proportional to the significance of the event. For these reasons, some scholars have argued that indirect costs should be quantified in economic terms, through specific tools of analysis, such as the Incident Cost Calculator, created by the Singaporean Workplace Safety and Health Council (available at: https://www.wshc.sg), in order to be more efficiently managed by employers and industries (4, 5). At the moment, a comprehensive system to estimate the costs of work-related injury and illness has not yet been developed, due to the complexity and variety of factors to be considered. According to the European Commission (2011) (6), the actual costs regarding health and safety for employers are “the consequences on costs and revenues of an organisation that would not have risen if the incident or injuries had not happened”. Such a definition may appear too broad, but it encompasses monetary as well as non-monetary aspects. Nevertheless, the phenomenon of workplace injuries and professional illnesses remains a central economic and social issue. The attention to workers’ health and safety is closely connected with the value placed on work as a fundamental factor in the progression of a society and on the development of the individual human being, as affirmed by the Italian Constitution. In the same way, common social consciousness tends to consider particularly serious and unacceptable events that cause harm to employees and workers, regardless of the actual economic damage resulted. Articles 32 and 41, clause 2, of the Italian Constitution affirm, indeed, that the health and safety at the workplace is safeguarded as a fundamental individual right and as something that generates a collective interest, therefore being one of the inviolable limits of exercising a private economic activity. Even if the World Health Organisation’s (WHO) definition of health as “a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity” includes psychological, spiritual, environmental, economic and socio-cultural factors,
the individual’s psychophysical health remains the most important requirement to ensure the well-being of the entire society (7). The economic well-being is, therefore, just one of the many aspects of the general well-being of the individual. Nowadays, however, the GDP is still the principal tool to measure the population’s well-being. While it measures all the goods and services produced by a specific country in a given period of time, the GDP does not take into consideration other important factors, such as improvement (or deterioration) in healthcare and education or the level of inequality within a society. Therefore, GDP often overlooks actual benefits and disadvantages of welfare and its prerequisites (8). “GDP measures everything except what is worthwhile”, Robert Kennedy said in 1968 at Kansas University (9). Following this idea, from the 1990s, alternative well-being indexes have been introduced by non-governmental and nonprofit organizations, economists, to increase exponentially during the 2000s. This reflects the growing importance of environmental and social welfare issues in the modern analysis of the concept of well-being. One of the most widely recognised methods is the Human Development Index (HDI), proposed by the WHO and calculated every year by the United Nations. It corresponds to the geometric mean between the Life Expectation Index, the Education Index and the per capita income of the population considered (10). A different index, introduced in 2002 to integrate the UN Millennium Development Goals, is the Environmental Performance Index (11), which focuses on the performance of the country’s policies regarding environmental sustainability. A particularly unconventional approach is the one used in connection with the Gross National Happiness concept, developed during the ‘70s in Bhutan and then adopted by other countries, and the Happy Planet Index itself, based on the Buddhist spiritual values (12). This basis raises a question about the legitimacy to quantify human sacrifice, dignity and the loss of lives in the workplace in economic terms. Are governments and employers only sensible to economic damage and GDP loss? Recently, the European Commission, the Organisation for Economic Co-operation and Development (OECD), the World Wild Fund for Nature (WWF) and the Club of Rome promoted the project “Beyond GDP”, while, in Italy, the National Council for the Economy and the Employment (CNEL) and the National Institute of Statistics (ISTAT) developed a statistical index to measure social development, based on 134 indicators and 12 well-being areas, ranging from economic prosperity and social and environmental advancement to the degree of inequality and sustainability (13). None of the major development indexes, including WHO’s HDI, incorporates explicitly the workplace health and safety as a criterion in measuring the well-being of the population (14). It’s very surprising, even when considering the importance allocated to the GDP and the national debt in the policy-making, to observe how economically developing countries do not seem concerned in adapting their practices regarding workplace health and safety to European standards. On the contrary, the opposite phenomenon seems to be taking place in Europe. More industrialised countries, well-developed in the subject of social rights, are trying to force constitutional and legal limits to follow the socio-economic policies of fast-growing countries, at the expenses of workplace health and safety and civil rights (15). Economic growth and industrial expansion do not actually result in a direct improvement of the quality of life. Climate change, for example, can be linked to the process of industrialisation, which threatens human and natural life on the planet. One of the major arguments against adopting a new fully acceptable indicator of well-being in place of the GDP, is that often the environmental and the social price of producing goods is overlooked (16, 17). In the future, it will be necessary for the governments worldwide, in order to implement a sustainable development, to include in the national account systems both resources and capital stocks, and for the United Nation System of National Accounts to incorporate social, environmental, health, scholastic and poverty indicators in its major accounts (8). In the same way, a global single market would require the same commitment from all the governments to protect the environment as well as the health and safety in the workplace, in accordance with the guidelines provided by the WHO and the International Labour Organisation (ILO). Recently, the Boston Consulting Group evaluated the capacity of countries to convert economic wealth into well-being (18). Italy, traditionally very attentive on the subject of workers’ welfare, results at present beyond many other developed countries in the Western world, having “substantial room for improvement”. Nevertheless, it would be interesting to verify, using ILO and International Monetary Fund data, whether there is an
inverse proportional relation between GDP growth and workplace health and safety (expressed in professional diseases and workplace injuries) in countries ranked highly for GDP in relation with living costs, such as China, India, Russia and Brazil. According to the definition of “decent work” provided by the ILO, indeed, GDP growth, although an essential objective in the process of eradicating poverty, must not interfere with freedom, equality, safety and human dignity in the workplace (7, 19). In Europe, the important objectives reached on the issues of civic safeguard and security have not benefited GDP growth. On the contrary, the European economic policies in recent years and the intensity of the global economic crisis in the region have increased unemployment, inequality and, consequently, social tensions (20, 21). In countries such as Italy, socially and economically weaker than its neighbours, it resulted in further GDP loss and a reduction in the budget allocated to social welfare (22-25). Even if Italy cannot boast for its GDP growth or exceptional economic development, it is still possible to praise the importance given to the well-being, the health and the safety of its workers: evidence of a society devoted to civic values, or rather a strategy to gain few GDP points?

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References


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