

A ‘better work’ strategy is necessary for resilient societies and economies

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The Covid-19 crisis has rightly shone a light on the employment conditions of migrant workers, especially of those working in agriculture, logistics and food industries, often considered as ‘vital’ sectors. But only improving ‘protection’ and making work more ‘Covid-proof’ is not enough to make society and economy more resilient and crisis resistant. A ‘better work’ strategy is needed.

Labour migration and liberalised, flexible employment conditions often go hand in hand. The Netherlands, which is a European frontrunner in this regard, employs around 328,000 migrant workers from the new EU member states, often employed in low skilled work, mostly from Poland¹ and to a lesser extent from Romania and Bulgaria². Despite being a ‘knowledge economy’, the volume of low-skilled work in the Netherlands has not decreased (De Beer 2018a). But its quality has: this work has become increasingly flexible, intensive and monotone (De Beer 2018a, Smulders & van der Bossche 2017). Some of the sectors that mainly provide low-skilled work may even have expanded due to the availability of migrant labour. For example, the acreage for asparagus – not a very high-tech industry – has grown in the last decade (CBS 2018).

The Covid-19 crisis has drawn public attention to the employment conditions of workers in low-skilled sectors, for a number of reasons. First, the food industry, and also agriculture, are considered to be vital sectors in the Netherlands, even though most of the products are not for

domestic consumption but for export. Approximately 30 percent of all essential work is done by migrants³. Secondly, at the start of the Dutch lockdown (15 March 2020), visible labour shortages arose, for instance when the asparagus needed to be harvested. Yet, these shortages no longer seem to be pressing, as the number of (registered) migrants is nearly on the same level again as before the Covid-19 crisis, with a reduction to nearly half in April/May 2020.⁴ Thirdly, Covid-19 was detected in various places where labour migrants worked or lived. Especially in several meat-processing factories and during transport to and from work (just as in Germany and the USA), social distance rules were not respected. Housing conditions turned out to be appalling, often with many people living in one room and sharing sanitary facilities. The fact that many migrant workers were dependent on employment agencies for work as well as housing came to public attention⁵.

In May 2020, the Minister of Social Affairs and Employment set up a taskforce (Aanjaagteam) on the protection of EU labour migrants, headed by a former Socialist member of parliament (Roemer), with social partners on board. This came ten years after the parliamentary commission LURA (Lessons from recent labour migration) in 2011 already called for actions to improve employment conditions of EU migrants. The first report of the taskforce focused on registration (nobody knows how many EU labour migrants are employed in the

¹ CBS (2019) Bijna 180.000 duizendbanen vervuld door Polen. 4-4-2019.

² CBS Migrantemonitor 2018

³ See https://ec.europa.eu/knowledge4policy/publication/immigrant-key-workers-their-contribution-europes-covid-19-response_en. This is mostly in the aforementioned occupations. Migrants are underrepresented in social care, partly because different institutional frameworks are in place (see Anderson, Poeschel and Ruhs 2020).

⁴ The number of (registered) migrants from other EU-member states to the Netherlands dropped by half in the beginning of the Corona-crisis, but in

June/July 2020 had returned to almost 90% compared to the number in 2019 (<https://www.cbs.nl/nl-nl/cijfers/detail/83518NED>) .

⁵ Other labour migrants receive little attention, even though the Covid-19 crisis has also had a large impact on their lives. Think about the residents without legal status who cleaned private houses, lost their work and could not return home. Think also about international students and higher educated labour migrants, who may have lost their jobs but could not return.

Netherlands and where they live), and on enforcement of social distancing at work and while commuting. The second, most recent report went beyond Covid-19 and put forward a number of far-reaching recommendations. A number of these recommendations focus on housing and the role of employment agencies, which employ the majority (60%) of all EU migrant workers in the Netherlands. While ten years ago, the LURA commission mentioned 10,000 employment agencies in the Netherlands, the number has now risen to 14,000⁶. For comparison: Belgium, where employment agencies need a licence, has approximately 1500⁷. In a way, these agencies can be seen as international networks, and they might increase systemic resilience, as they are always able to transfer people when labour shortages arise (see Anderson, Poeschel and Ruhs 2020). But these employment agencies also play a pivotal role in what Weil has called *The Fissured Workplace* (2014). Many migrant workers have no clue who their boss actually is, and how responsibilities are divided. The “double dependency” (for work and housing) is considered problematic, but local authorities are very hesitant in offering and facilitating housing, contributing to shortages of 150,000 ‘beds’. Local authorities seek to attract distribution centres or greenhouses but prefer workers not to live in their locality because of resistance from local residents. For employers, outsourcing employment contracts as well as housing solves a lot of hassle. The taskforce aims at ‘preventing abuse’ and recommends an obligatory certification system to keep out dubious employment agencies, to detach rental contracts and employment contracts, and to give municipalities instruments to enforce quality of housing. The question is whether the recommendations are taken up by the Government and, just as importantly, whether enforcement will take place, as this was already a major issue in the LURA report a decade ago.

Incremental policy change that focuses on protecting workers and preventing abuse is crucial but not sufficient, as it does not, on its own, build resilience of the provision of essential goods and services. Granting workers basic rights is not enough. Resilience is about investing in people, diversification, and building buffers. This fits pleas of Rodrik and Sabel (2019) who called for *Building a good jobs economy* and the OECD report *Good jobs for all in a Changing World of Work* (2018). In *Better Work*⁸

(2020), the Dutch Scientific Council for Government Policy (WRR) also stressed an active approach to good work for all, aiming for higher standards than just ‘decent work’. Derived from the academic literature, good work consists of three components: 1) control over income, including long-term contracts; 2) control at work, by increasing voice and investing in skills; 3) control in life, being able to balance family and work. Good work for all is beneficial for society and the economy in the long term. The employment conditions of many labour migrants in the Netherlands fall short on all three dimensions: 1) few have long-term contracts (even if they have been in the Netherlands for years) and many labour migrants earn comparatively little; 2) they have little say at the work place, with little to no investments in education taking place (including learning the Dutch language), and 3) they work long and often unpredictable hours.

How can we make sure employers no longer take the ‘low road’ of short-term profitability but instead choose the ‘high road’ of resilience, in which investment in people takes place? To this end, we must first understand why companies take the low road. Financialisation, globalisation, and competition can put pressure on labour costs but research shows that companies are still able to make choices, and they do: within the same sector, some companies opt for the low road while others choose the high road (Block 2018, Ton 2014, Kroon and Paauwe 2014). When explaining the high level of flexible contracts in the Netherlands, De Beer (2018b) concludes, after a review of alternative explanations, that employers employ ‘copy and paste behaviour’. This may well apply to hiring migrant labour, where path dependencies also seem crucial (Ruhs and Anderson 2010).

Recent research (Strockmeijer 2019) showed that many employers in horticulture who employ EU migrants in ‘Het Westland’ take the low road and have no strategies for the future. Only a small number of employers in horticulture invest in the personnel they hire, offer training and mobility, or invest in labour-saving technology. Therefore, even though their greenhouses are very ‘high-tech’ their labour strategy is not very sophisticated. They expect that temporary employment agencies will come up with new solutions and find labour elsewhere when EU migration stagnates. Rather than a conscious strategy,

⁶ Statistics come from the report of the Aanjaagteam.

⁷ <https://www.mvovlaanderen.be/sector/hr-en-uitzendbureaus#:~:text=Belgi%C3%AB%20telde%20eind%202018%201.501,%2C%2060%2C9%25%20mannen>.

⁸ The English version of *Better Work* will be published by Kremer, Went and Engbersen (Springer, forthcoming 2021).

indifference may be a better-fitting label. For these employers, labour costs are just a small fraction of the total costs – heating, for instance, is often much more costly.

A good work strategy to increase systemic resilience needs a proactive institutional framework. Protective laws and especially enforcement are crucial. In Germany, from 1 July 2020, temporary work is banned for meat-processing industries. Temporary employment agencies could also be limited by new regulations. But this is not enough. The massive support given to companies in this Covid-19 crisis (EUR 4 billion in the Netherlands) can be used to leverage companies to develop a ‘good work’ strategy. Investing in workers could also be a conditionality built into European funding. If necessary, guidance should be given to companies that want to take the high road but do not know how. Social partners on a local, national and European level need to play a role in this as well. As do citizens, whose consumer behaviour for the first time has been linked to cheap migrant labour, especially in the meat-processing industry (Lever and Milbourne 2017).

Finally, a better work strategy to build resilience in both society and the economy may in the long term reduce labour migration because work becomes more attractive to locals, including former migrants and refugees. It will also make countries more attractive (and fairer) in the long term when they might need to compete with other countries for migrants that are needed for vital sections of the economy.

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