BRAIN-IPSWICH

KICK-OFF FOLLOW-UP COMMITTEE, BELSPO, 13/06/2016

ATTENDING

- Emmanuelle Bourgeois, BELSPO
- Maarten Goos, KU Leuven
- Guy Van Gyes, KU Leuven
- Ive Marx, UA-CSB
- François Rycx, ULB
- Sem Vandekerckhove, KU Leuven
- Jeroen Horemans, UA-CSB
- Stephan Kampelmann, ULB
- Alain Piette, SPF ETCS
- Bastien Castiaux, CCE
- Florence Meessen, CCE
- François Ghesquière
- Frederic Poupinel De Valence, SPF ETCS
- Lien Vanden Bulck, POD MI
- Louise Corlier, UNIA
- Magali Plovi, Lutte contre la pauvrete
- Renaat Hanssens, ACV
- Sarah Scheppers, ELLA vzw
- Sile O'Dorchai
- Wiemer Salverda, AIAS

Members not present (pre-arranged):

- Hannah Vermaut, UNIA
- Torsten Müller, ETUI
- Anne-Cathérine Guio, CEPS
- Bea Cantillon, UA-CSB

AGENDA

TOUR DE TABLE

Presentation of the input and expectations of all members of the follow-up committee.

INTRODUCTION TO THE PROJECT

In-work poverty: today and tomorrow?

Sem Vandekerckhove (see slideshow)

THE STATUS AND CHALLENGES OF RESEARCH ON IN-WORK POVERTY

Ive Marx, CSB

- Risk of in-work poverty is low, but the number remains important
- There are many at risk because of labor market changes (e.g. polarization)
- Focus on household: correlation between low-paid and poverty is low, except when looking at families with single earners
- Studies so far: focus on people who work full-time (in part because of data issues) but focus should be on part-time, non-standard work settings, rise in self-employment

NON-STANDARD WORK AND IN-WORK POVERTY

Jeroen Horemans, CSB (see slideshow)

- Apparent trade-off: low-pay employment and inequality
- Alternative options: increasing flexibility, productivity
- Data show that part-timers have higher poverty risk because of differences in wages
- Additional single earner, gender issues
- Temporary workers face even higher risks of poverty because of differences in wages. Job instability is even more important, despite social security, but there is no analysis for Belgium yet.
- Data show that self-employed have a higher risk of poverty. There appears to be a difference between poverty according to income versus material deprivation, but no study exists for Belgium.

Questions:

- Self-employed: trade-off wage and happiness? – Not in the data.
- Gender bias, children? – Focus rather at the household level.

- Isn't poverty above all a gender issue? – Recognition of individual versus household approach is needed.

MINIMUM WAGES AND CHANGES IN THE JOB STRUCTURE

Sem Vandekerckhove, KU Leuven (see slideshow)

- Minimum wages and share of low-paid work.
- Scenarios of how minimum wages affect low-paid work.
- Present and future (accounting for structural change).
- Data show that female employment rates are increasing but male employment rates are decreasing, same conclusions looking at unemployment. In Germany, the employment rate increases, but so does the poverty risk.
- Minimum wages are widespread policy, and emphasized as an anti-poverty measure. Minimum wages in Belgium are build up by a national minimum wage, sectoral wage floors, and automatic indexation.
- Literature on minimum wages: ambiguous.

Questions:

- Do we see decreases in the MW in practice? – Yes, if we stop indexation.
- How are wage floors defined? – Not the guaranteed minimum, but the lowest job category at age 21 for comparability.
- A large number of employees is unable to work, and therefor likely at risk for poverty. How is this dealt with? – To focus on this question, additional administrative data should be merged with the social security data. Maybe the SILC survey data can accommodate this to some extent. We will take this into account during data cleaning.
- Is it possible to examine household poverty effects? – This link is probably best established using the SILC data. Linking families using administrative data is interesting and promising but requires a very specific design and timing.
- Are service vouchers and agency workers included. – Short answer is yes, but only as a single category as it is not know where they work.

DISCRIMINATION, DIVERSITY AND WORKER PRODUCTIVITY

François Rycx (see slideshow)

- Risk of in-work poverty is substantial among immigrants
- Research questions: a) dynamics of wages and productivity of foreign workers; b) economics consequences of diversity
- Correcting for productivity as a measure of discrimination, foreign and/or female workers face a wage penalty. The level of bargaining may matter: less discrimination at the firm level?
- Economics consequences of diversity: labor market is becoming more heterogeneous, labor diversity may benefit firm productivity or not and research is inconclusive.

Questions:

- Exploration of the idea to link the data with those of UNIA to get more information on migrants' backgrounds.
- Suggestion to take into account the effect of part-time work on firm productivity.
- Suggestion to use sectors and education controls. – This is recognized and already in the model.

CLOSING

Contact data has been checked.

The planning is maintained:

- **2016** April - Internal meeting; June - Follow-up committee; September - Internal meeting
- **2017** February - Internal meeting; April - Follow-up committee - June: Internal meeting; November - Internal meeting
- **2018** February - Follow-up committee; March - Conference