

WRR-Lecture 2016 Living on the edge: the growth of precariousness and why it matters for health

Commentary by Jan Anthonie Bruijn

Mr chairman, ladies and gentleman,

Thank you Prof. McKee for that eloquent keynote speech on the growth of precariousness and why it matters for health. I was asked to briefly reflect on it from our national point of view. The international crisis that you discussed also hit our economy here in The Netherlands. The past few years, steps have been taken to ensure that our country emerged strong from that crisis.

And successfully so. Recent reports show that unemployment in our country is dropping faster than any time in the past ten years. We now have more than 66,000 more jobs than before the Lehman crisis in 2008. The highest increase has been in both temporary and permanent jobs, while self-employment has decreased. Consumer confidence has also risen in recent months and is currently at its highest level in nine years.

In healthcare, the increase in spending has been slowed through lower prices and reduced volume growth – thanks to agreements with family doctors, hospitals, the mental healthcare sector and health insurance companies. Only last month international researchers ranked The Netherlands top internationally with regards to access to all sorts of healthcare independent of socio-economic status.

However, leaving the economic and financial crisis behind us does not imply that all people already feel and experience a resurrecting sense of security, or a reduction of precariousness if you wish. We want everyone to feel that the quality of life is truly improving and that we're building a better country with a strong future. So, there is still work to do in the coming years. Work to restore security for all. Reaffirming our way of living and securing our freedoms. Investing at least 1 billion euro's extra in security in our streets and in our national

defense systems. Dealing in a convincing, justful and sustainable way with the migration challenge, where true compassion demands true hope. Increasing downward pressure on housing prizes by fighting shortage through stimulation of construction activities, and refocusing government interference on the social sector.

The number of elderly in our population will continue to rise in the coming years, and many of them will - thankfully – enjoy good health for many years to come. But there's also a group of people who live with chronic disease. And that means demand for care is on the rise. Many people in the Netherlands worry whether adequate care will be available by the time they need it. Whether they'll be able to pay for it. Whether a suitable facility will be available to care for their elderly parents. In our healthcare system, it's important to be able to choose which doctor you can go to, and to choose your health insurance. The healthcare sector needs to adapt more quickly in order to keep up with the changes we'll see in the coming years. People who live in their own home longer, need to get the care they need closer to home. Above all else, new treatments, new medicines and new technologies are being developed all the time, and we can now cure patients with diseases that used to be incurable. Many patients are living longer. Every day, healthcare in the Netherlands is improving. Quality of care will demand further development of quality transparency, E-health, and outcome-based funding. Accessibility of care will demand a continued, firm grip on the rising cost of it and an extra investment of 100 million euro's in care for the most needy including those in inner cities and neighbourhoods. We will also have to guard solidarity, now that the young and the higher educated pay increasingly, and already about half, the cost of care of the elderly and the lower educated.

Coping with precariousness also means: excellent education for all. Further internationalization and digitalization of education will allow for more individually adapted curricula in all educational sectors and novel ways of international aid for developing countries. Transition to life-long learning is already taking place and the illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn, as Alvin Toffler put it. Investing in this direction is of utmost importance in the fight against *précarité de l'emploi é de travail*.

Further, McKee rightfully stressed the great social and health importance of job security. People worry about not being able to find permanent work and having to move from one job to another, or needing to have several jobs at the same time just to make ends meet. Therefore, we will need to improve everyone's chances of finding permanent work. To this end is must is made easier and less expensive for employers to offer permanent jobs. As

mentioned only last week by investigators from Utrecht University, economic growth does more for the unemployed in our country, than all other government measures taken together. This includes job-seekers over 50 years of age, members of the so-called middle class and those in our inner cities, where a concentration of precariousness takes place. Thus, restoring job security in The Netherlands will demand stimulating economic growth by investing at least 10 billion euros in infrastructure, tax relief, diminishing cost of labour and innovation.

Job security will also demand revising the laws and regulations governing our labour market. According to the OECD, the Netherlands is marked with one of the strongest employment protection laws for workers with job tenure. In particular, they noticed that prior approval from both the public employment service (UWV) and the civil court is counterproductive. As a reaction to their observation that overly strict regulation leads to poor labour market outcomes, different European institutions have encouraged their member states to revisit the strictness of their employment protection systems. The OECD Jobs Study advised to loosen mandatory restrictions on dismissals in countries where current provisions appear to seriously hinder economic restructuring and the hiring chances of those seeking a job. The European Commission and the International Labour Office have made similar recommendations. Flexible contractual arrangements combined with social security, or Flexicurity as they call it in Denmark.

So in sum, now that the financial and economic crisis has been dealt with and structural reforms are in place, precariousness with respect to our way of living dictates the political agenda for the coming years also in The Netherlands. Safety, education, jobs, housing and healthcare as basic factors allowing for adaptivity. It will demand a carefully calibrated role for government and has rightfully been the subject of today's keynote speech by Prof. McKee.

Thank you.