

## INTRODUCTION: SOCIAL POLICY AND SOCIAL PROTECTION

The domain of social policy is vast. In fact, it largely serves to define a society. It includes most of what a community collectively does to protect its weakest members, but it also has to meet the social needs of all. Work is a central aspect of social life, and there are a great many concerns — different forms of employment, the distribution of work, a perceived conflict between workers and pensioners, among others. Then there is the need to extend protection to those — most workers, from a global perspective — who benefit from little or none. One of the main purposes of social protection is to provide an income floor, and that is generally lacking. Yet following on a century of impressive progress in some countries in providing protection for many historically disadvantaged groups — the elderly, the poorly educated, those with disabilities — it is now possible to envisage the progressive extension of protection to the world's poor and disadvantaged.

This special issue explores key aspects of social policy and social protection. Some current points of controversy and debate are underlined, and suggestions offered for their successful resolution. Leading experts take up major topics for discussion: the parameters of good social policy, the coverage of social protection, pension policy, and equal treatment for women. These are complemented by a *perspective* offering a guide to the debate on pension reform, book notes on several major publications in the field, a review of a set of books that discuss new forms of employment relationship and contract, and information on many other new publications.

In “Work and rights” *Amartya Sen* argues that it is time to scrutinize globalization for “the challenges it poses as well as the opportunities it offers”. A “terrorizing prospect” to many, “it can be made efficacious and rewarding if we take an adequately broad approach to the conditions that govern our lives and work. There is need for well-deliberated action in support of social and political as well as economic changes that can transform a dreaded anticipation into a constructive reality.” He underlines the strength of a universal approach to the pursuit of decent work: “The increasingly globalized world economy calls for a similarly globalized approach to basic ethics and political and social procedures.”

A truly global view makes it possible to deal with real conflicts between different categories of workers — where they exist — and resolve them, as compared to advancing the cause of some at the expense of others. It is of course easier to deal with the interests of just some — wage workers in the formal sector, for example, or those in informal work, or homeworkers, or the unemployed. “It is a question of placing the diverse concerns within a comprehensive assessment, so that the curing of unemployment is not treated as a reason for doing away with reasonable conditions of work of those already employed, nor is the protection of the already-employed workers used as an excuse to keep the jobless in a state of social exclusion from the labour market and employment. The need for trade-offs is often exaggerated and is typically based on very rudimentary reasoning. Further, even when trade-offs have to be faced, they can be more reasonably — and more justly — addressed by taking an inclusive approach, which balances competing concerns, than by simply giving full priority to just one group over another.”

The validity of a comprehensive approach is illustrated with the presumed conflict between those at work and the ageing of the population. As Sen points out, the presumption of rising unemployment if older workers remain longer at work, and of young workers having to sacrifice more to support an ageing population, constitute a messy argument based on gut reactions. “The combination of these unscrutinized feelings is to produce a hopeless impasse which rides just on unexamined possibilities, based on a simple presumption of conflict that may or may not actually exist.” The issue of rights also benefits from a universal view. One can envision the fulfilment of rights without dropping other fundamental objectives and goals. Sen’s carefully reasoned arguments should help to close the sterile debates for and against globalization and to advance the discussion to a higher, more fruitful place.

Since social protection, especially of the weakest, helps to define a society, its absence signifies social failure. A low level of social protection does often coincide with low levels of income and productivity. But not always. There are examples of relatively affluent societies with poor coverage, and of low-income countries with surprisingly good coverage. The provision of social security and other forms of protection can start even in the midst of widespread poverty; the critical question is one of priorities. As *Roger Beattie* stresses in “Social protection for all: But how?”: “It is absolutely clear that a very large proportion of the population in most regions of the world does not enjoy any social protection or is covered only very partially.” In part, that is a result of the substantial numbers working in informal activities in countries where protection is a workplace benefit, not a citizenship right. There may be reason to fear that the problem is getting worse: in many countries most net job creation is outside the formal, organized sector; and even within in it, outsourcing and other forms of less secure employment are increasingly typical. As Beattie points out, “the informal economy is not really a ‘sector’ as such. It is in fact a phenomenon to be found in almost all sectors.”

All this calls for innovative ways of extending protection. Historically, solidarity between the protected and others has been insufficient to achieve broad coverage, often due to a fear that the level of protection will be eroded (levelled down). That may change as more of those protected fear losing acquired gains and thus seek greater strength in numbers. But there is a persistent media scare even in the most affluent countries that discourages supporters of the welfare state — which itself tends to be associated simplistically with labour market rigidities.<sup>1</sup> The problem with extending coverage is first of all political. Yet it is clearly illogical to expect social policy to be the primary means of meeting social objectives: it can attempt to deal with what is not resolved by an adequate macroeconomic policy but is not a substitute for one. Beattie goes on to discuss options for extending compulsory or voluntary coverage and the issues involved. Difficult as they may be, it must be remembered that the goal is not just survival but to achieve social inclusion and human dignity — indispensable to a good society.

It is not possible — because it is not acceptable — to speak of social inclusion and dignity without ensuring that it covers women as well as men. Ensuring income security is arguably the defining task of social protection. But as *Linda Luckhaus* points out in “Equal treatment, social protection and income security for women”, “the ability of social protection to provide an adequate and reliable source of income for women is problematic.” That is partly the result of the tendency to import into those systems the unequal employment relationships and financial dependency found in wider society. That means that, rather than redressing those inequalities, social protection systems generally reproduce and even tend to reinforce existing discrimination. The highly unequal distribution of unpaid work and especially caring labour underlies much of the inequality found in employment<sup>2</sup> and reproduced in social security. It is, she argues, unpaid caring work by presumed dependants that is “the clue to understanding why social protection systems prove a fragile source of income for women”. Minimum thresholds of time worked or earnings below which a worker is not entitled to benefits are among the many ways in which systems in effect exclude women workers more than men. She goes on to explain the legal formulation of equal treatment, discusses the effects of the incentives it creates, and highlights recent court decisions in this field. Among her important conclusions: “To be an effective mechanism to combat the income insecurities encountered by women in social protection systems, the legal notion of equality must address the problem of poverty and be concerned with unpaid and

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<sup>1</sup> The relationship is complex. Two articles in the previous issue of the *International Labour Review* (Vol. 139, No. 1) deal with that question. See Giuseppe Bertola, Tito Boeri and Sandrine Cazés: “Employment protection in industrialized countries: The case for new indicators” and Vincenzo Spiezia: “The effects of benefits on unemployment and wages: A comparison of unemployment compensation systems”.

<sup>2</sup> This was stressed by several authors in the double special issue of the *International Labour Review* on “Women, gender and work” (Vol. 138, Nos. 3 and 4).

peripheral workers as well as those employed in full-time, higher-paid, continuous forms of work.” In all, a major review and reference on this complex subject.

Another aspect of social protection is taken up by *Denis Latulippe and John Turner* in “Partial retirement and pension policy in industrialized countries”. Traditional pensions provide for an abrupt move from full-time, regular, protected work to full-time leisure (and therefore inevitably for more of the male than of the female workforce). But there are moves in many countries to offer a more phased transition, one that often includes part-time work and sometimes partial pension payments. It is linked to the key shift in many countries away from encouraging earlier retirement (which was partly based on the misguided argument that it would help reduce unemployment) and toward providing incentives for workers to remain longer in employment (on the more solid argument that it will contribute to economic growth and the financing of expected social benefits). Latulippe and Turner examine the pros, cons and costs of partial retirement, and its relation to pension reform. They report that, so far, few workers have availed themselves of partial retirement, partly because the incentives have not made it very attractive even to those (few) who have the option. Supported by data and examples, their analysis helps to clarify what is required to devise policies that will better manage that major transition in workers’ lives.

*A perspective* — “Pension reform: What the debate is about” by Patrick Bollé — constitutes a guide to the discussion underway in many countries on the reform of retirement pensions. He sets out the key elements of this complex question. He first explains the main types of pension regime, characterized by differences in financing, in the manner of determining benefits, voluntary or mandatory, public or private, and then how the elements are often combined. Once those aspects are clear, it is easier to understand the more detailed analyses found in recent publications on the subject, including other articles in this issue of the *International Labour Review*. He reviews the central issues in pension reform, including demographic trends and retirement age, and the question of legal principles and rights. Though the impetus to reform sometimes arises from a simplistic extrapolation of population ageing, perhaps linked to high unemployment, there are valid arguments for a modernization of pension policy. Bollé stresses that it is not a fixed whole, with inevitable tradeoffs, but that instead a dynamic view should prevail. To assume that all else is held constant (*ceteris paribus*) while the workforce shrinks and those on pension become more numerous can lead to absurd (and unnecessarily pessimistic) results. On the contrary, it is not illogical to anticipate rising productivity such that expected benefit levels could be maintained for pensioners without raising the real burden on those at work. As Sen argues, imagined conflicts and unexamined prejudices are a poor basis for social policy.

The *books* section takes up several ILO publications directly related to the theme of this issue, including the *World Labour Report 2000: Income security and social protection in a changing world* and *Social security pensions: Devel-*

*opment and reform* as well as the first global report under the follow-up to the ILO Declaration of 1998. There are other books that concern social protection — on pensions and productivity, combining work and motherhood, gender and the welfare state, the effect of multiculturalism on women, “illfare” and the meaning of development, and more. A substantial review is offered of seven books that all focus on recent developments in the nature of work and the debates on priorities; another review concerns an unusual book — a photographic and textual account of labour in one Indian city by experienced analysts of development.