

INTRODUCTION

This issue of the *Review* deals with employment and social protection issues. Drawing on empirical evidence from South Africa, the first article tries to capture the direct and indirect benefits to the poor of labour-intensive public works programmes as opposed to cash transfers. The second concerns the social protection of a special category of migrant workers resulting from the widening of the process of globalization. The next article, also concerned with social protection, spells out the rationale and strategies for the legal empowerment of senior citizens. The issue closes with a “Perspective” that touches on the crucial link between employment creation and the promotion of labour rights, the importance of which has been emphasized in the ILO’s Decent Work Agenda.

We thus begin with the South African case study on the transfer of benefits to the poor from labour-intensive public works programmes. By comparing direct wage-income benefits of labour-intensive public works programmes, *Lawrence Haddad and Michelle Adato*, the authors of the opening article, essentially build on the argument that an unemployed worker is unhappier than one who has the same level of income, but who works for it, because unemployment affects the individual’s sense of self-esteem.¹ In addition, when indirect non-wage, intangible benefits like training, local institutional capacity building and community empowerment are taken into account, the authors demonstrate that employment-intensive public works programmes outperform cash transfers. The superior performance does not seem to depend on the type of assets being created (i.e. productive infrastructure like roads and irrigation or social infrastructure like health-care complexes and schools). Finally, the article makes an important contribution to the debate over the complex issue of wage-setting in public works programmes by suggesting

¹ For an elaboration of this point see Joseph E. Stiglitz: “Employment, social justice, and societal well-being”, in *International Labour Review* (Geneva), Vol. 141 (2002), No. 1-2, pp. 9-29. See also Amartya Sen: “Inequality, unemployment and contemporary Europe”, in *International Labour Review* (Geneva), Vol. 136 (1997), No. 2, pp. 155-172.

that wages should be set at a level that is neither exploitative of the poor nor an incentive to leakages of benefits to the non-poor (as would be the case if wages were set above market levels and thus attracted non-poor workers from the labour market).

The *Review* recently addressed the social dimensions of two major components of the process of globalization by analysing the relationship between trade liberalization, employment and global inequality, and the link between development and core labour standards.² Following up on these analyses, the next article in this issue, by *Eric Weinstein*, addresses the labour market and equity implications of migration, a third important element of the process of globalization. The author focuses on a particular form of employer-sponsored temporary migration in specific occupations where a domestic shortage of labour is perceived to exist. The article critically evaluates the welfare implications of such migrant worker programmes and analyses the relative gains among migrants, domestic labour, employers and the State from current practices adopted. Though untried, the specific solutions proposed by the author to reconcile the conflicting interests of the four parties have great practical value for the formulation of policy strategies. Although this article does not claim to spell out comprehensive strategies for securing a completely free flow of all migrant workers across countries, at least a start has been made to address the demands – such as that made by the Prime Minister of Malaysia, Dr. Mahathir Bin Mohamad, at the 90th Session of the International Labour Conference (2002) – that globalization should not discriminate in free cross-border flows between capital and labour. “If capital is allowed to cross borders freely, then workers too should be allowed to do the same”, was the specific demand made by the Malaysian Prime Minister.³

In exploring the labour market implications of rapid population ageing, an article in the last issue of the *Review* concluded that the world should consider its older citizens less as a burden and more as an asset that can benefit society as a whole.⁴ The article by *Gideon Ben-Israel and Ruth Ben-Israel* in this issue of the *Review* argues for a whole new legal status to be granted to the world’s senior citizens (all persons over 60 years of age) through international legislation establishing their right to freedom of association and to bargain collectively with numerous social groups. While the strategy spelt out here for the legal empow-

² See Ajit Ghose: “Trade liberalization, employment and global inequality”, in *International Labour Review* (Geneva), Vol. 139 (2000), No. 3, pp. 281-305; and David Kucera: “Core labour standards and foreign direct investment”, in *International Labour Review* (Geneva), Vol. 141 (2002), No. 1-2, pp. 31-69.

³ ILO: *Provisional Record* No. 11, 90th Session (Geneva, 2002), International Labour Conference.

⁴ See Vincenzo Spiezia: “The greying population: A wasted human capital or just a social liability?”, in *International Labour Review* (Geneva), Vol. 141 (2002), No. 1-2, pp. 71-113.

erment of senior citizens deserves serious consideration, senior citizens could already flex considerable economic muscle through their ownership of financial and physical assets and the income therefrom. Indeed, the over-50s own three-quarters of all financial assets and account for half of all discretionary spending power in developed countries. In developed countries, disposable household income per consumption unit is systematically higher among senior citizens than it is for the rest of the population. In the United States, they control four-fifths of the investments of savings and loan associations and own two-thirds of all the shares on the stock market.⁵ Certainly, the proposal for legal empowerment put forward in this article would, if acted upon, enable senior citizens to unleash their market power collectively and thereby uphold their social and economic dignity more effectively.

The “Perspective”, by *Patrick Bollé*, synthesizes the discussions of the second ILO/France symposium on the future of work, employment and social protection held at Lyons, France in 2002. The discussions of the first symposium, synthesized in a “Perspective” by the same author in an earlier issue of the *Review*, considered social institutions for the new global economy; the second symposium was concerned with a dynamic analysis of the links between employment, work and social protection.⁶ It was quite clear from the debate at the symposium that employment creation is vital for promoting and consolidating labour rights. The “Perspective” dwells on the social implications of the transformation of the labour market affecting the “work-life” balance.

Of the seven books presented in the *Recent books* section, two deal with incentive structures for a more dynamic labour market (specifically, wage structures under the “new employment contract” and re-employment bonus experiments in the United States), while the remainder explore various aspects of the complex interplay between gender, family and the social psychology of work.

The *New ILO publications* section first presents three reports to the International Labour Conference (90th Session, 2002), on decent work and the informal economy, the promotion of cooperatives, and the recording and notification of occupational accidents and diseases. Other ILO publications in this section include guides on the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy and actuarial practice in social security; an ILO code of practice on HIV/AIDS; and a resource kit for trade unions on promoting gender equality.

⁵ “Marketing to the old: Over 60 and overlooked”, in *The Economist* (London), 10-16 Aug. 2002, pp. 51-52.

⁶ See “Perspectives: The future of work, employment and social protection (The Anney Symposium, January 2001)”, in *International Labour Review* (Geneva), Vol. 140 (2001), No. 4, pp. 453-474.

