

## INTRODUCTION

This issue of the *Review* addresses specific aspects of labour markets, social protection and rights at work from both regional and global perspectives. The first article focuses on the labour market implications of the inclusion of the ten accession countries into the European Union (EU); the second looks at the concerns of nurses' organizations globally; and the third empirically examines the relationship between forced labour and foreign direct investment (FDI) flows and international trade. This last article is followed by a related "Perspective" that outlines some of the strategic measurement and policy dimensions of combating forced labour, the widespread severity of which is not adequately recognized.

While the ten EU accession countries will increase the current European Union's (EU-15) population by 20 per cent and its arable land by 30 per cent, total GDP will be augmented by only 9 per cent. Moreover, the socio-economic gap between the EU-15 and the accession countries remains glaringly wide. The article by *Philippe Egger* on the labour dimensions of accession to the EU highlights this point: the per capita income levels of the accession countries are, on average, 45 per cent of those of the EU-15. In addition, life expectancy in the accession countries is several years lower – for both men and women – than it is in the EU-15; and food accounts for a much larger proportion of the household budget in accession countries (over a third of total household spending as compared to a fifth for the EU-15). The observed gap in governance is also huge, with eight of the ten accession countries scoring lower than virtually all of the EU-15 countries on a recently published "corruption perception" index for 2002.

However, the article by Egger provides grounds for optimism as to the ten accession countries' ability to catch up as their average growth in labour productivity has generally exceeded the EU average significantly. Economic growth in the ten accession countries is expected to be rapid (2.3 per cent), with some of them (Hungary, Slovakia and the Czech Republic) averaging 4 per cent growth in 2002 in contrast with the Euro area's sluggish 1.2 per cent in the third quarter of 2002. As

Egger rightly points out, FDI flows are a major force in narrowing the gaps in major socio-economic indicators. Indeed, while FDI flows have plunged globally, some of the accession countries have registered an increase on this score. Interestingly, the accession countries' trade with EU countries has expanded to offset shrinking trade links with the Russian Federation.

A particular challenge that Egger identifies is that of long-term unemployment in the accession countries, with nearly half of all unemployed men and women having been unemployed for over a year, as employment growth has failed to keep pace with economic growth. To improve the situation, Egger suggests measures like coordinated wage bargaining in accession countries, similar to that practised in the EU-15, in order to enhance employment levels by maintaining low inflation. However, compliance with the EU's strict regulatory requirements may lead to job losses in the accession countries' employment-intensive small businesses. For instance, a third of Poland's 3,800 slaughterhouses, most of which are small-scale operations, could be forced out of business if they cannot muster the financial resources required to meet the EU's sanitation and labelling requirements for the meat industry. Similarly, Hungarian dairy farms will have to find the huge financial resources (€82 million) to meet the EU's milk production standards, the bulk of which (68 per cent) will have to be borne by family farms owning five cows or fewer.

Concern has been raised about the pressures on health care systems worldwide, largely because of the projected dramatic increase in the proportion of elderly people – particularly in the industrialized countries – over the coming decades.<sup>1</sup> These developments have implications not only for the rapidly growing numbers of health care recipients, but also for the work of care providers.<sup>2</sup> In this context, organizations representing the interests of care providers and care recipients can clearly play a key role in dealing with the insecurities confronting each of these two groups.<sup>3</sup>

Just as the last special issue of the *Review* filled an important gap in the overall assessment of people's individual perceptions of insecurity in work and life, here, the article by *Paul F. Clark* and *Darlene A. Clark* provides vital information on the insecurity experienced by the

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<sup>1</sup> 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.

<sup>2</sup> See Mary Daly: *Care work: The quest for security*, Geneva, ILO, 2001.

<sup>3</sup> A case has already been made for the recognition of a legal status granting the world's senior citizens the right to freedom of association and to bargain collectively with members of various social groups. See Gideon Ben-Israel and Ruth Ben-Israel: "Senior citizens: Social dignity, status and the right to representative freedom of organization", in *International Labour Review* (Geneva), Vol. 141 (2002), No. 3, pp. 253-273.

members of nurses' organizations themselves, as care providers.<sup>4</sup> Specifically, the authors highlight the problems identified and the priorities for remedial action proposed by 105 of the world's 298 nurses' organizations, spread over 76 countries. The nursing profession, representing the single largest occupational group among health care workers, is unanimous in identifying under-staffing, safety and health, mandatory overtime, privatization and "floating" as serious problems. Yet disaggregation of the data collected from the nurses' organizations reveals divergences in their approaches to resolving these problems, arising from cultural, economic and demographic differences between countries. The empirical findings presented in this article are also intended to facilitate cross-country exchange of experiences with a view to finding innovative solutions to complex problems that go beyond collective bargaining.

A recent article in the *Review* found no evidence to support the hypothesis that foreign investors favour countries with lower labour standards.<sup>5</sup> This finding was based on a consideration of three core labour standards – freedom of association and the right to collective bargaining, discrimination in employment and occupation, and child labour – but the analysis did not include forced labour due to data limitations. Now, based on data from 83 countries, the article by *Matthias Busse and Sebastian Braun* in this issue of the *Review* shows that FDI flows are negatively linked to the incidence of forced labour, thereby reaffirming the general validity of the conclusions of the earlier article.<sup>6</sup> This article goes a step further by seeking to demonstrate empirically that the existence of forced labour is positively associated with comparative advantage in the production of unskilled-labour-intensive goods, although the relationship is not found to be strong.<sup>7</sup>

Given the methodological difficulty of measuring the incidence of forced labour, Busse's article on forced labour makes a significant contribution to the empirical literature on this subject. This difficulty is reaffirmed in this issue's "Perspective", by *Caroline O'Reilly and Roger*

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<sup>4</sup> See *International Labour Review*, Vol. 141 (2002), No. 4 (a special issue on socio-economic security).

<sup>5</sup> See David Kucera: "Core labour standards and foreign direct investment", in *International Labour Review* (Geneva), Vol. 141 (2002), No. 1-2, pp. 31-69.

<sup>6</sup> The eight forms of forced labour used for establishing this relationship include slavery and abduction, coercive recruitment practices, domestic workers in forced labour situations, bonded labour or debt bondage, and prison labour.

<sup>7</sup> The same author elsewhere demonstrates that the effect of labour standards on comparative advantage in unskilled-labour-intensive goods in developing countries depends on the type of labour standard considered. It is claimed that the existence of forced and child labour enhances comparative advantage in unskilled-labour-intensive products while the opposite happens when there is a gender-based discrimination against women and this relationship with basic trade union rights is ambiguous (Matthias Busse: "Do labour standards affect comparative advantage in developing countries?", in *World Development* (Oxford), Vol. 30, No. 11, 2002, pp. 1921-1931).

*Plant*. One of its consequences has been the tendency to neglect the social and economic repercussions of the very existence of forced labour, which tends to be dismissed as a minor or largely bygone problem. By spelling out the challenges of combating forced labour, the “Perspective” strengthens the case for global awareness raising through ILO-led research, advocacy and technical assistance programmes.

Of the three books reviewed in the *Books* section, the first critically examines the different legal traditions and social influences on family law in the United States and the Netherlands, dwelling on the policy challenges arising from the conflict between the protection of “individual rights” of citizens and the needs of the family as a whole. Drawing on practical insights from successful national experiences (Nordic countries, Austria and the Netherlands), including in countries with high unemployment (Germany and Belgium), the second book reviewed offers valuable policy options for social integration through transitional labour markets involving working-time transitions, investment in training and human capital, and active labour market policy. Linked to the last special issue of the *Review* on socio-economic security (based on the ILO’s People’s Security Surveys), the third book reviewed adopts a historical approach to analyse the heightening of human insecurity worldwide through the processes of globalization and labour market flexibility and to come up with valuable policy insights.<sup>8</sup>

The first of the books presented in the *Recent books* section provides a sociological perspective on the practice of negotiation as a tool for settling disputes at the individual and institutional levels. The second is a study of the codes of conduct that regulate employment relationships within networked companies in Europe. The last book in this section recasts a previous critique of regulation and labour law in the context of globalization.

The *New ILO publications* section has a robust mix of newly released reports, manuals and scholarly studies on a wide variety of topics, including employment in postal and telecommunications services and in the tobacco industry; lifelong learning and training; seafarers’ identification documents; alcohol and drug-related issues at work; the teaching profession; managing disability; measuring the “non-observed” economy; and many other sectoral and regional studies.

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<sup>8</sup> See *International Labour Review*, Vol. 141 (2002), No. 4 (a special issue on socio-economic security).