



Newsletter 2000/2



*InFocus Programme on
Socio-Economic Security*

Seeking Distributive Justice – Basic Security for All

The end of Unemployment Benefits?

In the 20th century, the assumptions of full employment and full-time well-paid jobs were the cornerstone in the design of unemployment benefit systems. However, in recent years high unemployment, more flexible labour market and more informal working have contributed to changes in the design of unemployment benefit systems. The responses have not only undermined existing delivery mechanisms, but have also resulted in the exclusion of many more from income support.

To debate the paradigms representing a clash of thinking around the restructuring of unemployment benefits, the Programme organized a public debate as part of the activities of the Geneva 2000 summit. The main speakers were Robert Holzmann, Director of World Bank's Social Protection Division, and Guy Standing, Director of the InFocus Programme on Socio-Economic Security.

Robert Holzmann outlined options associated with unemployment benefits. He criticized unemployment insurance as being ineffective with regard to poverty alleviation, subject to abuse, lacking political sustainability and being unsuited for structural shocks. He argued that unemployment assistance was more viable, and concluded that for a system to be successful, it should satisfy the criteria of distributive effectiveness, allocative efficiency, financial affordability and be in consonance with cyclical and structural economic shocks.

Guy Standing pointed out that the international trend was towards means-tested unemployment assistance, which suffered from low take-up rates, poverty traps and unemployment traps. This had contributed to the drift to workfare. He emphasized that the fiscal, moral and legitimization concerns around the restructuring had resulted in numerous, and often arbitrary, changes in entitlement conditions, which had led to the fact that even in industrialized countries only a minority of the unemployed were

receiving unemployment benefits. He concluded that work insurance (i.e., insuring against fluctuations in work opportunity) and citizenship-based rights, rather than labour-based entitlements, were more viable means of ensuring income security.

Other participants in the debate were Theo Papadopoulos, University of Bath; Aystein Gjelsvik, Chief Economist, Norwegian Confederation of Trade Unions; Alan Leather, Deputy General Secretary, Public Services International; and Steve Marshall, former Chief Executive of the New Zealand Employers Federation and member of the ILO Governing Body.

Dalmer Hoskins, Secretary General of the International Social Security Association, chaired the session. A point made by Theo Papadopoulos was that data from European Union countries showed a strong inverse correlation between level of benefits and poverty and income inequality.

While most speakers thought a rapid demise of unemployment benefits was unlikely, it was generally concluded that a major rethinking of policies for providing the unemployed with income security deserved high priority in the sphere of social protection. A major conference will be organized on this in the near future.



Combating Controls: The Base of Decent Work

Overcoming controls exercised over people in several ways is a crucial part of a strategy for providing basic security and for creating “decent work” conditions. Controls limit freedom. Yet we have only a hazy idea of what is meant by control, and practically no statistical information on mechanisms or patterns of control. It is believed these are particularly severe impediments for women in developing countries.

The Programme has developed a methodology for identifying control mechanisms, and following a presentation at a conference of women organizers and researchers in Harvard University, a collaborative project has been launched with the global network of WIEGO (Women in Informal Employment: Globalising and Organising) on reconceptualising work. The project will be linked closely with our People's Security Surveys.

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Russian Firms Stabilising, but Workers at Risk

The latest round of the Russian Enterprise Labour Flexibility and Security Survey (RLFS) conducted in June 2000 indicates that the chaotic downsizing shown in previous rounds has slowed, but that growing numbers of workers suffer from precarious employment and uncertain pay and access to enterprise benefits. The survey, covering hundreds of firms in Moscow, Nizhny Novgorod and Ivanova, has been conducted in collabo-

ration with the Centre for Labour Market Research in Moscow. This round has given special emphasis to the insecurities of women workers.

A feature of interest for labour analysts is that we have collected detailed data on labour and employment practices for a sample of firms regularly throughout the past decade, giving a unique *panel data set* that is available for use by researchers wishing to work with the Programme.

Indonesia: Improving Security after the Crisis

The crisis that hit Indonesia in 1998 left millions of people struggling to survive on much reduced incomes. The new democratic government has been trying to create institutions and policies that can restore economic growth and reduce the extent of poverty and economic insecurity. In this context, the Programme is conducting a comprehensive review of labour and social policy trends in order to recommend reforms that would strengthen social and economic security in the country. The project is being conducted by an international team of specialists working with the Programme, and is involving close working relationships with a large team of Indonesian colleagues.

As a first part of the project, an En-

terprise Labour Flexibility and Security Survey is being carried out to document developments in a sample of 1,000 large and medium-sized firms and 1,000 small-scale 'informal' firms. This is being conducted in collaboration with the Government's statistical office, and should be completed early in 2001. At the same time, a People's Security Survey is being carried out in several types of rural and low-income urban areas, collecting information on a representative sample of 3,000 persons and households. While these surveys are in the field, reviews of social protection policies and assessments of macro-economic policies will be carried out by the team.

Measuring Voluntary Work: A Handbook

We know that many civil society organizations exist, and that many millions of people work for them. We have few statistics to show that. If we believe that all forms of work should be recognized and be provided with protection, we must develop the means of identifying and measuring that work. Accordingly, the Programme is collaborating with the Centre for Civil Society at the London School of Economics in the

development of a Handbook on methods of measuring the contribution of non-governmental organizations and other non-profit ventures, and on how that could be integrated in the system of national accounts. The Programme is assisting in the drafting of a technical paper on a statistical data base on NGOs and is providing support for the testing of a methodology for estimating their contribution to national income.

Poverty in Russia

The impoverishment of the vast majority of the Russian population was a major tragedy of the 1990s. Policies and institutions for dealing with the crisis were scarcely developed. At the invitation of the Ministry of Labour and Social Development and the ILO office in Moscow, the Programme director addressed government officials, representatives of other international agencies, academics and embassy officials on policy options for overcoming the chronic economic insecurity in the country. A review of the state of the *unemployment benefits* system was launched, and agreement was reached on several other activities, notably on a review of policies and institutions of *care work*.

African Regional Meeting, Dakar

A strategy for promoting economic security in African countries was discussed at a meeting of ILO regional and country office directors in Dakar in September.

As a result, several technical projects were launched. The meeting was a valuable opportunity to strengthen working relationships with our African offices.

UK Globalisation White Paper

Clare Short, the UK Minister of Overseas Development, invited the Programme's director to participate in a two-day round table on ideas for the British Government's White Paper on policy responses to globalisation. Participants included Government Ministers from several African countries as well as distinguished economists from Africa, Asia, Latin America and Eastern Europe.

The White Paper should be a major contribution to the international response to the pressures and challenges of globalisation. Its publication will coincide with a substantial enlargement in the position of the UK's Department for International Development (DFID).

Workers on Unpaid Leave in Ukraine

The plight of workers in Ukrainian industry has continued to be catastrophic, according to the latest enterprise survey conducted in collaboration with the Government's statistical office in June 2000. Covering 1,684 firms employing over one million workers, this is the largest survey of its kind carried out, and demonstrates that the methodology developed by the Programme is ready for application in many other member countries.

The findings will be presented at a tripartite conference to be convened in Kiev in early 2001. They show that nearly one in every five workers is on unpaid leave, or is laid off, and that many more are expected to turn up for work but are not being paid their wages. This pattern is persisting even though there have also been substantial cuts in employment levels – which have not been adequately recognized by the official unemployment statistics.

Women Outworkers on Video

Women in Gujarat are participating in a survey to determine the causes and nature of their insecurities and the impact of government policies. As part of that project it was decided to make a video to give some of them an opportunity to explain the difficulties that they have to overcome simply in order to survive with minimal dignity.

The project is being conducted by the Programme in partnership with the Self-Employed Women's Association (SEWA) of India. The video is capturing the strong views of women doing a variety of oner-

ous work activities, and is highlighting the collective strength gained by belonging to an association in which they can learn from sharing knowledge and experience. The message that comes through the stories of these women is one of dignity under stressful conditions, in which innovative collective action is essential.

Also featured in the video is a special statement made by the ILO Director General, Juan Somavia, who highlights the need to overcome *fear* as a prerequisite for social justice in any type of community in any part of the world.

Reduce Child Labour: Give Women Income Security

A theme of the Programme's policy work is that a way of reducing child labour is by improving the income security of women whose children are drawn into child labour. This is why we have been taking an active interest in the *renda minima* and *bolsa escola* schemes being introduced on a semi-experimental basis in many Brazilian cities and in several other parts of Latin America.

In June 2000, a technical meeting was held in Brasilia to consider a national strategy to combat child labour. The Programme contributed by presenting the results of an evaluation of the effects of an income sup-

port scheme in Recife in which poor women were given a basic income if they agreed to send their children to school. Government agencies, national unions representing domestic service workers, civil society organizations, local authority officials and researchers from across the country participated in the meeting, which was organized by the ILO's IPEC office in Brazil.

The results of the evaluation are to be published, showing that a minimum income programme linked to school attendance would be an effective way of improving the welfare of women and children in poor districts of developing countries.

Dorcelina Folador Prize

The Socio-Economic Security Programme is launching an annual prize for the best piece of empirical research submitted to it consistent with the principles of universal economic security promoted by the Programme. The prize is to be named after *Dorcelina Folador*, a disabled Brazilian woman, a leader of landless agricultural labourers and a strong proponent of universal income security, who was gunned down recently while sitting on her veranda with her children. She was known to several of us, and was a woman of fine principles.

The prize will be decided in June each year, with a jury selected from the International Advisory Board of the Programme. It will be marked by a presentation and seminar in the ILO. Further details are available on request.

Workfare Workshop Planned

In April 2001 a technical meeting will be organized on workfare, to examine international trends and arguments for and against linking labour obligations to social protection benefits. Among the papers will be studies of reforms in the US, Canada, Brazil, UK, Scandinavia and Germany. Information can be obtained from the Programme Secretariat.

Responding to Global Insecurity

A paper on global economic insecurity will be presented by the Programme at the plenary session of the annual meeting of the Brazilian National Association on Social Sciences (ANPOCS), to be held near Rio de Janeiro in late October. There will also be a debate on basic income schemes, and a report by the Programme on some *bolsa escola* experiments in Brazil. It is expected that over 1,000 people will attend the ANPOCS meeting.

Income Security Needed for Citizenship — 8th BIEN Congress, Berlin

Michel Rocard, former Prime Minister of France, warned of the danger of civil violence unless the income security needs of ordinary people were addressed as a matter of urgency. He was speaking during the eighth Congress of the Basic Income European Network (BIEN), held in Berlin, and chaired by the IFP/SES Director. Over 200 social policy specialists from over 20 countries participated in the Congress. In all, over 50 technical papers were presented.

The organizing theme was the need

to ensure basic income security as a right of citizenship. Among those invited were Andrea Fischer, Minister of Health in the German Government, Osmo Soiniavaara, Finland's Minister of Health and Social Affairs, and Lord Raymond Plant, whose address focused on philosophical foundations of a guaranteed income. Bruce Ackerman gave a provocative keynote address on his proposals for an inheritance capital income, based on his recent book, and Eduardo Suplicy, Senator of Sao Paulo, spoke about the minimum income

reforms in Brazil.

BIEN was set up to consider alternative options for promoting basic income security for all, and is a non-political network for sharing knowledge of policies and evaluative research. As there are members from Africa, Asia and the Americas, it was proposed formally that the name should be amended to replace the word Earth for European in BIEN; this will be considered by the Executive Committee, and a vote taken by members in due course.

New Staff

The IFP/SES welcomes Maria Caceres and Florence Bonnet, who have joined the programme as Head of Statistics and Statistical Assistant respectively. It also welcomes Carl Afford to Geneva. Carl has been assisting in the development of the database from the start of the Programme, but had done so from Copenhagen

Ellen Roskam has joined the team to work on work security issues, and will link up with the ILO Programme SAFEWORK. Igor Chernyshev has joined on a part-time basis and will represent our formal link with the ILO Statistics Bureau. We also thank several other ILO colleagues for their involvement in the setting-up phase of the Programme.

IFP-SES on the Web

The IFP-SES is publishing the summary report and discussion paper of the Geneva 2000 Debate with the World Bank on Unemployment Benefits on its site under the EVENTS section.

Engaging Workers in Poverty Reduction

Workers need to be involved in protecting their own health and safety as well as the health of the communities around their workplaces. But when workers feel insecure about their jobs or their livelihood they do not give importance to workplace health and safety. The ICFTU and SES are working

together on basic security issues as a means of increasing the participation of workers in trade unions of the 21st century. SES's focus on basic security is a long-awaited context for increasing worker involvement in "sustainable workplaces", supporting worker and community health.

Publications

SES Papers

- ◆ "Psychological approaches to work insecurity", by Rosamund Stock.
- ◆ "The Appeal of Minimum Income Programmes in Latin America", by Lena Lavinias.
- ◆ "Workfare Schemes in Brazil", by Sonia Rocha.
- ◆ "Workfare Tendencies in Scandinavian Welfare Policies", by Nanna Kildal.
- ◆ "Globalization and Flexibility: Dancing around Pensions", by Guy Standing.

- ◆ "Unemployment Benefits and Income Security"

Journal articles

- ◆ "Social dumping", *Journal of European Social Policy*, Special Issue, March 2000.
- ◆ Guy Standing "Brave New Words? A Critique of Stiglitz's World Bank Rethink" in *Development and Change*, vol.31, no.4, September 2000.



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