

BOOK REVIEW

Policy Implications of the Labor Market and Social Protection Reforms in International Perspective

Parallel or Converging Tracks?

Edited by Hedva Sarfati and Guiliano Bonoli

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This recent publication of the Geneva-based International Social Security Association (ISSA) contains contributions by some 30 noted social scientists on the policy implications of rapidly changing labor markets and social protection systems in member-countries of the Organization of Economic Cooperation and Development (OECD). But it is more than a compendium of different opinions.

Based on extensive research and international consultations, the book analyzes and answers in a coherent and integrated manner the key policy question, whether the welfare system associated with the European social model is sustainable, and if so, how?

Thus, this ambitious exercise fills a much felt gap in our understanding of the complex linkages and interaction between labor market dynamics and welfare protection. More specifically, it provides an overview of the state of the art; it enlists social scientists of different orientations and practitioners for further interdisciplinary research and operational initiatives. Most importantly, it highlights possible solutions for reconciling the demands of labor markets with legitimate expectations of all people for effective social protection.

The book is very readable. The reader gets a broad and well-documented overview of the achievements and constraints of the traditional European social protection model which was closely associated with the traditional labor markets with full-time, life-long jobs of male breadwinners. Much room is given to the challenges to the viability and broad coverage of the population by the traditional welfare systems and to the reforms that are being planned, completed or underway in virtually all OECD countries.

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The introduction by Sarfati and Bonoli raises the main issues and presents, in an integrated manner, the multiple facets of the complex topic under review. The individual contributions provide a wealth of information - ranging from employment and labor market trends, to welfare system experiences in different countries and regions, to alternative scenarios.

One may ask whether a book that deals primarily with the European model of social protection and labor markets is not only of academic interest but also of major relevance in an Asian setting. The answer is definitely "Yes", for a number of reasons.

First, where social protection exists in Asian countries, it has been largely modeled after European concepts and systems, including public pension schemes, provident funds and employment compensation, to cite a few. Demographic factors, public funding and budgetary problems as well as changing patterns of traditional family-based protection have led to an intensive search for modalities of social protection that provide wider coverage at reasonable cost. Several Asian countries have yet to establish schemes that fulfill minimal requirements of social protection. Necessary and possible Asian initiatives could therefore glean useful insights from European reform exercises.

Second, increasingly, Asian labor markets show characteristics similar to those in Western economies: flexibilization of employment, atypical work arrangements, mobility, migration, rising labor market participation of women, wider use of information technologies, etc. While policy responses to the dramatic labor market change in Asian countries often recognize the need for parallel measures of social protection, there is much scope for integrated action. Clearly, more research is necessary as well as consultations between representatives of governments, employers, unions or academe interested in labor market and social protection issues.

The first of its kind, the book on OECD labor markets and social protection will serve as a valuable reference, here and abroad, for policy-makers, researchers, practitioners, teachers and students. It is hoped that it would serve as an inspiration for a similar specifically Asian review that could provide guidance for the formulation of coherent labor market and social protection policies, attuned to the requirements of this diverse region.