

Report on ILO Social Security Major Programme 110

Prepared by

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I. INTRODUCTION

General Observations

1. The International Labour Organization and its Secretariat, the International Labour Office, is the specialized agency of the United Nations family responsible for dealing with labour and social conditions. In fact the ILO came into being in 1919, much before the United Nations (or its predecessor the League of Nations), and survived the impact of a major economic depression and two world wars. Since its inception, the ILO has devoted attention to the development of legislation protecting workers against social risks such as illness, disability, old-age, death, unemployment, etc. Its means of action include research, studies, standard setting (Conventions and Recommendations), technical co-operation, as well as collection and dissemination of information. Over the years the ILO has thus developed a unique body of knowledge in the field of social insurance and social security, available to all its Member States, and now particularly relevant to countries of the third world where social security legislation and administration are of relatively more recent origin.
2. The study of the Social Security Programme of the International Labour Office, by the Joint Inspection Unit, assumes major and increasing importance in these times, owing to the trend in the international community as a whole and in all of the organizations within the United Nations system which are emphasizing the need for industrialization as a means to achieve development. This in itself brings forth the need to examine the various forms of social insurance provided for the human element, the worker, involved in this process.
3. The International Community has experienced substantial changes during the past decade. These changes have provided both opportunities and obstacles in the quest to fashion a more dynamic world community. The momentum of this transformation, reflected in unequal material progress, has given rise to disturbing imbalances that threaten the economic, monetary and social stability of East, West, North and South.
4. The panorama as outlined above undoubtedly raises a number of questions, such as: What will be the major factors affecting policy decisions of Governments around the world in the near future? Predictably one of the answers will be - the social well being of the population groups that constitute the political and social base of all States. Quoting the thoughts expressed by Mr. A.M. M'Bow - Director General of UNESCO; -"We will have to admit that there are entire populations living in absolute indigence. Profound inequalities continue to divide peoples and individuals, and the pursuit of progress itself sometimes gives rise to contradictions, uncertainties and doubts. Yet the world has enough resources and enough technology for all its people to live decently".1/

1/ Amadou-Mahtar M'Bow -Where the future begins. (UNESCO 1982).

5. "In 1980 the estimated world population was around 4,376 million persons. Of this amount comparing figures projected by the World Bank -800 million people in the world are living in a state of absolute poverty, 430 million undernourished, 1,000 million badly housed and negligible medical care, and over 1,000 million are deprived of the bare necessities of life such as drinking water".^{2/} These projections raise the question: "What then is the world work force? This work force is estimated at some 1,800 million persons, and, according to ILO sources, at December 31, 1987 this work force will be around 2,045 million persons (see Table 1) of whom 85% will be living in the developing world. "The increase in the world's work force during the period will be equivalent to the combined present work force of Western Europe and Oceania. These figures mean that, as from 1980, 30 million extra jobs will have to be created each year in the developing countries just to absorb the newcomers to the work force".^{3/} (See Tables 2, 3 and 4).

6. On the basis of the picture presented above, we are obliged to meet the need for more and expanded social services. It will be inevitable that workers both in the industrialized and developing countries will jealously defend their social rights, and this will be a major concern for Governments for the following reasons: (a) the viability of continued employment, and (b) the possibility of adequate social responses to needs of which social security is one of the most prominent.

7. Social security expenditures worldwide have been rising steadily, parallel to the expansion of needed services, and this is because of worldwide inflation and other factors. Therefore, in this connection, improved efficiency through judicious reform without sacrificing fundamental principles of the basic social needs is important. This is the critical area. This is the area of activity of Major Programme 110 - Social Security of ILO, which is called upon to play an important role in the development of the social security machinery of Member States.

^{2/} Amadou-Mahtar M'Bow -Where the future begins. (UNESCO 1982).

^{3/} ILO Medium Term Plan 1982-1987 - Director-General's Introduction.

- TABLE 1 Represents the total world population and projected work force from 1980 through 1987. These figures represent millions of persons. The Asian figures include figures from the Peoples Republic of China. If the figures for China were treated separately we would have to subtract the figures shown in (1/).
- TABLE 2 Shows the youth population between the period 1980-1987 broken down by age groups under 25 years.
- TABLE 3 The number of persons forming the agricultural work force non-agricultural work force.
- TABLE 4 Part 1 combines table of world urban population broken down into more developed and less developed countries. Part 2 is the urban population by regions 1980-1987.

TABLE 1: Growth of total world population and workforce between 1980 and 1987 (millions of persons)

Regions	Total population							Total workforce						
	1 Jan. 1980	31 December 1987			Growth over 8 years			1 Jan. 1980	31 December 1987			Growth over 8 years		
		High	Medium	Low	High	Medium	Low		High	Medium	Low	High	Medium	Low
World	4 373	5 146	5 050	4 949	773	677	576	1 794	2 082	2 045	2 005	288	251	211
More developed regions	1 176	1 264	1 247	1 239	88	71	57	548	591	584	577	43	36	29
Less developed regions	3 197	3 882	3 803	3 716	685	606	519	1 246	1 491	1 461	1 428	245	215	182
Asia ^{1/}	2 483	2 946	2 882	2 822	463	399	399	1 015	1 194	1 168	1 142	179	153	127
Africa	461	592	585	572	131	124	111	170	211	209	204	41	39	34
Latin American and Caribbean	364	459	450	438	95	86	74	115	146	143	140	31	28	25
Europe	532	561	557	551	29	25	19	239	255	253	250	16	14	11
USSR	265	288	286	283	23	21	18	134	142	141	140	8	7	6
North America	245	274	265	258	29	20	13	111	123	120	118	12	9	7
Oceania	23	26	25	25	3	2	2	10	11	11	11	1	1	1
^{1/} including China which represents	(951)	(1 063)	(1 046)	(1 022)	(112)	(95)	(71)	(442)	(496)	(488)	(477)	(54)	(46)	(35)

Source: ILO Bureau of Statistics, November 1979.

TABLE 2: Young people in the world between 1980 and 1987 (in millions of persons)

	WORLD			MORE DEVELOPED REGIONS			LESS DEVELOPED REGIONS		
	1 Jan. 1980	31 Dec. 1987	Change in 8 years	1 Jan. 1980	31 Dec. 1987	Change in 8 years	1 Jan. 1980	31 Dec. 1987	Change in 8 years
<u>Population</u>									
0 - 4 years	555	622	67	92	98	6	463	524	61
5 - 9 "	508	565	57	93	94	1	415	471	56
10 -14 "	474	522	48	95	93	-2	379	394	50
15 -19 "	446	488	42	101	94	-7	345	394	49
20 -24 "	401	456	55	100	98	-2	301	358	57
Total under 25 years	2384	2653	269	481	477	-4	1903	2176	273
<u>Working population</u>									
0 - 9 years	-	-	-	-	-	-	-	-	-
10 -14 "	54	44	-10	1	1	-	53	43	- 10
15 -19 "	197	192	-5	41	34	-7	156	158	2
20 -24 "	274	304	30	75	73	-2	199	231	32
Total under 25 years	525	540	15	117	108	-9	408	432	24

Source: ILO Bureau of Statistics, November 1979.

TABLE 3: Growth of the non-agricultural workforce between 1980 and 1987 (millions of persons)

	Non-agricultural			Agricultural			Non-agricultural workforce as percentage of total workforce		Agricultural workforce as percentage of total workforce	
	1 Jan. 1980	31 Dec. 1987	Change in 8 years	1 Jan. 1980	31 Dec. 1987	Change in 8 years	1980	1987	1980	1987
World	<u>987</u>	<u>1 215</u>	<u>228</u>	<u>807</u>	<u>830</u>	<u>23</u>	55.0	59.4	45.0	40.6
More developed regions	478	524	46	70	60	-10	87.2	89.7	12.8	10.3
Less developed regions	509	691	182	737	770	33	40.8	47.3	59.2	52.7
Asia	424	558	134	591	610	19	41.8	47.8	58.2	52.2
Africa	58	82	24	112	127	15	34.1	39.2	65.9	60.8
Latin American and Caribbean	76	101	25	39	42	3	66.1	70.6	33.9	29.4
Europe	202	223	21	37	30	-7	84.5	88.1	15.5	11.9
USSR	111	124	13	23	17	-6	82.8	87.9	17.2	12.1
North America	108	118	10	3	2	-1	97.3	98.3	2.7	1.7
Oceania	8	9	1	2	2	0	80.0	81.8	20.0	18.2

Source: ILO Bureau of Statistics

TABLE 4: Increase in the urban population ratio from 1 January 1980 to 31 December 1987

	Percentage of total population living in towns	
	1980	1987
World	<u>41.0</u>	<u>45.3</u>
More developed regions	67.9	72.4
Less developed regions	31.1	36.4
Asia	27.9	32.4
Africa	28.6	36.1
Latin America and Caribbean	64.3	69.8
Europe	68.6	72.5
USSR	64.5	70.3
North America	73.5	76.6
Oceania	73.9	80.0

Source: ILO Bureau of Statistics

II. HISTORICAL BACKGROUND

8. The necessity for universal social justice and the well being of mankind was one of the principal motives of the meeting held in Washington, on the 29th of October 1919, to establish the ILO. This necessity was spelt out in the implementation of Section I, Part XIII of the Treaty of Versailles, which is reproduced below.

"Whereas the League of Nations has for its object the establishment of universal peace, and such a peace can be established only if it is based upon social justice;

And whereas conditions of labour exist involving such injustice, hardship and privation to large number of people as to produce unrest so great that the peace and harmony of the world are imperilled, an improvement of these conditions is urgently required: as, for example, a maximum working day and week, the regulation of labour supply, the prevention of unemployment, the provision of an adequate living wage, the protection of the worker against sickness, disease and injury arising out of his employment, the protection of children, young persons and women, provision for old age and injury, protection of the interests of workers when employed in countries other than their own, recognition of the principle of freedom of association, the organization of vocational and technical training and other measures;

Whereas also the failure of any nation to adopt human conditions of labour is an obstacle in the way of other nations which desire to improve the conditions in their own countries;

The High Contracting Parties, moved by sentiments of justice and humanity as well as by the desire to secure the permanent peace of the world, agree to the following text of the treaty".

9. This was the spirit that guided Member States to come forward as a world body, dedicated to this endeavour. The original members of the League of Nations, and all the signatories of the treaty were called upon to spearhead the International Labour Organization.

10. The pertinent part of the Treaty came into effect immediately, namely Art. 393, which specified that the Governing Body of ILO was to be comprised of twelve representatives of States, including eight from the most industrially important, with representatives of Employers and of Workers. Each group elected its representatives from among its delegates present at the meeting.

11. The Economic World in which ILO came into being at the time was facing disaster. In Europe the war had caused large-scale destruction of industries and disruption of communications. There was a shortage of the raw materials required for reconstruction, which was causing, in turn, widespread unemployment; stocks of food were such that more than 100 million people were on the verge of starvation.

12. The work of the Conference was dominated, therefore, by several themes: hours of work and unemployment, possible measures of social relief as appositives to these problems, and the possibility of enabling the machinery of the industrial era to accomplish the tasks of alleviating the problem of unemployment.

13. Unable to tackle the whole phenomenon of unemployment, including its economic causes, ILO soon learnt that it had to restrict itself, on a priority basis, to the study of its social effects. Under one of the Conventions adopted, Convention No 2 of 1919, the ratifying Members agreed to communicate to the ILO all available information on unemployment, including reports on measures taken or contemplated to deal with it. They agreed further to establish free public employment agencies under the control of some central authority. These authorities or as they thus were called "committees", included representatives of employers and workers who were to be appointed to advise on running these agencies. Steps were to be taken on a national scale to co-ordinate both public and private employment agencies, and foreign workers were to be admitted to the same rates of unemployment insurance benefits as national workers, etc. With the difficulties presented in getting the Organization on its feet, it seemed for a moment that the basic objective of the Organization was at stake - the social well being of the worker. This aspect of the importance the Organization gave to the social well being of the worker paved the way for a series of very comprehensive standards for different aspects of some type of social insurance coverage.

14. Social insurance was instituted in Germany beginning 1881; at the same time social assistance was being developed in other European countries in order to provide at least a minimum of social protection to the poor and to low-income classes. The employers' responsibility for industrial accidents' compensation was beginning to gain acceptance, followed by the transfer of this responsibility to a social insurance fund. All these trends were prevailing in Europe when the ILO was founded.

15. Between 1919 and 1939, the ILO undertook the collection, the analyses and the dissemination of all the information relevant to social insurance and social assistance and created the conditions which led the Member States to adopt a series of fundamental international Conventions dealing with social insurance; moreover, an impressive international documentation was assembled and made available to Member States as well as to employers' and workers' organizations. The considerable development of social insurance in Europe in the two decades preceding World War II has been attributed by many specialists to the influence of the work of the ILO.

16. The activities of the International Labour Organization did not come to a halt during the Second World War. After a period of "exile" in Canada, the headquarters of the Organization were brought back to Geneva as early as 1946-1947. In the meantime, however, a decisive turning point for the future of the Organization had already been reached while the war was still going on. In 1944, the International Labour Conference was convened in Philadelphia. The Conference solemnly adopted a Declaration - judged by President Roosevelt as historic for the epoch - reformulating the original mandate of the ILO, which dated from 1919, and laying down new guiding principles to be followed, once peace was re-established. In Philadelphia,

at the same time, the Conference adopted seven Recommendations concerning, in particular, future policy with regard to employment and social security.

17. On the basis of the Recommendations (No. 67 and No. 69) adopted at Philadelphia, the ILO had taken a new departure: the formulation of a series of "social security" international standards whose objectives were to guarantee income maintenance and free access to medical care for the entire population.

18. In 1952, the doctrine of social security enounced by the ILO in 1944 was transformed into an international standard through the adoption of the Convention (No. 102) concerning Minimum Standards of Social Security. A formulation of nine contingencies, and a series of flexible but realistic minimum amounts for benefit payments in cash, gave specific significance to the concept of social security. From this period until to-day, Social Security Programme has been considered one of the major programmes of ILO.

19. Social security in most systems is basically divided into five main branches: (1) Old-age, Invalidity, Survivors and Death Benefits; (2) Sickness and Maternity Benefits; (3) Work-injury Compensation; (4) Unemployment Benefits, and (5) Family Allowances. In many instances, means-tested programmes are included under one or another of these headings.

The following tabulation shows the total number of countries which have been listed in various editions of the Social Security Administration chartbook since 1940, and which have instituted social security systems. By 1979, there were 134 countries reporting some form of social security.

TABLE 5

PROGRAMMES	1940	1949	1958	1971	1977	1979
Number of Countries	57	58	80	125	129	134
<u>Type of Programme:</u>						
Old-age Invalidity, Survivors and Death Benefits	33	44	58	101	114	123
Sickness and Maternity Benefits	24	36	59	68	72	75
Work Injury Compensation	57	57	77	122	129	134
Unemployment Benefits	21	22	26	34	38	38
Family Allowances	7	27	38	63	65	67

Traditionally, a work-injury programme has been among the first phases of any social security system established in any given country, and this continues to be so until today. The countries with only one programme very often have a work-injury plan. Old-age, invalidity, survivors and death benefit programmes are the next most prevalent; these are established in more than 123 countries. Sickness and maternity insurance programmes, which follow in third place, are found at present in more than 80 countries.

III. SOCIAL SECURITY AS A MAJOR COMPONENT OF DEVELOPMENT POLICY

20. Social security, as it is currently known, is one of the strong points of any national social policy, whether it be in an industrialized developed or a developing country. At present there is increasing concern over the rising costs of social security benefits. Some industrialized countries, as well as developing countries, have reformed their social security systems to meet social needs adequately. There is a general consensus for a more balanced distribution of all available resources in this area, particularly for social welfare, where government resources play an important role. This enables appropriate attention to be given to the different population groups, especially those who receive the least benefits, in view of the inequalities inherent in existing economic systems.

21. National policies as a whole tend to give some priority to social security, making it an integral part of a comprehensive institutional programme, taking into account the geographical, social, cultural, political, economic, and other specific features of the country. These institutional programmes must provide coverage for all the population groups such as: The Aged, Youth, Women, Migrant Workers, Rural Workers (farmers), Seafarers, Refugee Workers and all other groups which make up the population.

22. In the context of national policies, many developing countries have begun their industrialization process, and this industrialization has improved the standard of living in those countries and also expanded the need for social security. Expectations increase as more and more generous social protection is made available. The people are no longer content to accept the level of protection available ten or twenty years ago. On the other hand, industrialization itself has created new risks against which people need to be protected. Such risks include, inter alia, unemployment due to structural changes in industry, disability or death due to the pollution of air or water, and the use of new chemical products, new types of employment injuries due to the handling of dangerous substances, or to the inhumane process of some types of contemporary production, etc. Social security is now asked to cover these new risks, so that people's health and income are adequately protected.

23. Many industrialized countries, whether they have a centrally planned or a market economy, are now facing social and economic problems resulting from the aging population due to a lower birth rate and a longer life expectancy - a phenomenon which may be regarded as a result of industrialization. In an aging society, there are fewer workers to produce goods and services to support the dependent sector of the population. Expenditure on old-age benefits in an aging society increases at a much higher rate than the increase in the number of persons who are in receipt of such benefits; as long as the inflationary trend of the economy continues and life expectancy increases beyond the average pensionable age, the financial costs increase.

24. As mentioned earlier, new social risks are emerging as industrialization progresses. There are not only risks inherent in a particular society but also those of an international nature. International distribution of dangerous substances, for example, in the form of pharmaceutical products, brings new problems in the sharing of responsibility for the

payment of compensation, when injury occurs. Workers in the off-shore industry for example, may need more comprehensive social security protection, since a single national legislation can hardly be applicable where ownership and various responsibilities are internationally weighted, bringing complexity to the issue. Studies of possible solution to these and other related problems will have to be undertaken.

25. The international social security standards adopted by the ILO have been widely ratified by Member States. An important feature is that the existing standards are constantly reviewed and up-dated, in order to adjust to the modern development of national legislation. Almost all the pre-war social insurance Conventions have now been revised and replaced by up-to-date standards, such as:

- Convention No. 102, Social Security (Minimum Standards), 1952;
- Convention No. 118, Equality of Treatment (Social Security), 1962;
- Convention No. 121, Employment Injury Benefits, 1964;
- Convention No. 128, Invalidity, Old-Age and Survivors, 1967;
- Convention No. 130, Medical Care and Sickness Benefits, 1969;
- Convention No. 157, Maintenance of Rights (Social Security), 1982.

All these Conventions are supplemented by Recommendations which contain additional guidance for national legislators. The Conventions, when ratified by a Member State, become automatically part of national law. A system of control on the application of ratified Conventions is carried out by the ILO, in accordance with procedures laid down in its Constitution.

26. In every one of the instruments enumerated above the basic problem of income maintenance is specifically underlined; therefore, we can say that the essential aspect of social security, as it should be interpreted in a national policy, is the will to satisfy the basic social needs of the individual in the society and provide some type of guarantee of a continued source of income, good health, and better living conditions.

27. Social security programmes constitute basic tools for development. They require, as do other development activities, co-operation within the United Nations system. This is one of the main responsibilities of the system. Whether this co-operation is to be with high income countries, medium or low income developing countries, and least developed countries, it is more profitable if the focus is on proven impact efficient programmes, and social security is one of them.

28. In high income developed countries this service at present is thoroughly covered by national legislation. The capacity to overcome temporary reversals of an economic nature is better assured, the need for sustained programme delivery is minimal; nevertheless, co-operation with the ILO programme should exist. In medium income developing countries revised procedures and updated techniques for social security can make an effective contribution with available resources. In the event that such countries experience unforeseen reversals, co-operation within the United Nations system should have sufficient built-in flexibility, in order to guarantee increased and sustained programme delivery in the area of the mobilization of additional resources to help such countries overcome their temporary reversals.

29. The low income developing countries, unlike the other groups, need increased and continuous support in undertaking these programmes, because of the deep structural problems they confront, generated by economic, geopolitical, and geographical barriers, which constitute deterrents to their progress. There is, thus, more urgent need for co-operation of a more permanent nature.

30. Co-operation with the United Nations system on social security programmes in least developed countries should and must be supported by sufficient resources for the progressive development of the programme, especially in areas where the programme has not yet even been initiated.

IV. SOCIAL SECURITY IN DEVELOPING COUNTRIES

A. Summary of Visits made

31. In order to obtain first hand knowledge of the organization and functioning of social security in developing countries and to review in particular the performance of the ILO in assisting the development of sound schemes in these countries, the Inspector made a number of field visits. A brief account of the information collected is summarized below, although it is understood that no value judgement is made on the adequacy of the various schemes now in force in the places visited. This survey covered Latin America and the Caribbean, Africa and the Middle East; it was undertaken principally with the idea that these areas have needs for functional social security systems.

32. Social security in Mexico is administered by the Instituto Mexicano del Seguro Social (IMSS) and, as in the case in most developing countries, the first scheme organized in the system was a work-injury plan which was instituted in 1931; later, in 1943, the Sickness and Maternity, Old-age, Invalidity, Death and Survivor Benefit plans were incorporated into the system. Subsequently revisions were made to the Social Security Law in 1969, 1973 and 1981.

33. There are more than 26 million people enrolled in social security of which 18 million are employees of public and private sectors; there is also an additional 6 million who are Government employees belonging to a special scheme (ISSTE). Payment to the main Social Security Insurance Scheme (IMSS) is made on a sliding scale according to the base salary. It is made on a 3 tier basis, the employee and employer pay 75% of the amount and the Government pays the difference thus the proportion 1/4 and 1/2 and 1/4; these payments differ according to the risks covered i.e. Old-age, Invalidity and Death, which would generally be the pension scheme, differ from that of Sickness and Maternity, and Work Injury plan differs from the other two.

34. With the arrival on the scenario of the petroleum industry another special arrangement was introduced for the oil workers.

35. The IMSS has signed bilateral co-operation with other Latin American countries to give assistance in the technical field on a limited basis, one because of their size and the other because of their role in CIESS.^{4/}

36. ILO has closely co-operated with IMSS giving technical assistance to the Mexican System; this has always been circumscribed to the limits of available resources within the programme; with the present economic condition, and the extension of which the IMSS has grown, there is room for more outside expertise of some nature.

37. The IMSS supplies on a general basis much of the backstopping for CIESS. We will address this question in the context of Part VI.

^{4/} Centro Interamericano de Seguridad Social

38. Social Security in Cuba is managed by the "Comite Estatal de Seguridad Social" (CETSS), which is a branch of the "Comite Estatal de Trabajo".

39. Social insurance benefits were first introduced in 1913 as a fringe benefit for members of the Armed Forces. From 1915 to 1956, a large number of other economically active sectors introduced some type of social insurance scheme. These were mainly public sector occupational groups such as teachers, policemen, governors, councillors, wage earners and day labourers employed by the State; in this same context, diversified schemes were set up for private sector groups. The advent of the subsequent standardization process, following the changes in 1959, brought a rationalization to the approach of the social insurance question based on suggestions made prior by ILO; this effort by the Government in 1959 made sweeping reforms which culminated in the Social Security Act of 1963. This process of reform and standardization brought forth the Social Insurance Bank (BANSESCU). This institution, incorporated into the Ministry of Social Welfare - now the Ministry of Labour and Social Security - started the administration of health, sickness and maternity, old-age, invalidity and death, work-injury schemes for all occupational and professional groups under one aegis - Social Insurance coverage for all.

40. The Social Security Act envisaged the active role of a single body providing coverage for all, with full participation of the State apparatus.

41. Today social insurance coverage is considered a State function; the funding of the various schemes are covered 100% by the Government. State and private enterprises are obliged to contribute 10% of their gross payroll into the fund. Pension benefits range from 50% to 90% of the last salary of the individual, depending on the length of service. Basically the ILO technical assistance efforts were well considered and implemented. Subsequent minor reforms were introduced into the Act of 1963, in the ensuing years 1964, 1965, 1968, 1971, 1974, 1979 and 1981. The viability of the permanence of the plan and its funding pattern may have to be revised in the light of the present economic situation in the world.

42. The preparation of Social Security expertise is carried out locally; there are revisions in the field of training being considered to be introduced for which the guidance of ILO has been sought.

43. The Cuban Social Security Scheme has received in-puts from bilateral agreements of technical co-operation nature from other Latin American countries, and they themselves have made bilateral agreements with neighbouring countries in the establishment of revitalised social insurance schemes.

44. The Cuban social security differs from those of other Latin American countries, and other countries in the Caribbean in its pension schemes. Fundamentally pension schemes are created by some type of reserve fund, galvanized by investments of these funds to guarantee continuity and solvency. In Cuba, pensions are guaranteed by the State; even those obligations inherited from the various schemes that were in existence prior to 1959 are now with the State guarantee. The Inspector believes that account must be taken of serious financial considerations which will have to be looked at, and this step calls for ILO's involvement.

45. Social Security Legislation, in Cuba, made it mandatory for rural (farm) workers to be incorporated into the scheme. This broadens the scope of the scheme, and Cuba is apparently one of the very few countries in the developing world that has incorporated this occupational group into the system. At present training seminars, on the scope of this scheme, are being held to educate the farm worker.

46. Social Security was first introduced in the Republic of Panama by Law 23 of 1941; this was abrogated by Law 134 of 1943, which established the institution of Social Security in its current form. The System provided Sickness and Maternity, Old-age, Invalidity and Death insurances, for all public and private employees, skilled and unskilled; enrollment into the scheme was made mandatory and still is, employers were appointed de facto collecting agents of social insurance schemes. The work injury coverage was a separate type of coverage which was not mandatory in the beginning and was covered solely by the employer, with subsequent modifications. Through the standardization act which made work-injury coverage mandatory payment was then made to the Social Security Office by the employer, 1.80% of payroll. Better social benefits for public servants and 30 year contributors from the private sector into the fund were also included in the new law. Contribution to the fund is made in the following proportion: Employee 7.5%, Employer 10.75% + 2.8% and the Government as Employer 10.75% + 2.8%. This 2.8% represents the fund which provides an additional benefit called the thirteenth month pay. Every employee receives this payment in three parts, during the following year of payment into the fund.

47. The Social Security system in Panama has received timely assistance from the ILO Major Programme 110, in the monitoring and streamlining of the system. This assistance has been given mainly in the actuarial field, and at present the Technical Director has manifested his desire to receive additional assistance in the legal, financial, administrative and specialized industrial security areas, in order to bring the system in line with the social improvements introduced.

48. The Dominican Republic Social Security System was established in August 1948, notwithstanding the fact that the work injury plan was already installed as early as 1932, and continued to function as a separate entity until 1980. The Sickness and Maternity benefits, Old-age, Invalidity and Death benefits were incorporated into the system. Social Security Legislation experienced several modifications, the most important of which were Law 1896 of December 1948 and Law 6126 of December 1962. This latter established the Instituto Dominicano de Seguros Sociales (IDSS). The law was designed to incorporate all individuals who had some type of economic activity. Contributions to the fund are made on a tripartite basis by employee, employer and Government.

49. The source of funding for the Social Security schemes was set at the following scale: employee 2.5% of earnings, employer 7% of earnings (including the Government as an employer) and 2% the Government as an overall contributor; this scale is still in effect. Benefits to subscribers vary according to the scheme, and are divided into three main categories, long term and short term and professional risks (work injury). Examples of short term benefits are sickness, maternity and infant care, long term old-age, invalidity, death and survivor benefits; the work injury compensation is used depending on the gravity of the injury. Subscribers are

eligible for pension at age 60 both male and female, and acquire rights after having paid into the fund 400 weeks of contributions. There was at the end of 1982, 220,209 ^{5/} contributors to the Social Security Fund out of an economically active population of 1,730,600, roughly 12.75%.

50. The Administrators of IDSS have set a target to raise this percentage to at least 25%, for the year 1983. As can be seen from the figures quoted earlier, there is a large number of the working population that has not entered the mandatory régime as Article 2 of the present Law reads: "The following work groups are subject to the mandatory régime of social security. All public servants, State, provincial, municipal, autonomous and semi-autonomous entities and all persons employed in the service of individuals, commercial societies, etc. that have any kind of activity in the national territory".^{6/}

51. ILO has been active in the re-organization of the system since November 1982. The expert from Major Programme 110 participated actively in round table talks with national labour and political groups during this period when the new social security law was under study. Its submission to Congress for its consideration will be made in the near future. The IDSS stressed the need for continued assistance from ILO, especially in the areas of the preparation of local actuarial expertise.

52. Social Security in Haiti is governed by two Organic Laws, one promulgated and enacted in August 28, 1967, and the other promulgated and enacted in August 28, 1968. The first one is commonly known as the Law which established the ONA (Office National d'Assurance de Vieillesse) and the other, which brought into being the Insurance Administration, known as OFATMA (Office d'Assurance d'Accident du Travail et Maladie). These two legal instruments incorporated all the splinter legislations covering all Social Insurance Schemes. The work injury programme which was enacted as early as 1951 met with serious difficulties in its implementation. This insurance was first administered by a private concern, and the other which is mandatory met with some difficulty, together with the sickness and maternity schemes. Old-age, Invalidity and Death coverage was incorporated into the social insurance programme of the Government in 1965, but was later incorporated into the two major legislations which were mentioned earlier. This is administered by the Government under the auspices of the Ministry of Social Affairs.

53. The ONA scheme in Haiti receives its funding in the following manner: 2% to 6% depending of the salary range, from 1 Gourde to 1000 Gourdes on a sliding scale. The employer contributes 7% and the Government, when acting as an employer, pays 7%; work-injury and accident insurance coverage is an average of 3% of employers payroll.

54. Sickness and maternity schemes, although existing in law, are not implemented; only those employers having private insurance schemes are obliged to adhere to the pertinent provisions of the law. In the reforms contemplated, those schemes will be implemented by the Social Security Institution.

^{5/} Source: Statistic Department of IDSS.

^{6/} Summary of Article 2, of Law 907 of 1978.

55. Eligibility for pension as provided for in the law is available for both men and women upon reaching 55 years of age, and only after paying into the fund the corresponding contributions for 20 years, whereas the first group to attain pension eligibility will be in 1986, 20 years after the promulgation of the law. Whenever this happens many old people will not be eligible for benefits, and this could present a serious social problem.

56. Up to the time of this report, no study has been made to assess the impact of the groups becoming eligible for benefits. The amount accumulated in the fund through the contributions destined for pensions was not disclosed, neither the amount invested, but we were informed that it is invested as a fixed term deposit somewhere at 9%. It must be added that from this fund, small guaranteed loans are made available to all citizens at 11% p.a.. The old-age and invalidity scheme has a little more than 100,000 subscribers, while the work-injury risks scheme has 50,000 subscribers. It is very important to note that the population of Haiti is 5 million 7/ and that the capital, Port-au-Prince, which is the largest city, has a population of more than 400,000 8/.

57. Haiti has no bilateral agreements with neighbouring Member States for technical expertise co-operation in this area, therefore the presence of ILO is always welcomed, as we were assured.

58. Social security in Kenya is regulated by the National Social Security Fund Act, which was first founded in 1965. This law experienced minor revisions in 1968, 1976, 1977 and was then later incorporated under a major act, the Legislative Revision chapter 258 of 1978 identifying aims, functions, administration and benefits of the National Social Security Fund (NSSF). This fund is basically a provident fund; all employed persons are subject to this scheme. This scheme provides benefits for old-age, invalidity and death. The Sickness and Maternity Scheme is administered by the National Hospital Insurance Fund (NHIF). This scheme is only for those earning more than 1000 shillings a month.

59. The contribution is made wholly by the subscriber on a flat rate, voluntary affiliation is accepted by those who can afford the flat monthly fee. The NSSF fund, although similar to other old-age, invalidity and survivor benefit schemes, is funded as follows: 5% employer, 5% employee and 5% from the Government when the public sector acts as employer. Benefits are granted on a lump sum to those reaching age 60. It is the same for women and men. Early withdrawal from the fund is possible after age 55. Liquidation of total withdrawal benefits from NSSF is made after deductions for charges made to the subscriber in concept of advances and other social considerations. This fund has some 1.1 million subscribers from a population of 16 million inhabitants, the sickness and maternity fund has 400,000 subscribers. These two schemes have their own administrative machinery, giving rise to duplication of functions in a strict administrative sense. The work-injury scheme is covered by separate legislation making it mandatory for employers to provide this coverage with a private insurance company.

7/ Rand. McNally - World Atlas.

8/ See foot-note 7.

60. At present legislation is being contemplated to convert the provident fund into a pension fund, thus providing long term benefits for subscribers.

61. Technical assistance has been received from other Member States, but the administration of the NSSF and the NHIF would welcome the experienced intervention of the ILO Social Security Programme.

62. The Democratic Republic of Sudan adopted a comprehensive Social Security Insurance System in 1974, with the promulgation of a compendium of Social Security Legislations. This was later amended in 1979. At present social security is administered by the Public Social Insurance Institution. Prior to the Legislative Act of 1974, there were sickness and maternity, and work-injury schemes (1949); the cost of the former was borne solely by the employer on an optional basis, and the latter was provided for, on a voluntary basis, by employers through private insurance companies. There were no provisions for old-age, invalidity and death coverages for all employees per se; there was some coverage since 1962 for Government employees and Members of the armed forces.

63. At present contributions to the fund, which guarantees a pension after the retirement age of 60 for men and 55 for women, are paid according to a weighted class scale which depends on the employees monthly remuneration. Contributions to this fund are approximately 5% of wages for employees, and 10% of the total payroll for employers. The maximum amount of contribution of any other subscriber is around 351 Piastres, which is the fractional monetary unit. Payments are made by coupons (stamps) which are bought by the employer and sent to the local post offices.

64. Subscribers are eligible for benefits after paying more than 520 weeks into the fund. Early retirement benefits and lump-sum payments are contemplated as from age 45 for some cases; and if compelling circumstances arise, such as repatriation from the country as in the case of foreigners, or if the stipulated number of years service before retirement is not met, lump-sum payments are made. Invalidity, death and survivor benefits are payable, upon the acquisition of rights, according to the stipulation of the law. Sickness and maternity coverage is paid fully by the employer on the basis of 100% and 50% of total salary for the first two months; from the third month onwards, it is understood that the Invalidity Clauses of the scheme should be applied. In all the other cases, sickness and maternity are considered a state obligation and are paid by the State.

65. The Sudanese Social Security System has bolstered up the fund with investments in secured real Estate Projects. Around 8% of the economically active population contributes to the PSI. There are around 700.000 subscribers.

66. There is an ongoing study by local technicians to revamp the system. Several changes are contemplated, such as the inclusion of coverage for sickness and maternity, with the employer contributing an allocated percentage. This is due to the rising cost of medical treatment and the upgrading of the Social Insurance Department to the Ministerial Level. Technical Assistance has been given by the Arab League, the International Social Security Association (ISSA), the United Kingdom Government, and ILO. Social Security Department officials agree that owing to the lack of local expertise, now sorely needed, the continued presence of ILO is indispensable.

67. The Democratic Republic of Sudan has a bilateral agreement with the Arab Republic of Egypt on payment of pensions to Sudanese Nationals, who migrated to work in Egypt, and have now returned to their homeland. This agreement seems to be working, but further refinement of this accord is to be explored.

68. The Arab State of Kuwait, one of the Arab Gulf States, has a Social Security System which is administered by the Public Institution for Social Security, a semi-autonomous Governmental organization which is responsible to the Ministry of Finance. The present Social Insurance Law "The Amiri Order" No. 61 of year 1976, encompassed and modified all previous social insurance rulings. Article 2 of "The Amiri Order" No. 61 of 1976 specifies as follows:

The provision of the attached Law shall apply to:

(a) Kuwaitis in the service of an employer and for whom insurance shall be mandatory;

(b) Insured Kuwaitis referred to in Article 53 of the attached Law, i.e. uniformed personnel of the army, the police, the National Guard and other who are subject to the aforementioned Law No. 27 of 1961 shall be excluded from the scope of this law.

(Law 27 of 1961 referred to pensions and retirement benefits for uniformed personnel of the armed forces). The exclusion of Article 2 was solely to ratify that those already (Kuwaitis of the Armed Forces) receiving pension benefits, were excluded from further contribution.

69. The Kuwait social insurance scheme basically covers Old-age, Invalidity and Death; Work-injury, Sickness and Maternity are a separate scheme and is considered a State obligation for all residents, nationals and non-nationals. The work-injury scheme is considered the responsibility of the employer and he pays 2% of total payroll into the fund for this coverage; this is also for nationals and non-nationals who are employed.

70. Contribution to the Old-age, Invalidity and Death Scheme is made on the following schedule: Subscribers from 5% through 15% depending on the amount of earnings; the self-employed subscribers pay equally on this scale. The employer pays 10% of payroll, and the Government contributes in the form of a subsidy 10% of annual payroll. For the self employed, payment is made on the difference between the insured's contribution and 25% of earnings.

71. At present the scheme covered under the PISS Law No. 76 has 57,500 subscribers; on actual pensions there are 10,300 persons and receiving survivor benefits there are 12,800 persons. For non-nationals, Old-age, Death and Survival insurance is obtained if the employee so desires, but this is done through a private carrier.

72. Kuwait has received technical assistance from ILO in the past, from the Arab League, and independent Social Security expertise contracted on an official basis. The Inspector noted that a large sector of the economically active population was not included in the PISS System; to this query, the Inspector was informed that this was now being studied, and to this effect the presence of the ILO assistance was needed.

73. The Socialist People's Libyan Arab Jamahiriya Secretariat of the General People's Committee for Social Security is the sole administrative body for social security in Libya. Social security was first instituted in 1957; at that time Work-injury, Sickness and Maternity, Old-age, Invalidity and Death schemes were introduced; later, in early 1973, an unemployment insurance scheme was adopted but was short lived. In 1980 the social security law was adopted. This new legislative instrument - Law 13 of 1980 - encompasses all previous social security legislations. It covers Old-age, Invalidity and Death, Sickness and Maternity, and Work-injury schemes. The unemployment insurance benefits were substituted for a blanket indemnity by the employer of 100% of the last salary, for a period of up to three months. Contributions to the Social Security Funding is done on a two tier basis, with four categories of contributors; these are classified as follows: Share producers (Cooperatives with Partners), regular employees, foreign non Libyan workers and the self employed. In the case of the Partners, the cooperative establishment pays 100% of the contributions which amounts to 2,5% of earnings (profits). In the case of regular employees and foreign non Libyan workers, the subscriber pays 2% of earnings, the employer pays 3% of total payroll and the Public Treasury pays 4%. The self employed pays 6% of earnings and the Public Treasury pays 4% of this total. The collection administration is done by the municipal authorities in Libya, through the main offices and the sub-offices, the total number of these is 25.

74. Benefits are authorized by the Central Institution, the Office of the People's Committee for Social Security. Pension Benefits are available at age 65 for men and age 60 for women. Sickness and Maternity benefits are taken care of by State Health Institutions. In the case of maternity, leave is granted at 100% of last salary for a period of up to three months; a birth grant, which is complementary, is considered as a child care benefit and is a grant made to all new mothers.

75. Pension benefits eligibility comes after 20 years of labour for both men and women; those not having the time requisite are eligible for an income tested allowance which amounts to 50 Dinars per month.

76. There are more than 350.000 subscribers to the system, and more than 15,000 employers paying into the fund. The investment policy is administered by a tripartite group, it has a regulation - Investment No. 4 of 1959 -. However, after examining certain aspects of this regulation, and upon further investigation it was acknowledged that assistance from ILO in this area is urgently needed, also urgently needed is training in statistics and actuarial expertise.

77. The Algerian Social Security System has more than 2.5 million subscribers that represent approximately 15% of the total population, contributing to the social security fund at a ratio of 10% of total payroll, 4.5% by the employee and 5.5% by the employer. The Government does not contribute on the overall total, it contributes only in its capacity as employer.

78. In the Democratic and Popular Republic of Algeria, social security is governed by the Secretariat of Social Affairs, Department of Social Security Regulations. The legislation that regulates the administration of the schemes started as early as 1919, with subsequent modifications in 1949, 1954, 1962 and 1973, which is presently in effect, but is under revision, which will be enforced in January 1984. Among the changes

contemplated are the augmentation of the contribution quotas, and the incorporation of the agricultural and mining sectors of the economically active work population, and the lengthening of the period for pension eligibility.

79. The schemes at present are the work-injury schemes whose cost is borne solely by the employer on a graduated scale from 1% to 7% of total payroll, up to a maximum of those earning 2000 dinars a month. Old-age, Death and Invalidity schemes and Sickness and Maternity schemes are covered by the basic contribution of 10%, the Sickness and Maternity benefits are paid at 100% cost for all medical care including medication. The insured can opt for cash benefits, upon the proper and timely presentation of medical bills.

80. Old-age pension eligibility comes after 30 years of continued employment and after reaching 60 years of age; this is equal for men and women. Invalidity benefits start after 240 hours of continued employment during the last 12 calendar months; this benefit is paid on a weighted scale according to earnings.

81. At present the social security system is under revision as indicated earlier; changes such as 15 years for pension eligibility, the elimination of early retirement, and higher contributions by employee and employer, for 100% of last pay retirement benefits are contemplated. The present revision of the law is being technically advised by ILO experts, and a special actuarial training course is envisaged for the near future, but expert assistance in financial administration, field, statistics and social security legislation will be sought.

B. Considerations of Social Security

82. Social security policy in developing countries has a vastly different approach, as compared to patterns prevailing in the industrialized countries (market economies) and the centralized economy countries. ILO through its technical co-operation programme has for decades assisted the developing countries to gear their systems to their specific social economic, geopolitical requirements. Yet this process of adaptation, review and development is far from being achieved. On the contrary, the economic and social scene is fastly changing, and this requires continued review of social security policies and institutions.

83. Considering the pre-eminent place that social security policy has gained within the overall social development process in most developing countries and especially in the newly industrialized countries (NIC), one would expect the regional structure of the ILO to respond adequately to these needs, or at the very least to provide a suitable forum for discussion. Yet one finds that the ILO Regional Conferences, held in every major region approximately every three years, have paid very little attention to this subject. In Asia, social security has not been discussed at a Regional Conference since 1968, in Latin America since 1966, in Africa since 1977. This lack of interest is difficult to explain, particularly since the ILO is the only agency within the UN system responsible for this area of social policy. Clearly it would be desirable for the ILO to use the existing machinery of Regional Conferences with tripartite participation to organize a major conference of Third World Social Security Institutions, with high level representation, to come forward with a meaningful plan to achieve common goals.

84. The large financial institutions such as the World Bank, the International Monetary Fund and the Inter-American Development Bank are playing an increasing role in the shaping of economic and social policies in developing countries. Their analysis of the national situation is the basis on which far-reaching recommendations are made and decisions taken. The area of social security financing and expenditure begins to emerge as one which attracts the interest of these financial institutions, especially in Latin America where social security transactions have reached a level which significantly affects public expenditure as well as investment, savings and even employment policies.

85. At the stage of analysis and assessment of social security and of income transfer policies in a given country, the expertise and the experience of the ILO could be most valuable to the large financial institutions, whose staff is normally not acquainted with the specific concepts and techniques on which social security policy operates in the Third World. Yet these institutions seem to favour the recruitment of private consultants rather than the use of the specialized services available in the agencies of the United Nations system, in this particular case the services of the ILO. This observation is made in an attempt to bring about the needed co-ordination to achieve the ultimate goal of harmonization that is stressed in the ILO Social Security Programme Medium-Term Plan.

86. The timely warnings voiced by the Director-General of a UN system Organization oblige us to seek further explanations, such as the growth of the urban population, the over-concentration in major urban population areas in Asia, Africa and Latin America, where these figures will exceed more than 390 million inhabitants, by the turn of the century.

87. The economic stagnation, the sustained inflationary pressures and the overwhelming indebtedness of Member States vaticinate a sombre picture for immediate remedial action to the underprivileged large population groups.

88. The ILO Social Security Programme Medium-Term Plan projects some attempts towards some solutions. This is detailed in the narrative of the general objectives reproduced below:

"The third theme would relate to the extension of social security coverage in developing countries. An analysis of coverage and an evaluation of progress in the provision of social security for population groups other than urban employees and public servants would be included in reports on the development of social security in Asia and the Americas, with a view to possible discussion at ILO regional conferences between 1984 and 1987. Of special relevance would be the proposed evaluation of the Ottawa Programme for the Development of Social Security in the Americas, adopted in 1966 by the Eighth Regional Conference of American States Members of the ILO. The protection afforded to the urban informal sector would form the subject of a special study, as would the social security coverage of women in the Americas in respect of various contingencies, on which a report would be prepared in pursuance of the Declaration of Medellin. An Article 19 survey of the effect given to social security instruments relating to pensions would also contribute to this theme. Technical co-operation and technical advisory services would assist countries in building up the necessary legislative and institutional framework. Extra-budgetary resources would also be sought for these activities, as well as for seminars on social security planning for selected groups of countries".

89. To attain these objectives as stated above, a delineation of strategic approaches would be used, to which all Member States would adhere to achieve improvements as follows:

- "(i) increasing the contribution of social security programmes towards the reduction of inequalities and, in particular, towards a better distribution of income and wealth;
- (ii) containing within limits acceptable to the economy the cost of medical care provided as of right by way of health insurance schemes or national health services. The pursuit of this goal should not, however, jeopardize the right of the individual to free access to medical care of a preventive and curative nature;
- (iii) extending to the largest possible number of migrant workers basic social security rights and, in particular, the maintenance of such rights and equality of treatment, in accordance with ILO standards."

90. Within the framework of the Plan the question of co-operation between Member States, private institutions, etc., the following was suggested as an approach to further the development of the Plan:

"The periodic ILO Inquiry into the Cost of Social Security; the technical advisory services furnished to developing countries by the International Actuarial Services; the European Services provided to the European Communities, the Council of Europe, the Central Commission for Rhine Navigation and other European agencies, which also cover the social security protection of migrant workers; support to the International Social Security Association (ISSA) and the Inter-American Committee on Social Security (IACSS); participation in the training activities of the Inter-American Centre for Social Security Studies (CIESS); and technical advisory services to regional and subregional organizations in developing countries in drawing up and implementing multilateral social security arrangements."

91. As outlined above, the approach would contribute positively to a great degree of progress in the administration of Social Security to the population groups that subscribe to Social Security schemes around the globe; but the Inspector wonders if this would be enough, if this would be far reaching, and if this, in any way, would contribute in developing basic solutions to the problems of a major portion of the population. The above approach covers a privileged few. The percentages of the total population that subscribes to Social Security schemes attest to this fact.

92. The larger portions of the population groups, not covered by any scheme, and who are subjected to the basic human needs, should also be given consideration in the context of the wide social task to be undertaken. To accomplish this, a close working relation should be established between ILO, WHO, UNESCO, FAO and UNICEF, who are undertaking a uphill battle with sickness, education, starvation and infant care. For large population groups not covered under Social Security, but who are nationals of countries having Social Security Systems, there should be some type of consideration. Closer co-ordination also should be worked out between ILO and the Centre for Social Development and Humanitarian Affairs (CHDSA), within the United Nations Department of International Economic and Social Affairs (DIESA), located in Vienna. The Centre covers a wide range of social issues and concentrates on underprivileged groups such as women, children, young people, the aging and the disabled. The Centre issues publications, organizes seminars and

provides technical assistance in areas directly related to the work of ILO in the social security area. The backstopping of International Conferences on these population groups should be co-ordinated between ILO and CHDSA.^{9/}

^{9/} See for more details JIU reports on DIESA (JIU/REP/83/7), and on Secretariat Organization and Procedures for Preparation of United Nations Special Conferences (JIU/REP/82/2).

V. THE INTERNATIONAL LABOUR OFFICE - SOCIAL SECURITY DEPARTMENT

93. As previously mentioned, the ILO Social Security activities started in 1919. From a very modest birth it soon matured into one of the Major Programmes of the Labour Organization, because of the interest Member States gave to its related services, i.e. technical assistance, advisory roles, fellowships, scholarships, seminars, research and standards setting, etc.

94. To enable this study to reflect the true picture of the programme and its developments, the basic elements of programme output were analyzed, that is the resources available for programme delivery and the staffing of the programme. These had to be thoroughly scrutinized and all possibilities explored to see whether resources were utilized judiciously or not. With this aim in view the study examined the resources and staff trends, for the biennias 1976/77, 1978/79, 1980/81, 1982/83 and projected for 1984/85.

A. Sources of Funds

95. The activity of the ILO in the field of social security is the responsibility of the Social Security Department (SEC/SOC). It constitutes one of the major programmes within the technical sector of the ILO. Social security activities of the ILO are financed from different sources.

1. The ILO Regular Budget, which includes three different types of allocations, i.e.:

- (a) allocations to the Social Security Headquarters Department (Programme 110);
- (b) allocations to the Regional Programmes earmarked for technical advisory services in social security;
- (c) allocations from the Regular Budget Technical Co-operation (RBTC) funds to finance request by Member States on specific technical co-operation social security projects (experts, fellowships, seminars, study tours, etc.).

2. Extrabudgetary Resources, which include four different types of allocations, i.e.:

- (a) allocations from the United Nations Development Programme (UNDP) for technical co-operation purposes;
- (b) allocations from Multi-bilateral Donors, for similar purposes;
- (c) Funds in Trust, deposited with the ILO by Member States wishing to obtain technical co-operation in social security;
- (d) a share of the overall ILO Agency Cost Allocation earmarked for use by the Social Security Department for service and support of technical co-operation activities.

B. Resource Data

96. For the purpose of analysis it is convenient to group together data on resource trends as follows:

- A(1) - Regular Budget, HQ (total resources and "staff resources" only);
- A(2) - Regular Budget, decentralized staff;
- B(4) - Agency Cost Allocations;
- A(3)+B(1)+B(2)+B(3) - Extra Budgetary Resources (that is, all the sources exclusively funding technical co-operation).

97. The tables that follow set out the data separately in respect of the first two items, as shown in the ILO biennial budget documents.

98. The evolution of resources allocated for staffing the social security programmes should be analyzed together with the evolution of the standard cost factor used by the ILO, for both professional and general service categories.

99. Table 7 sets out the information concerning the amount of resources devoted to social security in the ILO Budget (other than the amounts occasionally made available for small-scale technical co-operation projects under RBTC which is shown in Table 9).

100. The data have been drawn from the ILO Budget documents and from information provided directly by the Social Security Department.

TABLE 7: Allocations to the Social Security Programme from the ILO Regular Budget (,000 of US\$)

Biennial Budget	Regular Budget Headquarters		Regular Budget Regions
	Total Resources	Of which Staff Resources	Staff Resources <u>10/</u>
1976/77	2 713.9	2 027.9	241.4
1978/79	2 891.8	2 222.1	286.5
1980/81	3 341.1	2 560.9	328.6
1982/83	3 471.4	2 888.9	432.3
1984/85	3 282.6	2 782.4	349.4

10/ The Regional programmes earmarked under social security staff resources only.

101. Table 7 does not include minor supplementary allocations which may be granted from time to time to the Department to cover the cost of unforeseen work items (e.g. preparation of a report for an industrial meeting), which would have to be allotted from other sources; these are of an extraordinary nature.

102. Table 7 shows a slight increase of resources between 1976/77 and 1982/83 and then a decline. However, the trends shown in the dollar values of the allocations tabulated above would be misleading unless one compares these figures with the evolution, during the same period, of the "standard cost factor" used by the ILO for costing both professional and general service staff. Such a comparison is made below in Table 8.

TABLE 8: Evolution of staff resources of SEC/SOC compared with the growth of the ILO standard cost factor (one work-year)

Biennial Budget	Total Staff Resources available to SEC/SOC		Standard cost factor (value of one work-year)			
	('000 US\$)	Index 1976/77=100	Professional		General Service	
			US\$	Index 1976/77 = 100	Swiss Francs	Index 1976/77 = 100
1976-77	2 269.3	<u>100.0</u>	45 972	100.0	55 571	<u>100.0</u>
1978-79	2 508.6	110.5	57 300	124.6	67 533	121.5
1980-81	2 889.5	127.3	65 724	143.0	71 518	128.7
1982-83	3 321.2	146.3	75 180	163.5	77 145	138.8
1984-85	3 131.8	138.0	87 360	190.0	88 800	160.0

103. Table 8 brings out clearly the constant negative effect on the staff situation of the social security programme. Between 1976/77 and the forthcoming biennium 1984/85 the total volume of the allocations for staff in current terms (US\$) would show an increase of 38.0% while during the same period the cost of one professional work-year would have increased by 90.0%, and the cost of one general service work-year by 60.0%.

104. The decrease in the number of professional staff from the base period studied to the projected biennia, 1976/77 - 1984/85, has had a deteriorating effect in terms of output. Table 9 below shows this:

TABLE 9: Number of professional work-years made available to the Social Security Department under the ILO Budget

Biennial Budget	Professional work-years
1976-77	43/07
1978-79	36/07
1980-81	36/05
1982-83	36/10
1984-85	33/08

105. The largest drop recorded in 1978-79 was due to the staff cuts operated by the ILO when a Member State withdrew temporarily from the ILO membership. ^{11/} Although the Member State returned to the ILO in 1981 the programme never recovered the professional posts lost, nevertheless the work-load remained the same. For this reason no additional projects could be introduced to the work-load because of difficulties that would be encountered in programme delivery.

106. The situation has been made worse by the parallel decrease in Agency Cost Allocations (which have been exclusively used to cover staff costs). Table 10 below refers:

TABLE 10: Agency Cost allocations to SEC/SOC

Biennial Period	No. of Professional work-years
1976-77	4/02
1978-79	3/06
1980-81	3/04
1982-83	3/01
1984-85	2/04 (provisions)

107. Traditionally the bulk of resources for technical co-operation projects in social security made available to ILO came from UNDP.

108. RBTC allocations remained modest (between \$100,000 to \$200,000 per biennium in the period under review).

109. Multi-bilateral donors (almost exclusively Norway) have financed only a number of regional training courses, approximately one each year. The corresponding allocations were relatively modest.

^{11/} As a contribution to the staff cuts the Social Security Department suffered an amputation of four professional posts, none of which was reinstated when the United States returned to the ILO.

110. There is an apparent growing trend in the creation of trust funds in recent years, and this is due to the sharp reduction in UNDP funding and reduced IPFs, whereas respective countries are prone to pay the full cost of ILO assistance, whose quality they obviously value, and need.

111. Taking together all sources of technical co-operation funding the trend in the US\$ value of the delivery of social security projects is as follows, Table 11.

TABLE 11: Amounts (in US\$) of technical co-operation projects delivered in the area of social security, all sources of funds combined

Year	UNDP + RBTC + TF ('000 US\$)
1976	1 192
1977	956
1978	1 108
1979	1 319
1980	1 457
1981	1 019
1982	861

112. As a final remark it should be noted that the share of the social security programme in the ILO Budget has always been kept at approximately 2 per cent of the total budget of the Organization. Likewise the extra-budgetary resources available to SEC/SOC appear to approximate the 2 per cent level of the total in the period reviewed.

113. There are to date 139 countries whose workforce are benefiting from social security in some form, many are Member States of ILO. Thirty-one of these countries belong to developed economy countries, and planned - economy countries who had some type of social security functioning before the initiation of the programme in 1934. The remaining 108 countries, even though some are not Member States, have received some measure of guidance in installing social security schemes.

114. As was explained in Section IV of the study, the "on the spot" survey revealed that many Member States are still grappling with the problem of instituting some type of broad-based scheme in order to bring the benefit of social security to large population groups. Many countries, which have large pensionable population groups, still have provident fund schemes, and a great majority are still contemplating the introduction of sickness, health and maternity schemes, and this attitude will create difficulties in achieving the goals of the Alma-Ata Declaration (Health for all by the Year 2000) which all Member States of the United Nations endorsed unanimously. Table 12 gives the ranking of the various social security schemes in terms of receipts for social security schemes as a percentage of gross domestic product.

TABLE 12

Type of social security coverage	Social security receipts as a percentage of GDP
1. Very comprehensive or universal	More than 12%
2. Substantial	8 to 12%
3. Moderate	4 to 8%
4. Limited	2 to 4%
5. Very limited	less than 2%

115. Table 12 was a result of a sample survey of more than 70 countries, of which only 20% of the sample are in group No. 1. In Groupe No. 2 there are approximately 5%, Group No. 3 contains around 10% and the difference is made up of the other two groups, which contain around 65% of the total sample. Applying this random sample, taken on a regional basis, we can affirm that a number of Member States, having ratified the minimum standards, ILO Convention, have not pursued the installation of Social Security System.

116. Such non-compliance with ratified conventions by Member States is a fact which must be brought to light, and remedial action must be taken within the context of the ILO mandate.

C. Work Programme

117. As stated in the ILO Medium-Term Plan for 1982-1987 12/, this major programme has two broad objectives:

- (a) the development and improvement of technically sound income maintenance, income support and medical care insurance schemes which are compatible with national economic conditions, social policy and income distribution goals;
- (b) the international harmonization of social security legislation in accordance with ILO standards; co-ordination of such legislation between countries for the purpose of ensuring adequate social security rights for migrant workers and abolishing all discrimination between nationals and non-nationals in social security.

118. Within this framework, ILO collaborates with Member States to help them attain specific objectives during the period of the Plan.

119. A number of new major themes were proposed for study and action during the Plan period. The first deals with income maintenance policies in the light of the employment and unemployment situation in industrialized countries. Various studies should culminate in a meeting of experts in

1985. The second theme deals with shifts in medical care policy - particularly in developing countries - as a result of wide acceptance by social security programmes of the "primary health care" approach. The results of a region-by-region analysis will be submitted to a joint ILO/WHO meeting in 1986-87. Technical advisory services will be provided to countries. The third theme relates to the extension of social security coverage in developing countries. Means of action include inter alia reports to regional conferences, studies on various categories of population, technical co-operation and technical advisory services to countries.

120. Also included in the Plan are some other new activities, such as emphasis on training and upgrading of skills for social security cadres, studies dealing with women, seafarers, migrant workers, boatmen, a meeting of experts on actuarial social security questions, and the evaluation of earlier ILO studies on the distribution of responsibility for social security planning and administration.

121. The Programme and Budget for the Biennium 1980-81 decided to bring into sharper focus the role played by social welfare and assistance programmes, research work being supplemented and strengthened by technical co-operation and technical advisory services.

122. The Social Security Programme of ILO is divided into two sub-programmes:

- (a) Development and Improvement of Social Security and Welfare Schemes,
- (b) Harmonization and Co-ordination of Social Security Legislation.

The means of action (in US\$ dollars) are almost three times as much for the first sub-programme as for the second sub-programme.

123. In the first sub-programme, the main on-going activities concerned:

- (a) The International Inquiry into the cost of Social Security, which provides world-wide comparative data on the financial and economic dimension of national social security programmes. The results of the Tenth Inquiry (1975-77) were published in 1981. The manuscript of the Eleventh Inquiry (1978-1980) is due to be completed shortly.
- (b) International actuarial services, available to governments and to social security institutions, including advanced actuarial training for officials from developing countries. During the biennium, services and fellowships were provided to ten countries, while actuarial report, review and advice were provided to four organizations. The resources available for the preparation and dissemination of actuarial and statistical training and teaching materials were very limited. However, since they were supplemented by extra-budgetary and Trust Fund resources in 1982-83, most of the programme's commitments were kept, except its capacity to fully deliver services required in the Spanish language.

- (c) Technical advisory services provided to international and regional agencies and for individual governments. In 1981, some six organizations and six governments benefited from these services.
- (d) Collaboration with the Inter-American Social Security Committee (IACSS). Apart from other financial aid, 48 fellowships were awarded in 1981.
- (e) Collection and dissemination of information on social security developments: due to reduced resources, it was impossible to discharge this task fully; at least 30 per cent of the desirable goals were not achieved.

124. In addition to the above activities, three new major themes of emerging international interest were proposed for 1980-81. The first theme was meant to emphasize the part played by welfare and assistance programmes in social security policy. Action included case studies in developing countries, research and related technical co-operation activities, analysis of recent trends in industrial countries. The first stage of research was advanced in 1981 and final conclusions were to be drawn in 1982-83. The manuscript of the Study on Social Security Welfare and Basic Needs Policy was finalized in July 1983 and will be submitted for possible publication. The Study consists of 334 pages which include a section on social security in developing countries of Asia and the Pacific; another on social welfare - its role in basic needs policies and antipoverty strategies, plus three country studies, two in respect of India and one dealing with social welfare in Sri Lanka.

125. The second theme dealt with the methods of financing social security benefits under various demographic, economic and social conditions. This subject had not been thoroughly examined by ILO since World War II. A project on Social Security Financing and Investment was fully completed in 1981 when the ILO Tripartite Meeting of Experts on Social Security Financing was held. The corresponding final report was adopted by the Governing Body in 1982 and a major ILO publication was issued in June 1983 in French (English and Spanish versions are to follow). The African Advisory Committee in October 1982 and then the African Regional Conference of the ILO examined this subject in 1983 on the basis of the programme contribution.

126. The last theme concerned the structure, organization and management of state social security programme. Studies of the current issues were made and a manuscript for publication was finalized in 1981.

127. The main activities of the second sub-programme concerned:

- (a) The continuation of the ILO's European activities (advice to EEC, Council of Europe, ECE, etc.) and the protection of migrant and non-national workers in all regions. In 1981, a new Convention on social security rights for migrant workers was submitted to the 67th Session of the International Labour Conference; final adoption took place in 1982. During the biennium, various studies were prepared for the European organizations; a revised agreement for Rhine Boatmen was approved.

- (b) Follow-up work on a multilateral European agreement, covering both Eastern and Western European countries, for reciprocity (medical care) in Europe. Final text of a European Agreement concerning Medical Care for Persons on Short Stays Abroad was submitted to and adopted by a Meeting of Government Experts in October 1980.
- (c) Social protection of European boatmen was to be carried out with the co-operation of the UN Economic Commission for Europe. During the biennium, a technical note was prepared for circulation to interested governments and UN/ECE meetings attended. This task is to continue in 1984/85.
- (d) Promotion and implementation of bilateral and multilateral arrangements for migrant workers in developing countries. ILO continued to provide technical support (training, consulting services, participation to meetings) to various regional organizations in Africa, Latin America, and in Islamic countries.
- (e) Promotion and co-ordination of social security in Africa in pursuance of the resolution on social security adopted by the ILO fifth African Regional Conference (1977). Papers were prepared for the Organization of African Unity; work was undertaken on rural social security. As to the investment of social security funds in Africa, a number of working papers were made available for a meeting which took place in Geneva in November 1983. The activities under this item are due to be completed within the course of 1983.
- (f) Revision and updating of ILO social security standards for seafarers. The Study was duly completed; it is now for updating in view of a discussion of this subject scheduled at the 1984 Maritime Advisory Committee.
- (g) Technical analysis of periodical reports on ILO social security Conventions and Recommendations; collection and dissemination of information on bilateral and multilateral social security agreements. All reports submitted in 1980 and 1981 were analyzed and interpretation given on selected cases.

128. Apart from the above commitments included in the programme and budget for 1980-81, ILO had to meet those arising from five additional requests received from ILO's constituents during the biennium. Activities under both sub-programmes were implemented in co-ordination with the social security advisers provided for under the regional major programmes.

129. The Programme and Budget for the Biennium 1982-83 in the field of social security include provision for the continuation of a number of well-established activities of an ongoing nature such as the updating of the periodic international inquiry into the cost of social security, the international actuarial services with its advanced training component for officials from developing countries, protection of migrant and non-national workers, etc.

130. But, as foreseen in the Medium-Term Plan for 1982-87, a major new orientation is the consideration by ILO of the shifts in medical care policy - particularly in developing countries - which result from a wide acceptance by social security programmes of the "primary health care" approach. A region by region analysis for the 1982-83 biennium was to begin by a study of primary health care and social security in Latin America. The major achievement of ILO in 1982 was the firm foundation laid for the promotion of this approach, which resulted from a meeting held in Mexico in September, with the co-operation of five international organizations and teams of ten countries.

131. Among other achievements in 1982 worth mentioning are: the adoption of the 68th Session of the Conference of the ILO Convention (No. 157) on Maintenance of Rights of Migrant Workers (the earlier Convention dated back to 1935); contribution to the World Assembly on Aging and to the Second European Conference of Ministers responsible for Social Security; the preparation of a substantial chapter for the World Labour Report; and the completion of the updating of the ILO Manual "Introduction to Social Security".

132. The main thrust of the ILO's technical co-operation activities in social security is borne by the first sub-programme. For the biennium 1980-81, it was expected that ILO would continue to be approached for social security advice and assistance and that the number of requests for technical co-operation to be financed by extra-budgetary resources would increase. Concerning major problems faced by social security system in developing countries, the requests were to focus mainly on: (i) the various planning stages before the introduction of social security measures; (ii) the planning and implementation of social security in countries with a large rural sector; (iii) the drawing up of bilateral and multilateral Conventions to improve the social security protection of migrant workers in Africa, Latin America and the Middle East; (iv) the setting up of medical care services under social security schemes (in collaboration with WHO); (v) the modification of social security schemes or the extension of existing provisions for benefit or population coverage; (vi) the actuarial valuation of existing social security schemes. The training of national social security personnel continued to be an important component of ILO action.

133. The bulk of ILO social security field projects was expected to be financed by the UNDP, in an estimated amount of \$2,130,000 for the biennium. Contributions amounting to some \$690,000 were to become available during the biennium under multi-bilateral and trust fund arrangements. Funds from multi-bilateral sources were to be devoted principally to training activities. Resources under the ILO regular budget for technical co-operation (\$544,000) were to finance priority activities which could not be funded from extra-budgetary sources.

134. In 1981, according to the ILO's review of operational activities 13/, and as a result of the existence of social security systems in developing countries, there has been a gradual trend towards a diminishing number of large-scale projects and a simultaneous shift towards smaller projects involving short-duration expert assignments. While in the past, programmes

of social security could be broadly characterized as expansionist, in several countries the dominant trend has been to consolidate existing schemes and to seek international assistance mainly to solve specific problems.

135. A number of countries (e.g. Sri Lanka, Fiji, Indonesia, Pakistan, Belize, Zimbabwe) initiated the planning of major reforms or evolved altogether new schemes with substantial technical assistance from the ILO. In some newly independent countries (for example Zimbabwe, Belize), there have been attempts at over-all social security planning. The ILO was able to meet these requirements through a combination of technical assistance funded by the UNDP and trust arrangements, and, in many cases, through assistance provided by senior ILO staff members. ILO assistance was provided to the Government of Malaysia and to the Plantation Corporation of Kerala, India, in undertaking feasibility studies for providing social security for rural workers. Several countries (e.g. Kuwait, Malaysia, Tunisia, etc.) received actuarial assistance. ILO was also able to respond to an increasing number of requests from national authorities for fellowship training.

136. Project delivery was, in some cases, affected by the problems encountered in locating and recruiting experts of the right calibre and outlook needed to match national requirements. The low priority often accorded to social security projects in the face of competing demands for UNDP funds constituted another problem, despite the relatively limited inputs involved.

137. For the biennium 1982-83, priority was to be given to the least developed countries, especially to those which still lack national expertise. In 1982, however, the trend towards consolidation of existing social security administration, legislation and finance was even stronger than in 1981. This trend towards improvement of existing facilities was illustrated by the tendency to seek ILO technical co-operation advice for the more efficient management of programmes, to look at such matters as data processing applications, to streamline services or to train staff.

138. Due to the worsening economic situation in many countries, the protection afforded by social security schemes has also become increasingly important, and with it the consequent emphasis on careful financial and actuarial projections. ILO technical co-operation efforts in 1982 were increasingly directed to the provision of financial and actuarial expertise to a variety of institutions in developing countries.

139. Unfortunately, the technical co-operation resources available from the main traditional funding agency - UNDP, declined. Short-term assignments of experts or consultancies were resorted to more frequently, with increasing difficulties in recruitment of the high calibre experts needed. Furthermore, the sources for such expertise being limited, the time allowed by the funding agencies for expert intervention frequently fell short of the real requirements and the proper treatment of the subject. This adversely affected the capacity of the ILO to satisfy all the requests from developing countries, so that it was necessary to expand the trust fund component. Other needs - mainly short term - were met by calling either on the ILO regular budget for technical co-operation (RBTC) or on the advisory services provided by regional advisers and staff members.

140. In 1982, a large number of activities were carried out in Asia and the Pacific (India, Indonesia, Sri Lanka, Pakistan, Fiji, etc.). Among the operational activities related to social security financing and the need to achieve actuarial soundness, assistance was provided to Malaysia, Kuwait, Tunisia, Upper Volta, Burundi and the Caribbean. Policy advice was given to Burundi, Tunisia, the Central African Republic, Ethiopia, the Seychelles, the Bahamas and Swaziland. Training activities were carried out in the field and at Headquarters. Operational activities were also undertaken at the regional level by advisers attached to the ILO Regional Offices in Africa, Asia and the Caribbean. Close contact and co-operation were maintained with the various regional and international organizations active in the field of social security.

VI. SOCIAL SECURITY ORGANIZATIONS AND EUROPEAN REGIONAL ORGANIZATIONS
THEIR RELATION TO THE ILO PROGRAMME

A. The Interamerican Center for Social Security Studies

141. The Interamerican Center for Social Security Studies (CIESS), in Mexico D.F., was founded in 1963, under the aegis of the Permanent Interamerican Committee for Social Security Activities (CPISS). The latter organization receives an annual subsidy of US\$ 68,400, which is used mainly on programmed activities of the CIESS, such as meetings, investigations and training programmes. The Secretary-General of the CPISS normally prepares the yearly programme of activities, after consultation with Member States. The major support of the CIESS is borne by the Instituto Mexicano de Seguridad Social (IMSS). There are three or four training courses each year, and an equal amount of seminars held on the premises.

142. The CIESS offices and classrooms are donated by the Mexican Government to the Institution which is now in its 20th year of existence. It has made a positive impact on Latin American Social Security. Current economic conditions in the host country could impose certain difficulties on the continued effectiveness of the CIESS. A possible solution is the major participation of all social security institutions in the region, on an agreed basis. This would guarantee to some extent the continued existence of CIESS.

B. The International Social Security Association

143. The ISSA was founded in 1927 as an autonomous entity grouping sickness insurance funds in several European countries. In 1936 the scope of membership of the Association was broadened so as to include also other branches of social insurance. It was in 1947 that the ISSA adopted its present name and a new Constitution which provided a basis for the post-war expansion of the Association's activities, particularly to the developing world. The ISSA has presently 255 affiliate and 77 associate members in 124 countries.

144. The origins of the ISSA/ILO collaboration go back to the discussion of the first ILO Conventions on sickness insurance in 1927. One of the main roles of the ISSA was to complement and reinforce the ILO's action by promoting social security measures through the improvement of administrative techniques; in return the ILO offered to provide the Association with the services of its Secretariat.

145. The present relationship with the ILO is still based on the complementarity of the respective functions of the two organizations in the field of social security. While the ILO concentrates its attention on the preparation of the legislative bases for social security schemes, the ISSA activities focus on the improvement of the practical application of these measures through exchange of experience among social security organizations. Another valuable complement to the ILO activities is ISSA's work in the field of social security research.

146. The ISSA is technically a non-governmental organization enjoying a "privileged status" in its relations with the ILO. The Secretariat of the Association is housed in the ILO headquarters; based formerly on a "gentlemen's agreement" the relationship has been governed since 1976 by an Agreement - of which no official document exists - between the two organizations concerning personnel questions. Under this Agreement most of the full-time officials of the ISSA Secretariat work under contract with the International Labour Office and enjoy all the rights derived from this status. Some of the staff are, however, contracted directly by the ISSA (in the table below these staff members carry the symbol "Ex"). ISSA staff now includes 22 professional and 21 general service category officials.

Staffing Table
ISSA

Professionals		General Service	
D.2	-	G.7	-
D.1	1	G.6	2
P.5	1	G.5	5
P.4	4	G.4	3
P.3	12	G.3	4
P.2	2	G.2	2
P.Ex	2	G.Ex	1
		G.Ex 1/2	4
TOTAL	22	TOTAL	21

147. There are three Regional Offices in the ISSA administrative structure which are located as follows: one in Latin America, one in Africa and the other in Asia. The countries where these offices are located are Argentina, Togo and India.

148. The ISSA has consultative status with the ECOSOC and collaborates closely with all international organizations active in the field of social security. However, this collaboration is carried out on an ad hoc basis without any organic links with any other international or regional organization.

149. The Association receives biennially an ILO subsidy representing 4.2 work-years (US \$ 364,750), but the main source of funding for the triennial budget comes from contributions of member organizations. Contributions of affiliate members are assessed according to a system of points based on the number of insured persons under different branches of social security. The contribution points are allocated on the following basis:

- (a) one point for every 300,000 insured persons in the case of the sickness or unemployment branches;

- (b) one point for every 200,000 insured persons in the case of accident, pensions or family allowances branches;
- (c) a minimum of ten points is payable by each affiliate member, while the total of the contributions payable by member organizations in any one country cannot exceed a maximum of 300 points.

In 1983 the minimum contribution per affiliate member organization was 8,200 Swiss francs, and the maximum contribution paid by ISSA members in any one country was 246,000 Swiss francs. Contributions of associate members are determined by the Treasurer in the light of the organization's size; the minimum contribution is one-fifth of the minimum contribution for an affiliate member.

150. The organization is governed by the General Assembly of the ISSA which constitute the supreme organ of the Association, and holds its meetings every three years. The second body in importance is the Council, which consists of one titular delegate from each country with affiliate members, and it holds meetings at each General Assembly. The third organ of importance is the Bureau, which is comprised of the President of the Association, the Treasurer, the Secretary General, 30 members elected by the Council, and the Chairmen of the ten permanent technical committees. These committees constitute world-wide expert bodies dealing with problems of different branches or aspects of social security within the framework of the ISSA programme of technical activities. The second major programme of the Association is devoted to regional activities responding to the specific requirements of member organizations, particularly in the developing world, while the third major programme of the Association covers research and documentation.

151. The triennial budget of the Association is prepared by the Treasurer and submitted to the Bureau; the proposals approved by the Bureau are subsequently presented for adoption to the Council. The Treasurer submits to the General Assembly for approval the final results of each three-year period. The ISSA Constitution provides for a Control Commission to examine the accounts of the Association; this practice differs from that of other United Nations bodies where this certification is done independently by external auditing groups, subject to revision by the Advisory Committee on Budgetary Questions of the United Nations General Assembly.

C. The European Regional Organizations

152. The "European" programme of the Social Security Department of ILO includes several components of which one of the most important is the technical support given to European regional organizations. This support is translated into several projects being implemented in various areas of social security backstopping to organizations such as the European Economic Community (EEC), the Council of Europe, the Central Commission for Rhine Navigation, Benelux, etc.

153. This programme of work encompasses assistance in the formulation and implementation of multilateral arrangements aimed at co-ordinating the social security legislation of various countries for the purpose of protecting adequately the social security rights of migrant workers and, more generally, of people working or living abroad. As an example of this co-ordination in legislation of social security in Europe, we can mention

the initial agreement related to the social security of the Rhine Boatmen, which was made possible by a special conference convened by the Governing Body of ILO in July 1950. This agreement embodied a wide scope of benefits, and was made applicable to all Rhine Boatmen, irrespective of whether they were nationals of one of the contracting parties or of another state represented on the Central Commission for Rhine Navigation, or belonging to the group of stateless persons; these benefits were also extended to their families. The benefits covered included all branches of known social security schemes at that time, namely sickness, maternity, invalidity, old age, death (survivors' benefits and death grants), employment injuries, occupational diseases, unemployment and family benefits. This original agreement experienced several revisions, always with the timely counselling of the ILO Social Security Department. The latest of these revisions was made in November 1979.

154. The Council of Europe and the European Economic Community have all subscribed to important social security agreements with the participation of ILO. The European regional organizations also benefit by the active participation in various technical activities (research, studies, meetings, etc.) and they usually place great value on services rendered by ILO. These organizations finance all the mission costs of ILO officials attending their meetings on a regular basis; they also contribute a lump sum to the ILO towards the cost of the studies and reports which the Office prepares on their behalf.

VII. SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

A. Conclusions

155. Over the last five decades, ILO's Major Programme 110 on Social Security has been contributing to the development of social benefits schemes in countries around the world. However, the dramatic changes that have occurred during the last decade, and the momentum which these changes have given to serious imbalances in the economic, monetary and social stability of the world, compel the international community to seek permanent solutions to grave social problems.

156. The demographic explosion, the increase of the work force, improved medical care, and the attention given to the primary needs of large population groups, have given rise to problems that will have to be tackled with firm determination and resolution.

157. The growing international community is called upon to face problems such as youth employment, problems of the aged and invalids, female employment, employment of farmers, environmental problems, and other adverse social conditions that will come with our present dynamic economic and geographical transformations (paragraph 21); therefore the "well-being" of the individual is a "must" for all Member States (paragraph 22).

158. At present, it has been proven, in the highly industrialized countries, that a basic social security foundation runs parallel to development.

159. The structure of social security institutions in developing countries varies from region to region, each with profound differences and inequalities; this tendency adds to the difficulty of achieving uniformity in the search for parallel solutions to harmonize effectively common social problems.

160. The ILO Social Security Department has been trying to accomplish this from the very beginning of Major Programme 110, but the grave reduction of resources in the 80-81 and 82-83 budgetary allotments and possible decline of resource levels in future biennia could dampen the prospects of effective assistance. These considerations, coupled with the decrease in adequate professional staffing needed for programme output (paragraphs 104, 105, 106), could surely curtail any kind of progress.

B. Recommendations

Recommendation 1

ILO Social Security Department - the Administration of Major Programme 110 should be endowed with adequate resources to attain the level of personnel of 1976-77 to undertake present and future programmes (paragraph 104) for the gradual upgrading of output, to benefit Member States.

Recommendation 2

With the increased involvement of the United Nations agencies, and major financial institutions which are now funding programmes in developing countries, it would be advisable for these institutions to draw on the expertise of ILO in the delivery of these programmes on a joint basis (paragraphs 84, 85); financial agencies should undertake the funding and the ILO should be the executing agency, because of its technical capacity, its long experience borne out of five decades of expertise in the field, and its knowledge of the problems to be encountered.

Recommendation 3

The intensification of training programmes in the various regions of the developing world, and the reorganization of the existing structures, mainly in Latin America, Asia and Africa (paragraphs 88, 89) should be undertaken.

Recommendation 4

The possibility of reactivating the Regional Conferences, in preparation of a Major Conference on Social Security in the Developing World (paragraph 83) to establish definite goals to be achieved over a definite period through a defined action plan, should be envisaged.

Recommendation 5

ILO Social Security Department should continue to play a major role in the assessment of all bilateral agreements in the region with the aim of co-ordinating and harmonizing social security schemes and legislation in the developing countries (paragraph 117).

Recommendation 6

The ILO administration should convert the "Gentlemen's Agreement" with ISSA into a bona-fide written agreement, thereby formalizing the relations between ILO and ISSA (paragraph 146).

Recommendation 7

In the event that the status of CIESS status is reinforced on the basis suggested in paragraph 142, the ILO having the specialized programme should have a permanent representative on the Board of this organization.

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