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# FROM SOCIAL INSURANCE TO SOCIAL SECURITY

## THE WAR AS A TRANSITION PERIOD

1919

ILO Constitution

The development of social protection is closely related to the history of industrial and capitalist societies. The modern welfare state has its origins in the nineteenth century, when the political elite became increasingly aware of the need for protective legislation to remedy the worst social evils of industrialization. This gave birth to a new concept of the state's social function.

The state was now considered to be responsible for providing a minimum level of social protection for its community.

The promotion of the right to social security has been an important part of the ILO's mandate since its founding in 1919. From then onwards, the ILO was established as the authority in this field. To this effect, the Preamble of the ILO Constitution states that the Organization's mandate is to improve conditions of labour through, among others,

"the prevention of unemployment, (...) 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".

The social security Convention and Recommendations adopted by the ILO during the pre-Second World War years aimed at establishing compulsory social insurance systems for specific branches and at covering the principal sectors of activity and the main categories of work. Standards dealt with workers' compensations (benefits in case of employment accidents), sickness and pension insurance and unemployment benefits.

It is therefore, probably safe to say that the ILO was associated, either directly through advisory missions or indirectly through standard-setting and dissemination of information, with the development of virtually all social security schemes established or improved after 1919.

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The story of social protection has started more than 100 years ago when countries started building social security systems. It is a history of success! Countries have been extending social protection consistently. (2016)



Isabel Ortiz, Director of ILO Social Protection Department





# 1944

## Recommendations on Income security and Medical care

The Second World War was a crucial period of transition for the global landscape of welfare reform. It triggered fundamental changes in social and economic life and its underlying paradigms, articulating a vision of a just and democratic post-war world.

During the Second World War, the ILO shifted away from its traditional discourse on social insurance to a more integrated concept of universal social security.

The shift in ILO thinking to social security paved the way for the debates in the International Labour Conference of 1944 and the Declaration of Philadelphia.

In 1944, the International Labour Conference meeting in Philadelphia, adopted recommendations: The Income Security Recommendation and the Medical Care Recommendation. They are at the origin of the development of social security in ILO instruments and can be considered the blueprint for comprehensive social security systems. Together, they establish a comprehensive system of income security and medical care protection for each of the nine classical branches of social security in addition to general neediness, with the objective of relieving want and preventing destitution. The Recommendations are grounded on the guiding principle of universal coverage, following which income security and medical care services should be extended to the population as a whole through a combination of social insurance and social assistance.

“A few years ago social security was little more than a slogan, a bare outline of an idea; today the slogan stands for a wide-visioned, constructive programme; and tomorrow the programme will have become an accomplished fact if humanity remains free and follows the road of progress. (1941)”

Oswald Stein, chief of the ILO's  
Social Insurance Department

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## UNIFYING AND COORDINATING

### VARIOUS SOCIAL PROTECTION SCHEMES

1952

#### Convention N° 102: Minimum Standards of Social Security

The aftermath of the Second World War saw a rapid increase in the number of countries that introduced or extended social security measures. As part of their reconstruction efforts, they systematically made efforts to assure income protection for their citizens.

The ILO's approach to social security in the context of the emerging welfare state is most clearly demonstrated in the Convention on Minimum Standards of Social Security (No. 102), adopted in 1952.

It brought together the whole range of branches that had been dealt with in different standards of the interwar period. It identified a set of flexible, globally-applicable minimum standards for nine contingencies: medical care; sickness; unemployment; old-age; employment injury; maternity; invalidity; survivors; and family allowances. For each of these, it fixed a minimum level of protection in terms of the population covered and the benefits guaranteed, together with common organizational and management principles. The Convention also laid down the principal methods of enlarging the scope of social security systems, on the basis of statistical criteria, by distinguishing three categories of protection: for employed persons; for the economically active population; and for all residents with means below a certain level.

By extending the coverage and scope of international protection to broader categories of persons, Convention No. 102 incorporated the idea that every human being had the right to social security. This right to a minimum of social security became a cornerstone of ILO post-war policy.

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## OFFERING **HIGHER LEVEL OF PROTECTION**

**IN TERMS OF POPULATION COVERED AND BENEFIT LEVELS**

**1962**

**Convention N° 118:  
Equality of treatment**

The Equality of Treatment Convention N° 118 addresses the issue of the social security of migrant workers in a global manner. It provides that, for each social security branch accepted under the Convention, a ratifying State undertakes to grant equality of treatment to nationals of other ratifying States including refugees and stateless persons, within its territory (principle of reciprocity).

# 1964

## Convention N° 121: Employment Injury Benefits

The Employment Injury Benefits Convention, addresses protection in case of a morbid condition, incapacity for work, invalidity or a loss of faculty due to an industrial accident or a prescribed occupational disease, and the loss of support as a result of the death of the breadwinner following employment injury. Convention N° 121 indicates the cases in which accidents should be considered by national legislation as industrial accidents and under which conditions the occupational origin of the disease should be presumed. The Convention further lays down three types of benefits: medical care, cash benefits in the event of incapacity for work and loss of earning capacity (invalidity), and cash benefits in the event of the death of the breadwinner. Its accompanying Recommendation No. 121 essentially recommends the extension of the scope of persons protected in case of employment injury, and higher levels of cash benefits.

# 1967

## Convention N° 128: Invalidity, Old-age and Survivors

The Invalidity, Old-Age and Survivors' Benefits Convention regroups all three long-term benefits branches into one instrument and extends coverage to all employees, including apprentices. That represents not less than 75 per cent of the whole economically active population. It further sets the periodical payment rate for invalidity benefit to at least 50 per cent of the reference wage and envisages the adoption of measures for rehabilitation services. In the case of old-age and survivors' benefit, the minimum amount should correspond to at least 45 per cent of the reference wage.

Its accompanying Recommendation No. 131 broadens the definition of the contingencies that should be covered under national schemes and recommends that higher benefits be paid, upon the fulfillment of less stringent qualifying conditions.



# 1969

## Convention N° 130: Medical care and Sickness

The Medical Care and Sickness Benefits Convention covers both medical care benefits and cash sickness benefit, reflecting the trend to establish comprehensive health insurance systems. All employees, including apprentices should be covered for both contingencies. In relation to medical care, wives and children of employees should also be covered. Convention No. 130 further extends the medical care required under Convention No. 102 to dental care and medical rehabilitation, including the supply, maintenance and renewal of prosthetic and orthopedic appliances.

Its accompanying Recommendation N° 134 extends the sickness contingency, the scope of personal coverage and the type of medical benefits that should be provided. It also recommends the provision of medical benefits without a qualifying period and that of sickness benefit throughout the whole duration of the contingency.

# 1982

## Convention N° 157: Maintenance of Social Security Rights

The Maintenance of Social Security Rights Convention and its accompanying Recommendation, 1982 (N° 157) specifically address the issue of the maintenance of social security rights of migrant workers and complement Convention No. 118, focusing on equality of treatment and exportability. The objective of Convention N° 157 is to promote a flexible and broad form of coordination between national security schemes, in particular through the conclusion of bilateral or multilateral social security agreements, establishing a system based on the principle of the maintenance of acquired rights and rights in the course of acquisition.



# 1988

## Convention N° 168: Employment Promotion And Unemployment Protection

The main aim of the Employment Promotion and Protection Against Unemployment Convention is twofold: the protection of unemployed persons through the provision of benefits in the form of periodical payments, and the promotion of employment. It therefore recognizes the value of linking social security to broader social and economic policies directed at one priority goal: the promotion of full, productive and freely chosen employment. The system of protection against unemployment should therefore be such as to encourage employers in offering, and workers in seeking, productive employment.

Its accompanying Recommendation No. 176 provides guidance on how to assess the suitability of employment for those seeking it. It further recommends the extension of the scope of the contingency covered, that of the personal coverage, and of the benefit duration

# 2000

## Convention N° 183: Maternity Protection

Under the Maternity Protection Convention, all employed women, including those in atypical forms of dependent work, should be covered for pregnancy, childbirth and their consequences. In particular, persons protected should be entitled to maternity benefits for a minimum period of 14 weeks (including six weeks of compulsory leave after childbirth) at not less than two-thirds of their previous earnings. The medical benefits provided to protected persons must include prenatal, childbirth and post-natal care. Convention N° 183 also lays down the right to work breaks for breastfeeding, as well as provisions relating to health protection, employment protection and nondiscrimination.

Its accompanying Recommendation N° 191 provides for a higher benefit and a longer duration of paid maternity leave.

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## THE ROAD TO UNIVERSAL SOCIAL PROTECTION

The Asian financial crisis in 1997–98 showed the dramatic consequences of underdeveloped social protection systems and demonstrated that good economic performance in itself is not enough to assure social welfare.

In this context, the ILO reiterated its approach to social security, focusing on a general extension to people who were not yet covered. The issue of “social security for all” took the debate.

One of the key global problems facing social security is the fact that more than half of the world's population is excluded from any type of social security protection, mostly in the developing world. Those outside the formal labour market are beyond the reach of social security legislation, except for basic social assistance schemes in the more advanced countries. In the industrialized countries (including the economies of Central and Eastern Europe), social security systems face new demographic challenges, such as ageing and changing family structures, with important implications for the financing of social protection.

The “new consensus” that came out of the 2001 International Labour Conference consisted of the reaffirmation that social security was a basic human right. The Conference noted that certain groups had different needs and some had very low contributory capacity. The highest priority should therefore be given to policies and initiatives that brought social security to those not covered by existing schemes.

# 2001

## A New Consensus

In 2001 it was agreed that the ILO's strategy for the extension of social security should be closely linked to its employment strategy and to other social policies. This is one of the essential features of the Decent Work Agenda, adopted by the ILO in 1999. An integrated approach linking social security with other labour market issues in order to provide income security for a wider fraction of population.

# 2012

## Recommendation N° 202: Social Protection Floors

Recommendation N° 202 provides guidance on closing social security gaps and achieving universal coverage through the establishment and maintenance of comprehensive social security systems.

It calls upon States to achieve universal coverage with at least minimum levels of protection through the implementation of social protection floors as a matter of priority; and to progressively ensure higher levels of protection.

National social protection floors should comprise basic social security guarantees that ensure, as a minimum, effective access to essential health care and basic income security at a level that allows people to live in dignity throughout the life cycle.

These should include at least:

- access to essential health care, including maternity care;
- basic income security for children;
- basic income security for persons of working age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability; and
- basic income security for older persons.

Complementing existing standards, Recommendation N° 202 sets forth an integrated and coherent approach to social protection across the life cycle, underscores the principle of universality of protection through nationally-defined social protection floors, and embodies a commitment to their progressive realization in terms of benefits and people covered. It thereby aims at ensuring that all members of society enjoy at least a basic level of social security throughout their lives, ensuring their health and dignity.

The Recommendation calls for systems that are country-led, are aligned to national circumstances, are reviewed in the light of population needs, and include the participation of all stakeholders. In an innovative way, it contains guidance on monitoring to help countries assess their progress in moving towards enhanced protection and improving the performance of national social security systems.



