

INTERNATIONAL LABOUR ORGANIZATION

**Information note on international labour standards  
and technical cooperation with regard to social  
security for the group of independent experts**

**Project on standards-related activities and  
decent work – Prospects in the field of  
social security**

**International Labour Standards Department and  
Social Security Policy and Development Branch**

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**Working paper (limited distribution)**

**Note on methodology:** This document aims at providing experts with an overview of the principal activities carried out by the ILO as regards social security, in particular in the normative and the technical cooperation fields. The first part was compiled from a synthesis of documents of the ILO on social security standards (*Standards for the XXIst century, Social security and International labour standards, A global approach*), documents of the Governing Body and the International Labour Conference and comments of the Committee of Experts on the Application of Conventions and Recommendations. The second part was built up from the article by Emmanuel Reynaud on the approach of the ILO towards the extension of social security coverage, documents of the Governing Body and internal project documents.

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## I. International labour standards dealing with social security

Social security issues have always been at the heart of the ILO's concerns. For this reason, the Preamble of the 1919 Constitution acknowledged that the Organisation had the role to improve work conditions by "the prevention of unemployment, ... the protection of the worker against sickness, disease and injury arising out of his employment, ... provision for old-age injury". In 1944, social security was given the status of a fundamental human right by the Philadelphia Declaration which enshrined "the solemn obligation of the International Labour Organisation to further among the nations of the world programmes which will achieve (...) the extension of social security measures to provide a basic income to all in need of such protection and comprehensive medical care." This right was also recognised by Recommendation No. 67 (1944) on income security. At the international level the Universal Declaration of Human Rights of 1948 and the International Covenant on Economic Social and Cultural Rights of 1966 confirmed the right to social security as a fundamental right. The adoption of these standards had an important effect upon the setting up of social security systems in numerous countries, notably in Europe and Latin America.<sup>1</sup> Those instruments were conceived to constitute a normative framework reflecting the common aims and principles that must constitute the basis for every social security system. The basic Convention on this subject is Convention No. 102 adopted in 1952. It is a text that aims at defining an overall standard for social security and establishes minimum standards concerning the persons to be protected as well as the level of benefits and the conditions under which they are granted. After a general presentation of international labour standards dealing with social security (A), we set out the content of the principal instruments considered to be up to date by the Governing Body in this sphere (B).

### A. General presentation

Since 1919 the International Labour Conference has adopted 31 Conventions and 23 Recommendations on social security. The more recent instruments are from the year 2000 and concern maternity protection. In a general way, the overall instruments dealing with social security are classified in three 'generations' of standards, which make reference to three different approaches. The first generation standards were adopted between 1919 and 1944, the second generation ones between 1944 and 1952 and the third generation ones after 1952 (1). All standards adopted before Second World War (first generation) have been revised. Indeed the International Labour Conference had always arranged that the social security standards were adapted to and could deal with important economic, social, political and technological changes in the world.<sup>2</sup> In general, this concern for adaptation to the transformations in the socio-economic context, as well as the search for a balance between normative universality

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<sup>1</sup> *International labour standards, A global approach*, ILO, Geneva, 2001, p. 450.

<sup>2</sup> *ibid.*, p. 450.

and regional specificities, was translated into an important recourse to a range of flexibility options and clauses in the different Conventions on social security. These should ensure a better response to the requirements of the respective conditions of the developing countries and lead to a progressive implementation of the principles enshrined in the standards (2). In 2001, the International Labour Conference organized a general discussion on the future of social security. This discussion should enable the ILO to define a conception of social security that, while staying faithful to its fundamental principles, would respond to the new challenges confronted by social security. The tripartite debate was an occasion to reassert a certain number of principles and priorities in this domain (3). The conclusions of the general discussion recall in particular that the ILO's activities in the social security sphere should be rooted in the Philadelphia Declaration, the concept of decent work and the relevant ILO standards on social security. These relevant standards are the ones that have been declared up to date by the Governing Body after the completion of its revision examination of international labour standards (4).

## **1. Evolution of the international law of social security**

The social security standards were divided into groups. We speak about first generation (a), second generation (b), and third generation (c) standards dealing with social security.

### **a) First generation of standards: 1919-44<sup>3</sup>**

Standards of the first generation are essentially based on the concept of social insurance. They aim at setting up compulsory insurance systems. Those standards cover determined risks, principal sectors and categories of workers. The first standards adopted concerned domains for which international action seemed important and possible at that time, i.e.: maternity<sup>4</sup>, employment injury<sup>5</sup> and sickness.<sup>6</sup> The Conference decided in 1959 to proceed to revise the standards of the first generation, notably because they no longer corresponded to the evolution that had taken place in a good number of social security systems.<sup>7</sup>

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<sup>3</sup> This paragraph is a summary of: *International labour standards, A global approach*, ILO, Geneva, 2001, pp. 451-452.

<sup>4</sup> Convention No. 3 on Maternity Protection, 1919.

<sup>5</sup> Convention No. 12 on Workmen's Compensation (Agriculture), 1921; Convention No. 17 on Workmen's Compensation (Accidents), 1925; Convention No. 18 on Workmen's Compensation (Occupational Diseases), 1925; Convention No. 19 on Equality of Treatment (Accident Compensation), 1925.

<sup>6</sup> Convention No. 24 on Sickness Insurance (Industry), 1927; Convention No. 25 on Sickness Insurance (Agriculture), 1927.

<sup>7</sup> Document GB.141/6/7 (Mar. 1959).

b) Second generation of standards: 1944-52<sup>8</sup>

The second generation of standards is inspired by the more general concept of social security elaborated by the Beveridge report<sup>9</sup>. The normative activity of the ILO moves towards a global and enlarged concept of social security. The idea is to cover the overall working population with a unique system, which unifies and coordinates the different protection schemes. The Philadelphia Declaration, adopted in 1944, included among the objectives of the ILO the extension of social security measures with a view to assuring a basic income, as well as complete medical care, to all in need of such protection. Two important Recommendations, which reassert this new concept, were adopted the same year: Recommendation No. 67 on Income Security, 1944, and Recommendation No. 69 on Medical Care, 1944. These Recommendations opened the way for the adoption of Convention No. 102 on Social Security (Minimum Standards), 1952. The latter marks an evolution in social security standards in the way that it deals, within a unique instrument, with the nine principal branches of social security, that is: medical care, sickness benefit, unemployment benefit, old-age benefit, employment injury benefit, family benefit, maternity benefit, invalidity benefit, survivors' benefit. Convention No. 102 also introduced the idea of a general social security minimum level that must be ensured by all the member States. Thanks to the flexibility clauses of Convention No. 102, this minimum represents an objective that the member States have the duty to reach, even supersede in the case of certain States, independently of their economic development level.<sup>10</sup> Distinct from previous Conventions, this Convention proposes objectives to reach instead of a description of applicable techniques.

c) Third generation of standards: 1952-04<sup>11</sup>

The third generation of social security standards corresponds to the instruments adopted after Convention No. 102. In a general way these instruments revise the first generation standards, offering a higher protection level in terms of population's coverage and guaranteed benefits. They permit certain derogations that increase flexibility as in Convention No. 102.

The Conventions in question are:

- Equality of Treatment (Social Security) Convention, 1962 (No. 118);
- Employment Injury Benefits Convention, 1964 (No. 121) and Employment Injury Benefits Recommendation, 1964 (No. 121);

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<sup>8</sup> This paragraph is a summary of: *International labour standards, A global approach*, op. cit., p. 452.

<sup>9</sup> This report, published in 1942 at the request of the British Government, suggested a new universal and standardized system of social benefits that should be financed by contributions and managed by the State.

<sup>10</sup> See *infra*.

<sup>11</sup> This paragraph is a summary of: *International labour standards, A global approach*, op. cit., pp. 452-453.

- Invalidity, Old-Age and Survivors’ Benefits Convention, 1967 (No. 128) and Invalidity, Old-Age and Survivors’ Benefits Recommendation, 1967 (No. 131);
- Medical Care and Sickness Benefits Convention, 1969 (No. 130) and Medical Care and Sickness Benefits Recommendation, 1969 (No. 134);
- Maintenance of Social Security Rights Convention, 1982 (No. 157) and Maintenance of Social Security Rights Recommendation, 1983 (No. 167);
- Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168) and Employment Promotion and Protection against Unemployment Recommendation, 1988 (No. 176);
- Maternity Protection Convention, 2000 (No. 183) and Maternity Protection Recommendation, 2000 (No. 191).

These Conventions form part of a coherent set of instruments fixing minimum standards and other higher standards for the nine principal branches of social security. The Committee of Experts observes that these standards were developed “as a normative framework held together by a unique set of common aims and principles underpinning the social security system. This integrity of international social security law is an invaluable achievement to be preserved and consolidated in the ILO’s future standard-setting activities in the field of social security”.<sup>12</sup>

## **2. Flexibility clauses**

International labour standards have a universal vocation. However, they have to be applied in countries that vary both in their development level and judicial systems. It has thus seemed necessary, since the origin of the ILO, to draft the standards in a sufficiently flexible way to allow the taking into account of the variety of addressees without calling into question their effectiveness. To this end the Constitution of 1919 provides (art. 19§3) that “in framing any Convention or Recommendation of general application the Conference shall have due regard to those countries in which climatic conditions, the imperfect development of industrial organisation, or other special circumstances make the industrial conditions substantially different and shall suggest the modifications, if any, which it considers may be required to meet the case of such countries”.

The difficulty of reconciling a universal aspiration with national specificities arises especially in the case of social security standards. The economic development level can indeed, in this field, greatly affect the State’s capacity to ensure social security coverage for all. That is the reason why ILO’s Conventions on social security offer a large range of options and flexibility clauses.

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<sup>12</sup> Report of the Committee of Experts on the Application of Conventions and Recommendations, ILC, Geneva, 2001, para. 154.

Various techniques have been used to attain a desirable degree of flexibility. In particular:<sup>13</sup>

- Several social security Conventions comprise distinct parts of which only some must obligatorily be accepted at the moment of ratification;<sup>14</sup>
- Convention No. 102, as well as subsequent Conventions, allows the exclusion of specific categories of workers from its scope of application;<sup>15</sup>
- Conventions on social security provide temporary derogations for developing countries. Countries whose economy and/or medical resources have not reach a sufficient level of development and which have made a declaration to this effect at the time of ratification can cover a smaller number of protected persons, allow benefits of a lower level or for a shorter period;
- Convention No. 102, as well as most of the third generation Conventions, allows some flexibility in the method of calculating the level of benefits in cash. On the one hand, the minimum amount for benefits is defined, for a given State, in relation to the existing wages in the country. On the other hand, in order to be able to assess the measure in which the benefits prescribed by the national legislation reach the rates fixed by the Conventions, these provide for different methods of calculation from which the States can choose.<sup>16</sup> The *first method* consists in fixing the minimum rate of benefit at a certain percentage of the previous earnings of the beneficiary or his breadwinner, with the possibility of prescribing a maximum limit for the rate of the benefit or for the earnings taken into account. This percentage should in any case be reached if the previous earnings of the beneficiary or his breadwinner are equal to or lower than the wage of a skilled manual male employee. According to the *second method* the amount of benefit has to be at least equal to a given percentage of the wage of an ordinary adult male labourer. Finally, the *third method* consists in fixing the rate of benefit according to a prescribed scale that can depend on the level of other resources of the family of the beneficiary. In this case, the amount should not be less that the one derived from the previous method. As a result, no matter which method is chosen, the amount of the benefits must reach a certain percentage of the established reference wage for a “standard beneficiary”. The standard beneficiary is defined in a specific manner for each contingency and serves

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<sup>13</sup> *Standards For the XXIst century, Social Security*, ILO, Geneva, 2002, pp. 7-11; *International labour standards, A global approach*, op. cit., pp. 472-473.

<sup>14</sup> Convention No. 102 enables a State that ratifies it to accept only some parts of it. Besides the common provisions, the State must accept at least three parts of the Convention which correspond to a determined branch of social security. Among these branches must figure at least one of the five following: unemployment, old-age, employment injury and sickness, invalidity, survivors. Any State party to the Convention can subsequently notify the Office that it accepts the obligations arising from it as concerns one or several supplementary parts.

<sup>15</sup> This is the case, under certain conditions and following the Conventions, of seafarers, public agents, occasional workers and members of the employer’s family, workers in the agricultural sector.

<sup>16</sup> Convention No. 102 provides these methods for the overall branches of social security, with the exception of family benefits. When it is about third generation instruments, only Conventions No. 168 and No. 183 provide for others specific rules.

solely as a reference for comparison between the amount of benefits provided for by national legislation and the provisions of the Conventions. States are also permitted to choose their own rules and methods of calculating the rate of benefit, provided that the resulting rate is at least equal to that laid down in the instruments.

According to the Committee of Experts on the Application of Conventions and Recommendations, the body in charge of monitoring the application of these standards, “international social security Conventions offer perhaps the largest set of options and flexibility clauses allowing for the goal of universal coverage to be attained gradually and in step with economic development. Each country is offered the possibility of implementing them by combining contributory and non-contributory benefits, different methods of computing benefits, general and occupational schemes, compulsory and voluntary insurance, public and private tiers into the mix of protective measures best suited to its needs”.<sup>17</sup> The Committee also notes that these flexibility clauses have been scarcely used by the States.

### **3. Conclusions of the 2001 general discussion**

In 2001, the International Labour Conference organized a general discussion on the future of social security. The objective of this discussion was to establish an “ILO vision of social security that, while continuing to be rooted in the basic principles of the ILO, responds to the new issues and challenges facing social security”.<sup>18</sup> The question of standards was not tackled during this discussion, the idea being that it could, in a second stage, “lead to the development of new instruments or to the possible updating or revision of existing standards”.<sup>19</sup>

The general discussion took place on the basis of a report that offers a thorough analysis of the main issues in the field of social security, assesses the situation and proposes solutions in order to advance.<sup>20</sup> This report, which served as a basis for the discussion, and debates that followed,<sup>21</sup> together with the conclusions reached by the constituents,<sup>22</sup> are gathered in one document called the new consensus.<sup>23</sup> This title indicates the ambition of the general discussion of 2001 that was not to propose definitive answers but rather to promote a

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<sup>17</sup> Report of the Committee of Experts on the Application of Conventions and Recommendations, Report III (Part 1 A), ILC, 2001, para. 156.

<sup>18</sup> *Social security: Issues, challenges and prospects*, Report VI, ILC, 89th Session, 2001, in *Social security – A new consensus* – ILO, Geneva, 2001, p. 31.

<sup>19</sup> *ibid.*

<sup>20</sup> *Social Security: Issues, challenges and prospects*, *op. cit.*

<sup>21</sup> *Report of the Committee on Social Security*, ILC, Geneva, 89th Session, 2001.

<sup>22</sup> “Conclusions concerning social security”, Committee on Social Security, ILC, 89th Session, 2001.

<sup>23</sup> *Social security – A new consensus* – ILO, Geneva, 2001.

consensus on the evaluation of the situation and on the possible consequences for the ILO in the field of social security.

The general discussion was carried out on six main issues, each of which constituted a subject for debate. These issues are: social security and economic development, extension of social security coverage, income security for the unemployed and employment, equality between men and women, financing social security and ageing, and social dialogue and ILO activities. The discussion thus gave a broad overview of each of the topics.

Even if there was no specific discussion on standards related to social security, the general discussion proved to be the occasion to reaffirm certain principles and priorities<sup>24</sup>. The constituents agreed that highest priority should be given to the conception of policies and initiatives which can bring social security to those who are not covered by existing systems. They also agreed on the basic principles in the field of social security, in particular:

1. Social security is a basic human right and a fundamental means for creating social cohesion.<sup>25</sup>
2. Social security, if properly managed, enhances productivity by providing health care, income security and social services.<sup>26</sup>
3. There is no single right model of social security. Nevertheless the State has a priority role in the facilitation, promotion and extension of social security coverage. Moreover, all systems should conform to certain basic principles. In particular, benefits should be secure and non discriminatory, schemes should be managed in a sound and transparent manner, incur low administrative costs and allocate a major role to the social partners. Public confidence in social security systems is a key factor for their success.<sup>27</sup>
4. Of highest priority is the concept of policies and initiatives that can bring social security to those who are not covered by existing systems.<sup>28</sup>
5. Policies must encourage movement away from the informal economy. Support from the vulnerable groups in the informal economy should be financed by society as a whole.<sup>29</sup>
6. For persons of working age, the best way to provide a secure income is through decent work.<sup>30</sup>

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<sup>24</sup> “Conclusions concerning social security”, Committee on Social Security, *op. cit.*

<sup>25</sup> *ibid.*, para. 2.

<sup>26</sup> *ibid.*, para. 3.

<sup>27</sup> *ibid.*, para 4.

<sup>28</sup> *ibid.*, para 5.

<sup>29</sup> *ibid.*, para. 6.

<sup>30</sup> *ibid.*, para. 7.

7. Social security should promote and be based on the principle of gender equality.<sup>31</sup>
8. Solutions to the problem of the ageing of the population must be sought through means to increase employment rates and through ways to achieve higher levels of sustainable economic growth leading to additional numbers in productive employment.<sup>32</sup>
9. The HIV/AIDS pandemic is having a catastrophic effect on every aspect of society. This crisis calls for a much more urgent response from the ILO by intensifying its research and technical assistance programmes.<sup>33</sup>
10. Statutory pension schemes must guarantee adequate benefit levels and ensure national solidarity. Supplementary and other negotiated pension schemes can be a valued addition to, in most cases not a substitute for, statutory pension schemes.<sup>34</sup>
11. The financial viability of pension systems must be guaranteed over the long term.<sup>35</sup>
12. Where there is a limited capacity to finance social security, either from general tax revenues or contributions, and particularly when there is no employer to pay a share of the contribution, priority should be given in the first instance to needs which are most pressing in the view of the groups concerned.<sup>36</sup>
13. Within the framework of the basic principles set out earlier, each country should determine a national strategy for working towards social security for all. This should be closely linked to its employment strategy and to its other social policies.<sup>37</sup>
14. ILO activities in social security should be anchored in the Declaration of Philadelphia, the decent work concept and relevant ILO social security standards.<sup>38</sup>

These standards are the ones that have been recognized as up to date by the Governing Body, following its revision of international labour standards from 1995 until 2002.

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<sup>31</sup> “Conclusions concerning social security”, para. 8-10.

<sup>32</sup> *ibid.*, para. 11.

<sup>33</sup> *ibid.*, para. 12.

<sup>34</sup> *ibid.*, para. 13.

<sup>35</sup> *ibid.*, para. 14.

<sup>36</sup> *ibid.*, para. 15.

<sup>37</sup> *ibid.*, para. 16.

<sup>38</sup> *ibid.*, para. 17.

#### **4. Relevant standards on social security**

The Governing Body created, in March 1995, a working party in charge of examining the question of the revision of standards and proposing its recommendations on the matter. This examination was carried out for seven years at the conclusion of which the working party produced an information note on the state of its work and the decisions made as regards the revision of standards.<sup>39</sup> This document states the international standards that must be considered up-to-date, the ones that must be revised or finally the obsolete ones. At the end of this examination 17 Conventions and 73 Recommendations were considered to be up to date.<sup>40</sup>

Conventions on social security have of course been scrutinized by the Working Party. Before the submission of these recommendations, the Working Party asked for written consultations to be held among the representatives concerning seven Conventions and three Recommendations on social security. The objective was to identify the obstacles and difficulties encountered that could impede or delay ratification of these Conventions and, in the case of certain Conventions, highlight needs of revision. With regard to Recommendations, the request for information concerned obstacles to the implementation of these instruments.<sup>41</sup> Much invaluable information was gathered through these consultations. In particular, two frequent answers were noted. On the one hand, obstacles and difficulties to ratification were attributed to the fact that national legislation was not in conformity with the instruments' provisions. On the other, it was found that the economic and administrative situations could often represent a major obstacle impeding ratification.<sup>42</sup>

The Governing Body declared, at the conclusion of its revision examination of social security instruments, the following eight Conventions to be up to date<sup>43</sup>:

- the Social Security (Minimum Standards) Convention, 1952 (No. 102);
- the Equality of Treatment (Social Security) Convention, 1962 (No. 118);
- the Maintenance of Social Security Rights Convention, 1982 (No. 157);
- the Medical Care and Sickness Benefits Convention, 1969 (No. 130);

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<sup>39</sup> Document GB.283/LILS/WP/PRS/1/2 (Mar. 2002) distributed as Annex 3 of the Information note addressed to the group of independent experts on normative action and decent work – Perspectives as regards social security.

<sup>40</sup> *ibid.*

<sup>41</sup> Document GB.282/LILS/WP/PRS/3 (Nov. 2001). See Annex 1.

<sup>42</sup> *ibid.*

<sup>43</sup> In total, 13 Conventions and seven Recommendations on social security were considered to be obsolete. The Governing Body invited all the member States who had ratified these Conventions to examine the possibility of ratifying the third generation Convention on the same subject matter. Document GB.283/LILS/WP/PRS/1/2 (Mar. 2002).

- the Invalidity, Old-Age and Survivors' Benefits Convention, 1967 (No. 128);
- the Employment Injury Benefits Convention, 1964 (No. 121);
- the Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168); and
- the Maternity Protection Convention, 2000 (No. 183).

Seven Recommendations were considered to be up to date by the Governing Body:

- the Maintenance of Social Security Rights Recommendation, 1983 (No. 167);
- the Income Security Recommendation, 1944 (No. 67);
- the Medical Care and Sickness Benefits Recommendation, 1969 (No. 134);
- the Invalidity, Old-Age and Survivors' Benefits Recommendation, 1967 (No. 131);
- the Employment Injury Benefits Recommendation, 1964 (No. 121);
- the Employment Promotion and Protection against Unemployment Recommendation, 1988 (No. 176); and
- the Maternity Protection Recommendation, 2000 (No. 191).

In addition, as regard Conventions Nos. 102, 118, 157, 130, 128, 121, the Governing Body invited:<sup>44</sup>

- the Office to provide technical assistance, including the dissemination of information in the light of the conclusions of the general discussion on social security that was held at the 89th Session (June 2001) of the Conference;
- member States to examine the possibility of ratifying the abovementioned Conventions;
- member States to inform the Office of obstacles or difficulties encountered, if any, that might prevent or delay ratification of those Conventions.

The Governing Body will re-examine the status of these Conventions in due course.

As far as Recommendations Nos. 167, 134 and 131 the Governing Body invited:<sup>45</sup>

- member States to examine the possibility of giving effect to these Recommendations;

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<sup>44</sup> Document GB.283/10/2 (Mar. 2002).

<sup>45</sup> *ibid.*

- the Office to provide technical assistance, including the dissemination of information in the light of the conclusions of the general discussion on social security that was held at the 89th Session (June 2001) of the Conference.

## **B. The principal ILO instruments dealing with social security**

Convention No. 102 relating to social security represents the main standard in the field of social security. The Convention lists nine distinct branches of social security and sets minimum criteria to be fulfilled with regard to the coverage of the population, the content and the level of the benefits, the rights of the contributors and of the claimants, and the method of management of the schemes. This instrument was subsequently completed by other Conventions (third generation standards) that offer – for some of the branches – a higher level of protection in terms of the population covered and the level of benefits. Each Convention contains not only dispositions specific to the branch it deals with, but also basic principles common to all social security standards. These basic principles concern the organization and administration of social security institutions. We will explain the basic principles that have to be complied with by any scheme of social security (1), provide information on Convention No. 102 (2) and on the other social security standards (3). Finally we will give a brief overview of the main problems of the application of ILO social security standards noted by the Committee of Experts on the Application of Conventions and Recommendations (4).

### **1. Common principles**

The ILO Conventions on social security were drafted in such a way as to allow the member States greater flexibility in the method of organizing the schemes providing benefits. Nonetheless, these standards set forth basic principles with regard to the organization and administration of social security, which have to be complied with, irrespective of the type of scheme established.<sup>46</sup> These principles concern primarily the general responsibility of the State (a), the representation of the different interests in the administration of the scheme (b) and the financing of benefits (c).

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<sup>46</sup> The fact that the flexibility of ILO's social security standards are balanced by common principles applicable to all social security schemes was recalled on several occasions by the Committee of Experts on the Application of Conventions and Recommendations. See Report of the Committee of Experts on the Application of Conventions and Recommendations, Report III (Part 1A), ILC, 1997, para. 64-65; Report of the Committee of Experts on the Application of Conventions and Recommendations, Report III (Part 1A), ILC, 1998, para. 155; Report of the Committee of Experts on the Application of Conventions and Recommendations, Report III (Part 1A), ILC, 2001, para. 153-158.

a) The general responsibility of the State<sup>47</sup>

The general responsibility of the State for the proper administration of social security institutions is a principle recognized by both Convention No. 102 and most of the Conventions adopted subsequently. The State, irrespective of the administrative system chosen, is under a general obligation to ensure proper administration of the institutions and services concerned in securing the protection envisaged in the Conventions. The responsibility of the State also relates to the provision of benefits. The competent authorities have to take all the necessary measures to ensure that benefits are provided, irrespective of the method of financing adopted. Convention No. 102 recalls that the State “shall ensure, where appropriate, that the necessary actuarial studies and calculations concerning financial equilibrium are made periodically and, in any event, prior to any change in benefits, the rate of insurance contributions, or the taxes allocated to covering the contingencies in question”.<sup>48</sup>

b) Participation of insured persons<sup>49</sup>

The ILO social security Conventions do not impose a sole form of organization. This flexibility is accompanied by a concern with taking into account the different interests that should be represented in the administration of social security systems, in particular those of the persons protected. Various Conventions on social security state “where the administration is not entrusted to an institution regulated by the public authorities or to a government department responsible to a legislature, representatives of the persons protected shall participate in the management, or be associated therewith in a consultative capacity, under prescribed conditions”.<sup>50</sup> Moreover, national laws or regulations may, or *shall* according to certain Conventions, “decide as to the participation of representatives of employers and of the public authorities”.<sup>51</sup>

c) Financing of benefits<sup>52</sup>

Convention No. 102 sets only few principles concerning the financial guarantees of social security systems. In particular, it contains certain provision on how to finance the cost of the benefits and the cost of the administration of such benefits – collectively, by way of insurance

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<sup>47</sup> This paragraph is a summary of: *Standards for the XXIst century, Social security*, op. cit., p. 12; *International labour standards, A global approach*, op. cit., p. 473.

<sup>48</sup> Article 71 of Convention No. 102.

<sup>49</sup> This paragraph is a summary of: *Standards for the XXIst century, Social security*, op. cit., pp. 12-13; *International labour standards, A global approach*, op. cit., pp. 473-474.

<sup>50</sup> Article 72 of Convention No. 102; Article 24 of Convention No. 121; Article 36 of Convention No. 128; Article 31 of Convention No. 130; and Article 29 of Convention No. 168.

<sup>51</sup> *ibid.*

<sup>52</sup> This paragraph is a summary of: *Standards for the XXIst century, Social security*, op. cit., pp. 13-14; *International labour standards, A global approach*, op. cit., p. 474.

contribution, taxation, or both – and also on the sharing of financial budget. On this point, the Convention stipulates that the methods of financing must avoid hardship to persons of small means, take into account the country's economic situation as well as that of the persons protected. In the case of contributory schemes, the total of the insurance contributions borne by the employee protected must not exceed the threshold of 50 % of the total of the financial resources allocated for protection

In conformity with the flexibility of social security standards, and in order to respect the diversity of situations in different countries, certain Conventions do not contain provisions on the financing of benefits<sup>53</sup>.

The question of the method of financing is of particular importance in relation to maternity protection Conventions. In fact, measures on the protection of maternity, if they were to be borne fully by the employer, could hamper and represent an obstacle to the employment of women by making it more expensive. Thus, maternity Conventions have always contained provisions on the method of financing benefits, on the one hand, referring to insurance systems or financing from public funds and, on the other hand, setting forth the principle of the non-responsibility of employers in relation to the cost of the benefits.

Among the common principles it is possible to quote also the provisions on the right of appeal of claimants and the suspension of benefit.<sup>54</sup>

## **2. Social Security (Minimum Standards) Convention No. 102**

Convention No. 102 is the minimum standard in the field of social security. It provides for a minimum level of protection in each of the nine branches of social security that are covered and sets forth basic principles. From Parts II to X the Convention deals with medical care, sickness benefit, unemployment benefit, old-age benefit, employment injury benefit, family benefit, maternity benefit, invalidity benefit, survivors' benefit. The other parts of the Convention contain common provisions that apply to each of those branches. It refers in particular to the calculation of periodical payments, equality of treatment, financing and administration of social security schemes.

Convention No. 102 offers a large set of options and flexibility clauses. Both the Committee of Experts and the Committee on the Application of Conventions and Recommendations have emphasized this flexibility. For instance, having to deal with the applicability of Convention No. 102 to a private scheme of pensions, the Committee of Experts considered that "the coexistence in the social security system of both public and private system ... was not incompatible with the Convention, which allowed the minimum level of social security to be attained through various methods".<sup>55</sup> The Committee of Experts

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<sup>53</sup> See Conventions Nos. 121, 128, 130 and 168.

<sup>54</sup> *Standards for the XXIst century, Social security*, op. cit., p. 14; *International labour standards, A global approach*, op. cit., pp. 475-476.

<sup>55</sup> *Record of Proceedings*, ILC, 85th session, Geneva, 1997, No. 19, p. 120.

has also, on several occasions, reaffirmed the flexibility of Convention No. 102. For the 50th anniversary of the Convention, the Committee of Experts noted that “Convention No. 102, in the same way as the later instruments, militates against the idea of rigidity that is often held of Conventions”.<sup>56</sup> On the contrary, “Convention No. 102 offers a range of options and flexibility clauses making it possible to attain gradually the objective of universal coverage in harmony with the rate of national economic development. Each country may apply the Convention through a combination of contributory and non-contributory benefits, different methods for the administration of benefits, general and occupational schemes, compulsory and voluntary insurance, and public and private participation, all intended to secure an overall level of protection which best responds to its needs”<sup>57</sup>. This flexibility contained in its provisions has permitted Convention No. 102 “to pass the test of time, and to encompass the new model of social security that is emerging, in which that part of responsibility that is renounced by the State is taken up by private insurance schemes, enterprises and insured persons themselves”.<sup>58</sup>

Convention No. 102 contains a worldwide-accepted definition of the principle of social security. It had an important impact on the evolution of social security systems in different regions, notably.<sup>59</sup>

- Up to now, 41 countries have ratified Convention No. 102 and have thus incorporated its provisions in their internal legal systems and, in majority of cases, their national practice.<sup>60</sup>
- In nearly all the industrialized countries Social security schemes covering the nine branches to which Convention No. 102 applies have been set up.
- Many developing countries, inspired by Convention No. 102, have embarked upon the road to social security, even though nearly all their systems are more modest in scope and, in general, do not yet encompass unemployment or family benefits.
- Most of the social security schemes in Latin America, which have their origins in the era of social insurance, were greatly influenced by international labour standards and, in particular, by Convention No. 102.
- Convention No. 102 served as a model for the adoption of the European Code of Social Security, elaborated under the aegis of the Council of Europe, in collaboration with the International Labour Office.

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<sup>56</sup> Report of the Committee of Experts on the Application of Conventions and Recommendations, Report III (Part 1A), ILC, 2003, para. 51.

<sup>57</sup> *ibid.*

<sup>58</sup> *ibid.*, para. 52.

<sup>59</sup> *ibid.*, para. 53.

<sup>60</sup> See Annex 2.

- The European Social Charter provides that the contracting parties undertake to maintain a level of protection at least equal to that required by the ratification of Convention No. 102.

The Governing Body recognized the importance, but also extreme complexity, of Convention No. 102. It therefore invited the Office to offer technical assistance, as well as the dissemination of information. The status of this Convention will be re-examined in due course<sup>61</sup>.

### **3. Other social security standards**

#### **a) Ratifications**

The state of ratification of other up-to-date social security Conventions is the following:

- the Equality of Treatment (Social Security) Convention, 1962 (No. 118), has been ratified by 38 countries;<sup>62</sup>
- the Maintenance of Social Security Rights Convention, 1982 (No. 157), has been ratified by three countries;<sup>63</sup>
- the Medical Care and Sickness Benefits Convention, 1969 (No. 130), has been ratified by 14 countries<sup>64</sup>. Parts II (Medical care) and III (Sickness benefits) of Convention No. 102 have been ratified by 28 out of the 41 ratifying countries;<sup>65</sup>
- the Invalidity, Old-Age and Survivors' Benefits Convention, 1967 (No. 128) has been ratified by 16 countries<sup>66</sup>. Parts V (Old-Age), IX (Invalidity) and X (Survivors' Benefits) of Convention No. 102 have been ratified respectively by 37, 24 and 28 out of the 41 ratifying countries;<sup>67</sup>

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<sup>61</sup> Document GB.283/10/2 (Mar. 2002).

<sup>62</sup> See Annex 3.

<sup>63</sup> See Annex 4.

<sup>64</sup> See Annex 5.

<sup>65</sup> See Annex 6.

<sup>66</sup> See Annex 7.

<sup>67</sup> See Annex 6.

- the Employment Injury Benefits Convention, 1964 (No. 121) has been ratified by 23 countries<sup>68</sup>. Part VI (Employment injury benefits) of Convention No. 102 has been ratified by 31 out of the 41 ratifying countries;<sup>69</sup>
- the Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168) has been ratified by six countries<sup>70</sup>. Part IV (Protection against unemployment) of Convention No. 102 has been ratified by 22 out of the 41 ratifying countries;<sup>71</sup> and
- the Maternity Protection Convention, 2000 (No. 183) has been ratified by seven States<sup>72</sup>. Parts II and VIII (Maternity protection) of Convention No. 102 have been respectively ratified by 28 and 27 countries out of the 41 ratifying countries.<sup>73</sup>

The family benefits contingency has not been dealt with by a third generation standard. Part VII of Convention No. 102 concerning this contingency has been ratified by 23 of the States out of the total number of ratifying States.<sup>74</sup>

#### b) Content of the up-to-date social security instruments

For a brief presentation of the nine principal branches of social security with regard to the contingency covered, i.e. the risk confronting the person protected, the scope of the instrument in terms of the person protected, that is the persons who are to receive the benefits guaranteed by the instruments, and the extent of the benefit guaranteed and the qualifying conditions for their provision refer to the documents *Standards for the XXIst century, Social*

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<sup>68</sup> See Annex 8.

<sup>69</sup> See Annex 6.

<sup>70</sup> See Annex 9.

<sup>71</sup> See Annex 6.

<sup>72</sup> Three Conventions relating to maternity protection have been adopted: Convention No. 3 on Maternity protection, (1919), Convention No. 103 on Maternity protection (Revised), (1952) and Convention No. 183 on Maternity Protection, (2000). According to the Working Group on the Revision of Standards the status of those Conventions is: 1) Convention No. 3 did not contain final provisions concerning its automatic denunciation in case of the ratification of a revising Convention. It thus remained open to ratification. The Governing Body decided to maintain its status quo. Nevertheless, the Governing Body invited the member States parties to this Convention to contemplate ratifying Maternity Protection Convention No. 18 and denouncing Convention No. 3 at the same time. Thirty-three States have ratified Convention No. 3; 2). Forty States have ratified Convention No. 103. It had been closed to ratification since the entry into force of Convention No. 183. The Governing Body invited member States to contemplate ratifying Convention No. 183, the ratification of which will involve the immediate denunciation of Convention No. 103; 3) Convention No. 183 is the up-to-date Convention in this area. Document GB.283/10/2 (Mar. 2002). See also Annex 9.

<sup>73</sup> See Annex 2.

<sup>74</sup> *ibid.*

*security*<sup>75</sup> and *International labour standards, A global approach*.<sup>76</sup> The structure of Convention No. 102 serves as a basis for describing the up-to-date standards in this field. Each of the nine branches of social security has been examined referring to the relevant part of Convention No. 102 on the one hand, and on the other hand to the corresponding third generation Convention, and where appropriate, to the corresponding Recommendation.

#### **4. Application in practice of the social security Conventions**

The Committee of Experts, the body in charge of supervising the application of the Conventions and Recommendations, examines every year the reports sent by the governments on the application of the ratified Conventions, and the comments of the workers' and of the employers' organizations. The Committee of Experts replies to those reports by addressing direct requests, which are asked for additional information or clarification on small points of divergences, or observations by the member States, in cases of serious difficulties of application. The Committee examines, among others, the up-to-date Conventions on social security. The difficulties of application encountered most regularly concern: the provision to the Committee of Experts of full statistical information (a), the readjustment of the amount of long-term benefits (b), the impact of the reform of social security schemes on the application of the Conventions (c).

##### **a) Provision to the Committee of Experts of full statistical information<sup>77</sup>**

The supply of full and up-to-date statistics is an essential element in allowing the Committee of Experts to evaluate the manner in which effect is given to ratified Conventions. The Conventions on social security refer to quantitative criteria in determining the scope of their application and leave to each member State the choice between different options for measuring the population covered. The governments have also to communicate statistical data in order to assess if the minimum level of benefits granted attains a certain percentage of the reference wage of a standard beneficiary. The provision of the required statistical data turned out to be a great difficulty for many countries. A great majority of the Committee of Experts' comments relates to this point. The Committee often asks for additional information, gives detailed explanations on presentation of these data, as well as on their content. In view of this complexity, the Committee of Experts often suggests to the member States that encounter serious difficulties in this respect to take advantage of the technical assistance provided by the ILO.

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<sup>75</sup> *Standards for the XXIst century, Social security*, op. cit., pp. 17-40.

<sup>76</sup> *International labour standards, A global approach*, op. cit., pp. 453-472.

<sup>77</sup> This paragraph is a summary of: *International labour standards, A global approach*, op. cit., pp. 481-482.

b) Readjustment of the amount of long-term benefits<sup>78</sup>

The Committee of Experts has made many comments on the manner in which benefits are adjusted in practice. This question arises in the case of contingencies for which long-term benefits, such as pensions, are provided. Often governments indicate that they have increased the level of pensions, without nevertheless providing the requested information. In order to assess the real impact of the readjustment of pensions in relation to the general evolution of earnings or the cost of living index, the Committee of Experts regularly requests additional information. In 1989, the Committee published a General Survey on old-age protection. The Committee recalled the importance of respecting pensions readjustment in order to maintain the purchasing power of the beneficiaries. Pensions often represent the main, if not the only, source of income for pensioners. It is therefore important to protect pensions against loss of real value due to variations in the economic situation, particularly through inflation.<sup>79</sup> In a general observation on Conventions Nos. 102 and 128 of the same year, the Committee of Experts noted the lack of information in the reports of several States “as regards the review of current periodical payments in respect of old age, employment injury and occupational diseases (except in case of temporary incapacity), invalidity and death of the bread-winner”.<sup>80</sup> In certain cases, the States have even indicated that they have “suspended indexation of long-term benefits to price and wage levels (...) or have postponed their readjustment”.<sup>81</sup> The Committee reminded the governments to take all possible steps to ensure readjustment and provide full statistical data required on this subject.<sup>82</sup>

c) Impact of the reforms of social security schemes on the application of Conventions<sup>83</sup>

During the 1990s, important reforms of social security systems took place in different countries. These reforms were aimed mainly at preserving the financial viability of the systems and improving the cost/effectiveness ratio by privatizing.<sup>84</sup> The reforms concerned almost all types of long-term and short-term benefits: old-age, invalidity, survivors', sickness, unemployment, family benefits, and medical care.<sup>85</sup> The measures taken included reducing

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<sup>78</sup> This paragraph is a summary of: *International labour standards, A global approach*, op. cit., p. 482.

<sup>79</sup> *Social security protection in old-age*, General Survey of the Committee of Experts on the Application of Conventions and Recommendations, ILO, 1989, paras. 169-191.

<sup>80</sup> Report of the Committee of Experts on the Application of Conventions and Recommendations, Report III (part 4A), ILC, 1989, p. 312.

<sup>81</sup> *ibid.*

<sup>82</sup> *ibid.*

<sup>83</sup> This paragraph is a summary of: *International labour standards, A global approach*, op. cit., pp. 483-484.

<sup>84</sup> Report of the Committee of Experts on the Application of Conventions and Recommendations, Report III (Part 1A), ILC, 1996, para. 58.

<sup>85</sup> Report of the Committee of Experts on the Application of Conventions and Recommendations, Report III (Part 1A), ILC, 1997, para. 63.

coverage; lengthening periods of contribution, employment, or residency; narrowing the definition of the contingency; reducing the period for which a benefit is payable; reducing the level of benefit; and increasing cost-sharing for medical care.<sup>86</sup> In this context, the Committee of Experts on several occasions had to verify that such changes were made in conformity with international labour standards. It stressed in particular that even though the most recent international labour standards concerning social security were drafted in a flexible manner so as to take into account various methods of ensuring protection, they nevertheless laid down certain general principles as regards the organization and management of social security systems that have to be respected by the process of reforms.<sup>87</sup> The comments of the Committee of Experts relates principally to three points.

The first concerns the participation of insured persons. The Committee of Experts has often had to request explanations on the manner in which protected persons participate in or are associated with the administration of schemes when they are not managed by an administration regulated by public authorities or a government department. Requests for information have therefore been made about the manner in which the protected person's representation is assured by insurance companies providing benefits or by companies administering pension funds, and also in the body that is responsible in the last resort for supervising and controlling the proper functioning of the system that provides the benefits as a whole.

The second point relates to the capacity of new legislation to ensure that the population covered, the qualifying conditions and the duration of the benefits, as well as the nature and the level of the benefits, are in conformity with the provisions of the Convention. This question arises principally in relation to family benefits, unemployment benefits and old-age benefits. For instance the Committee of Experts has noted several times that the new private pensions systems often do not guarantee that pensions provided to the beneficiary attain the level prescribed by the Conventions. This is due to the fact that the rate of the pensions depends on the capital accumulated in individual accounts and cannot therefore be calculated in advance.

Finally, the reforms have led governments to confine their responsibility by increasing the role of private institutions or transferring responsibility for certain benefits to employers. This was seen to be the case for sickness benefits and old-age pensions. The Committee of Experts formulated many comments on the general responsibility of the State for the provision of benefits and the proper administration of the institutions and services concerned. The Committee recalled that during such periods of reforms and transition "the responsibility of the State takes on particular importance for the future development of social security, including at the international level".<sup>88</sup> In the last resort, it is up to the State to take all

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<sup>86</sup> Report of the Committee of Experts on the Application of Conventions and Recommendations, Report III (Part 1A), ILC, 1997, para. 63.

<sup>87</sup> Report of the Committee of Experts on the Application of Conventions and Recommendations, Report III (Part 1A), ILC, 1997, paras. 64-65 ; Report of the Committee of Experts on the Application of Conventions and Recommendations, Report III (Part 1A), ILC, 2001, para. 155 ; Report of the Committee of Experts on the Application of Conventions and Recommendations, Report III (Part 1A), ILC, 2003, para. 52.

<sup>88</sup> Report of the Committee of Experts on the Application of Conventions and Recommendations, Report III (Part IA), ILC, 2003, p. 418.

necessary measures to guarantee that benefits are paid in practice, irrespective of the manner in which the system providing this benefits is administered.

Further to its normative activities, which consist mainly in promoting standards and providing technical assistance to member States, the ILO conducts several technical cooperation activities. These are at the heart of the Global Campaign launched in June 2003 on social security and coverage for all.

## II. The Global Campaign on social security and coverage for all

In order to better understand the operational framework of the ILO's technical cooperation activities, it is important to bear in mind three factors: first the increase in the informal economy during recent years, second the lack of social coverage for a large part of the world's population, and third the fact that it is not possible to extend gradually social security based only on institutional social security.

In different developing regions, particularly Latin America and Africa, most of the jobs created during the past decade were in the informal economy. The proportion of the population working in the informal economy, excluding agricultural employment, is estimated at around 72 per cent in sub-Saharan Africa,<sup>89</sup> 65 per cent in Asia, 51 per cent in Latin America and 48 per cent in North Africa.<sup>90</sup> With regard to social coverage, it is estimated that, in sub-Saharan Africa and South Asia, only 5 to 10 per cent of the active population is covered by a statutory social security scheme, most of these being old-age pension schemes, and in some cases access to health care, but coverage is diminishing. In Latin America coverage ranges from 10 to 80 per cent according to the country, but on the whole it is tending to stagnate. In South East and East Asia, it ranges from 10 per cent in countries such as Cambodia to 100 per cent in the Republic of Korea for sickness insurance. In the transition countries of Europe, it lies between 50 and 80 per cent, and in some of the wealthiest industrialized countries there are still today increasing deficiencies in social security coverage. Generally speaking, worldwide it can be taken that only 20 per cent of workers enjoy adequate social security.<sup>91</sup>

In most of its standard-setting and technical cooperation activities on social security, the ILO started from the principle that an increasing proportion of the labour force in developing countries would find employment in the formal economy or in self-employment covered by social security. It implicitly assumed that economic and social development in developing regions would follow the same evolution pattern as that of industrialized countries. However,

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<sup>89</sup> To give an example: in Kenya in 1996 informal employment comprised two-thirds of non-agricultural employment whereas it was only 10 per cent in 1972. See *Kenya: Meeting the employment challenges of the 21st century*, Addis Ababa, Consultative multidisciplinary team for Eastern Africa, 1999.

<sup>90</sup> *Women and men in the informal economy, A statistical picture*, ILO, 2002, p. 7.

<sup>91</sup> E. Reynaud, "The extension of social security coverage: The approach of the International Labour Office", ESS, No. 3, 2003, ILO, p. 1.

this evolution did not occur, and experience in developing countries has shown that, on the contrary, the proportion of casual or informal workers is increasing.<sup>92</sup>

The extension of social security coverage to the excluded has become one of the main priorities of the International Labour Office in the framework of its strategy to ensure decent work for all. The importance of this objective was firmly reiterated in June 2001. During the general discussion at the International Labour Conference of 2001, the governments, employers and workers reached a new consensus on social security. On this occasion, they recalled that social security, i.e. income security and access to health care, is a necessity and a right for all. In view of the lack of coverage throughout the world, the International Labour Conference considered that absolute priority should be given to policies and initiatives aimed at providing social security to those not covered by existing systems. The Conference therefore invited the Office to launch a Global Campaign that would promote the extension of social security coverage.<sup>93</sup>

The Global Campaign is first and foremost an operational instrument. The overall objective of the Campaign is to develop awareness and achieve universal access to health-care as well as to ensure basic income security for all. It aims at providing a coherent framework for policies and strategies of extension of the coverage and at implementing technical cooperation activities, which are at the heart of the Campaign. First we will analyze the policies and strategies of extension of the coverage (A) and second, the main activities implemented in the strategic framework of the Global Campaign (B).

## **A. Strategies and policies for the extension of social security coverage<sup>94</sup>**

The strategies and policies of the ILO for the extension of social security coverage are based on the idea that there is no single right model of social security. Each society must choose how best to ensure income security and access to health-care and determine its own priorities according to their social and cultural values, their history, their institutions and their level of economic development. The national context is a key element. Each society should, in conformity with the basic principles defined by the International Labour Conference of 2001 and with the relevant ILO social security standards, choose its own model.

In general, three complementary forms of action in order to extend social security coverage are implemented by the ILO:

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<sup>92</sup> *Social security: Issues, challenges and prospects*, op. cit., p. 33.

<sup>93</sup> The launch of the Campaign took place in Geneva in June 2003 during the International Labour Conference by the Director General, the President and Vice-Presidents of the Governing Body. Other launches, at the regional level, followed, for instance in Maputo for Portuguese-speaking countries. National launches are planned to take place in the coming months, in particular in Nepal, Senegal, Nigeria and India. Up to now, a great interest in the Campaign launch has been expressed on the part of governments, at its highest level, as well as by the social partners and the media. This proves, without doubt, the universally recognized importance of ensuring access to social security to all.

<sup>94</sup> E. Reynaud, "The extension of social security coverage: The approach of the International Labour Office", op. cit., pp. 1-10.

- extension based on “classical” social security mechanisms: social insurance, universal benefits and systems and social assistance programmes;
- the promotion of and support for the development of decentralized systems deriving from local initiatives, in particular micro-insurance;
- the design of linkages and bridges between decentralized systems and other forms of social protection and public initiatives.

In seeking to extend social security coverage, it is useful to make a very general distinction between two main types of developing countries:<sup>95</sup> middle-income and poor countries. In middle-income countries, the State has the real institutional and financial capacity to take action. The capacity to collect taxes, in particular, gives it a relatively broad margin for manoeuvre. The possibilities of extending coverage on the basis of public systems or systems encouraged by the State are hence far from negligible. For example, this may involve the adaptation of social insurance systems to respond to the needs and contributory capacity of certain categories such as the self-employed, or the introduction of a national health service. However, it is also possible to design programmes of public subsidies for insurance mechanisms specially tailored to low-income groups that do not have any formal social security coverage.

In poor countries the State’s capacity for intervention is extremely small. The difficulties it encounters in collecting taxes do not enable it to become involved financially. Here the ILO acts on two fronts: first, restructuring existing social security systems to improve the quality and scope of coverage that they provide; secondly, supporting the development of new decentralized mechanisms of protection, in particular micro-insurance. A good part of the effort is focused on the latter, since the immediate potential for extending coverage on the basis of institutional social security systems remains small in such countries. This approach draws on the creativity of the target population and their capacity to become involved and cooperate. The idea is to develop a culture of insurance and solidarity regarding protection against social risks.

The main area of action in the field of micro-insurance concerns access to health care, which in most cases is a priority for the population concerned. However, this is still largely at the stage of research and experimentation. Such mechanisms are the subject of increasing international interest, but are relatively few in number. Those studied so far, particularly in Latin America and Africa, have major shortcomings and weaknesses and are unable to cover a large part of the population. Their real development potential has still to be tested, and in

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<sup>95</sup> We shall focus only on developing countries since it is there that social security coverage is the least adequate. However, it should be stressed that the industrialized countries are not untouched by the problem and that policies for the extension of coverage have been applied there over the past few years. One example is Spain, which with the introduction of a national health service by the General Health Act of 1986, in the 1990s extended access to health-care to 99.8 per cent of the population. Another example is France, which introduced universal health coverage in 2000 for those excluded from health insurance schemes. Various European countries also introduced minimum income programmes in the 1980s and 1990s for those unable to benefit from existing income guarantee schemes.

general they must be regarded as a transitional form of protection in a context in which it is impossible to contemplate introducing national mechanisms based on the logic of solidarity and the pooling of risks.

Generally, the extension of social protection to uncovered populations raises a fundamental question: should one try to extend the existing coverage— which benefits only a minority, to all the population – or create specific mechanisms that provide a lower level of protection for the uncovered population? The first option has shown its limits, but the second, more pragmatic, entails a major risk – that of creating a dualistic social protection system with solidarity among the privileged on the one hand and among the poor on the other. For a long time the ILO has been reluctant to follow any path entailing such a risk. However, it is now pursuing it cautiously, but resolutely, for the extent of the problem of poor social security coverage in developing countries calls for urgent action. However, two points must be stressed in this connection.

The extension of social protection calls for a dynamic approach. The process involved is long, and the ultimate aim is to build a generalized national social security system in order to guarantee to all a secure income and access to health-care at a level corresponding to the economic capacity and political will of the country. Moreover, it is essential from the outset to provide for linkages and bridges between the arrangements designed for uncovered categories and other social protection mechanisms. The aim is to design a national social security policy grounded in the concept of a partnership between the different actors concerned (the State, local authorities, social partners, professionals in the sector, civil society organizations, third sector and the private commercial sector). Social security must be regarded as the preferred instrument for integrating the excluded both in socio-economic and political terms. The goal is the implementation of a genuine national system of solidarity for all.

Various mechanisms can be used to extend coverage. Some derive from the “classical” forms of social security (social insurance, universal systems, social assistance), others from more recent forms based on decentralized initiatives (1), in particular micro-insurance (2).

### **1. *Social insurance, universal schemes, social assistance***<sup>96</sup>

“Classical” social security offers a range of instruments for extending coverage on a large scale. In middle-income countries social insurance schemes offer great potential for extension, either by enlarging existing schemes to include new categories of workers, or by creating a new scheme. Experience of such ventures suggests the following lines of action:

- extending coverage to all wage earners within a prescribed time frame, with the exclusion of certain categories such as domestic servants, family workers and casual workers;
- planning for a review of the scheme so as to facilitate partial affiliation for the self-employed, domestic servants, agricultural workers and those who derive regular income from activity in the informal economy;

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<sup>96</sup> E. Reynaud, “The extension of social security coverage: The approach of the International Labour Office”, op. cit., pp. 4-5.

- strengthening the administrative capacity of social insurance schemes, particularly as regards the collection of contributions, the maintenance of members’ records and financial management;
- launching educational and awareness-raising programmes to improve the image of the social insurance system;
- designing a benefit package appropriate to the needs and contributory capacity of those not covered;
- making the best possible use of health-care services financed by social insurance institutions.

Universal schemes are of major interest in principle: by definition they cover all the target population, for example, all those above a certain age, without any conditions as to contributions or income. However, the introduction of such schemes, which are found mostly in industrialized countries, faces the problem of their being financed out of general government revenue. In most developing countries tax collection is difficult and the fiscal base is in general small. Moreover, the State has to face a large number of different priorities, and the sustainability of the scheme may well be called into question from one year to the next according to political developments or changes in economic conditions. The same type of problem arises in financing social assistance programmes, which also raise a whole range of questions concerning their methods of implementation and the definition of eligibility criteria. In this respect developing countries often use mechanisms of self-selection, for example, through the creation of jobs in the framework of labour-intensive public works schemes or the provision of basic food assistance. Some countries have also introduced programmes linking assistance to the promotion of education and combating child labour.<sup>97</sup>

In addition to its activities for the extension of institutional social security, the ILO has also promoted activities aimed at supporting community-based initiatives.

## **2. *Micro-insurance and decentralized systems***

A completely different approach to the extension of coverage is based on local voluntary initiatives. Faced with the low level of coverage of statutory social security systems, various groups of self-employed workers and workers in the informal economy have over the past few years set up their own social protection systems. These consist in pooling resources and risks for members of the group. They are generally based on the principle of insurance and most concern access to health care. They can be described in general terms as “micro-insurance” schemes by reference not to the scale of the system, but to its capacity to handle very small flows of income and expenditure. Worldwide, such mechanisms are still relatively few in number, but they are growing rapidly. They are to be found in such countries as Bangladesh, Benin, Burkina Faso, Cameroon, Congo, Côte d’Ivoire, Ghana, Guinea, India, Kenya, Mali, Nepal, Nigeria, the Philippines, Rwanda, Senegal, the United Republic of Tanzania, Togo,

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<sup>97</sup> For examples of extension of the coverage from the institutional social security, see W. Van Ginneken, “Extending social security : policies for developing countries”, ESS, No. 13, ILO, 2003. See also the list of all the ESS papers in Annex 10.

Uganda and several countries in Latin America.<sup>98</sup> Two schemes offer a good example of this type of system: the SEWA scheme (Self-Employed Women's Association) in India and that set up in Bangladesh by the Grameen movement.<sup>99</sup>

SEWA is a trade union of mainly self-employed women workers in the informal economy engaged in such activities as door-to-door selling, small-scale commerce and home work. In 1992 it set up an "integrated social security scheme" which is the largest contributory scheme for informal economy workers in India. In 2000 the scheme included some 25,000 women, 14 per cent of the membership of SEWA, and covered health-care (with a small maternity component), life insurance (death and invalidity) and property insurance (loss or deterioration of housing unit or work equipment). The contribution for all benefits is Rs 60 a year (about US\$1.50), which covers only part of the cost of financing the scheme. The scheme also receives a state subsidy, and its administrative costs and maternity component are covered by the interest earned on a fund established in 1993 thanks to the German Development Agency (Gesellschaft für technische Zusammenarbeit (GTZ)).

Grameen Bank is the largest rural financial institution in Bangladesh. It now lends to more than 2.4 million people, 95 per cent of whom are women. In the 1990s an evaluation of its microcredit programme showed that sickness and health problems were the main cause of repayment defaults. In 1993 Grameen hence introduced a "rural health programme" to apply to the field of health-care the same principles that had proven themselves in the world of finance. Since 1997 this programme has been implemented by a specialized institution of the Grameen movement, the Grameen Kalyan. The programme includes both a micro-insurance health-care system and local health services through some 14 health centres. In 1999 some 60,000 people were insured and 107,373 patients treated. Participation in the insurance system is based on voluntary membership and an annual contribution. The poorest families receive a state subsidy to cover their contribution.

Experience of micro-insurance studied so far demonstrates not only the interest in this kind of mechanism, but also its shortcomings and weaknesses. The real capacity of micro-insurance schemes to cover a high number of people on a durable basis must be assessed alongside the role that they are capable of playing in the framework of a national strategy for the extension of social security coverage. On the whole, the potential of micro-insurance today must be explored systematically and rigorously. For several years now the ILO has been resolutely committed to this path through its STEP programme (Strategies and Tools against Social Exclusion and Poverty), which is very active in this field.<sup>100</sup>

The field of micro-insurance is still new and relatively little known. However, the work already completed and experience acquired provide a number of lessons. First, it must be stressed that most existing systems are fairly small, and it is hence necessary to determine by what means and through which partnerships they can grow. One possibility is for them to form a grouping, for example a federation, so as to strengthen their negotiating power with the

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<sup>98</sup> ILO-STEP, *Health micro-insurance: A compendium*, BIT, Geneva, 2000.

<sup>99</sup> ILO-STEP, *Hacia un trabajo decente: Una protección social en salud para todos los trabajadores y sus familias*, ILO, Geneva, 2001; E. Messeill, *Extending social protection in health to the excluded: gained experiences from the global ILO-STEP programme in the field of micro health insurance*, 2001. Report presented at "ADBI Seminar on Social Safety Nets in Asia", Tokyo, 19-28 March 2001.

<sup>100</sup> See *infra*.

State and health-care providers, to pool their knowledge and improve their financial situation by enlarging the group in which the risks are pooled. Making greater efforts in the field of promotion is another possibility, since experience shows that a large proportion of the target population is generally poorly informed of the advantages of being insured. At the same time it is important to strengthen the system's credibility. One of the most effective means of extending micro-insurance coverage is without any doubt to subsidize the systems, in a spirit of national solidarity, which leads to the question of the financial capacity and political will of the State to take such action.

In general, the development of micro-insurance necessarily implies the implementation of various forms of partnerships. Systems have the possibility of associating with civil society organizations (cooperatives, trade unions, associations, community organizations...) or simply seeking to ensure their support. They can also approach private enterprises or Social Security institutions that already have management machinery that works efficiently. It should be stressed that the success of such ventures requires efforts on all sides to adapt to completely different cultures and forms of organization. Moreover, the State has a major role to play in strengthening micro-insurance. Local authorities can, in partnership with civil society organizations, contribute to the development of local facilities. Nationally, the State has the possibility of extending successful experiments so as to apply to other areas, sectors and trades. In general, it has the means to create a favourable environment for the development of micro-insurance. Through regulations it should also clarify the respective roles of micro-insurance and of the compulsory social insurance scheme so as to prevent the latter from being adversely affected by the implementation of voluntary coverage and, in the longer term, to ensure coherence and closer links between the two systems.

In the field of health care, several forms of state intervention can be considered:

- promoting health insurance by recommendations concerning the design of the system (benefit package, mode of affiliation and administration) and introducing a management information system;
- establishing control and regulatory mechanisms for micro-insurance, for example, in the framework of legislation on the efficient and transparent management of the systems;
- improving and decentralizing public health services, which in many countries is a necessary precondition for the development of micro-insurance;
- undertaking and organizing training, particularly regarding promotional activities and the control mechanisms mentioned above;
- (co-)financing access to health insurance for low-income categories, for example through a system of subsidies or by matching the contributions of those insured.

One last point should be stressed. Micro-insurance must not be regarded as simply a mechanism of financing or pooling risks, for it is also capable of playing an important role in various fields, in particular as a result of popular participation in its design and implementation. Experience shows that a micro-insurance system can for example contribute to the following functions:

- the identification, at the community level, of problems, constraints and priorities;

- prevention, education and promotion in relation to health care;
- the identification of the families and groups facing serious difficulties or who are most vulnerable;
- defining a realistic basic benefit package that is adapted to the local context;
- the establishment and (co-)management of the supply of local services, including basic health-care and access to generic medicines;
- improving the transparency and quality of service and reducing costs;
- mobilizing and pooling local resources (financial and human), creating organized and solvent demand and the capacity to purchase services;
- developing the pooling of risks: at the community level, at a broader level through groups, and at the national level by dovetailing with the national health and social security system;
- reducing the cost of the transactions (collecting contributions) and risks related to insurance (moral hazard, fraud, abusive behaviour, etc.);
- effectively and transparently channeling aid and subsidies for the most vulnerable members of society;
- enhancing the visibility, negotiating power and capacity to participate of excluded categories, especially women, who are very active within such systems.

## **B. The Global Campaign on social security and coverage for all: An operational tool**

The Campaign is not only a communication tool: it is first and foremost an operational one which aims at giving a coherent frame to the ILO's activities in the field of social security and to the implementation of the 2001 recommendations of the general discussion.<sup>101</sup> The overall objective of the Campaign is to develop awareness and achieve universal access to health-care as well as basic income security for all. Extending the coverage of social security is largely a question of political awareness and political will. That is the reason why in the first period, the objective of the Campaign is to place, in as many countries as possible, the extension of social security at the top of the development agenda and to support national and international policy-makers in developing strategies to extend coverage. Such strategies should be inspired by values such as solidarity and universality, and be based on cost-effective ways to extend social security. The Campaign comprises three complementary components: the knowledge development and its dissemination (1) technical assistance at the country level (2) and advocacy and mobilization of the main actors (3).

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<sup>101</sup> <http://www.ilo.org/coverage4all>

## **1. Knowledge development and dissemination through research, identification and spreading of good practices, and experimentation**

The objective is to improve the overall understanding of social security and the capacity to extend its coverage. The process of extending social security is new and complex. A comprehensive diagnosis of people's social security needs and of the various actors and institutions is considered to be the starting point for helping States in developing innovative strategies and in testing useful mechanisms to extend social security. The ILO has therefore contributed to the knowledge development in this field by a process of experimentation and of dialogue. Within the context of the Campaign, a new working paper series, called Extension of Social Security (ESS) Papers,<sup>102</sup> has also started up. The aim of this series is to disseminate successful experiences in the extension of social security.

Knowledge development is at the heart of the strategy of the STEP (Strategies and Tools against Social Exclusion and Poverty)<sup>103</sup> programme. This programme is one of the main ILO means for combating social exclusion in general and exclusion from social protection in particular. Social exclusion is a complex concept that requires interventions in different areas. STEP has adopted a knowledge development strategy in this area with a double perspective. On the one hand, it aims at creating new knowledge by generating new skills and methods in order to reduce social exclusion and to extend social protection. On the other hand, by spreading the knowledge collected from different interested operators worldwide. This strategy is based on the assumption that this knowledge input will help to enhance the effectiveness of the operators' actions. There will thus be a considerable increase in impact in reducing social exclusion and extending social protection. To this end, studies play a significant role. They provide an analysis of present or past experiences and deal with the systematization of lessons provided with respect to the extension of social protection and social inclusion worldwide. Different publications, educational tools and management guides have been issued.<sup>104</sup>

The first assessment of the STEP programme highlights that through its case studies, thematic studies or comparative analyses, and its didactical and methodological tools, STEP represents a real added value to all the actors (governments, social partners, NGOs and international organizations) working for extending social protection and for social inclusion.<sup>105</sup>

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<sup>102</sup> See Annex 10.

<sup>103</sup> See *infra*.

<sup>104</sup> The STEP programme has developed a unique set of tools that go from the feasibility to the follow-up and evaluation of the community-based organizations. See for example: *Guide de gestion des mutuelles de santé en Afrique*, BIT/STEP, 2003. For more information see: <http://www.ilo.org/step>

<sup>105</sup> The database created by STEP contains over 50 papers (case studies, thematic studies or comparative analyses) in several languages. The studies provide an analysis of present or past experiences and deal with the systematization of lessons learned with respect to the extension of social protection and social inclusion worldwide. For an example see C. Atim, *The contribution of mutual health organizations to financing, delivery, and access to health care: Synthesis of research in nine West and Central African countries*, STEP, Geneva, 1998 (available on <http://www.ilo.org/step>).

## **2. Technical assistance and cooperation for policies of social security extension**

One of the main aims of the Campaign is to support the development of new and effective ways to extend social security coverage, particularly in low-income countries. The ILO is currently assisting more than 40 countries, at both national and subregional levels. Technical assistance and cooperation activities are mainly focused on three key areas: extending social security through social dialogue (a), extending social security to the excluded in five Portuguese-speaking African countries (b), strengthening community-based social security schemes (c).

### **a) Extending social security through social dialogue**

An initiative of extending social security through social dialogue has been undertaken, as an experimental process, in three developing countries: Honduras, Mali and Sri Lanka. If found successful, this process could be introduced in many other developing countries.

In each country, a national diagnosis has been developed through the concerted efforts of government ministries, representatives of employers and workers, as well as civil society organizations and social security institutions. The national diagnosis examined the social security needs of workers, in the formal and informal economy, as well as assessed the effectiveness of statutory and community-based schemes to cover these workers. Particular attention has been given to the extension of the coverage to the excluded. An important component of technical cooperation is the training and capacity building of social partners and other actors for their effective participation in the design and implementation of social security programmes. A jointly undertaken diagnosis has then provided the basis for national action plans. This action plan addressed the priority issues concerning its implementation. It is expected that the process followed in these countries will ensure the enduring commitment of governments, social partners and civil society, and that it will create an open and democratic space to find solutions through dialogue.

In all three countries, the draft diagnosis has now been discussed in national seminars, with the full participation of all interested parties. In Sri Lanka for example, the national seminar concluded that a new health-care strategy will have to be developed, and it identified weaknesses in the administration of employment security plans and the need to gather more information on community-based schemes and their potential. In Mali, the national diagnosis led to the recommendation to set up a compulsory social health insurance scheme for workers in the public and private sector as well as a social assistance medical care scheme for the poor. The diagnosis provided the basis for national action plans that are currently being prepared in all three countries. The first evaluation is positive: a dynamic has been created in the three countries. These projects are currently under thorough assessment for improving this approach and with a view to introducing it in other countries.

### **b) Extending social security to the excluded in five Portuguese-speaking African countries**

This project covers five countries: Angola, Cape Verde, Guinea-Bissau, Mozambique and Sao Tome and Principe. Its purpose is, first of all, to help these countries determine those

excluded from their social security systems, the reasons for their exclusion, and, most importantly, ways to ensure that the excluded are brought under full coverage. In these five countries, only a small percentage of the labour force, most of whom work in the informal economy, is covered by statutory social security. This project, financed by the Portuguese Government, seeks to increase the number of salaried workers who are covered by existing social security systems, while creating special statutory schemes for non-salaried workers that take into account their needs and ability to contribute. In addition, increased coverage will be attained through the development of community- and occupation-based schemes specially designed for the excluded in the informal economy.

This project has different facets. One facet is the research that aims at better understanding the process of social exclusion. To this end, a study on the impact of the informal economy on poverty and exclusion will be carried out.<sup>106</sup> The project also developed a “Center for Informatics Apprenticeship and Resources in Social Inclusion” (CIARIS) to improve the projects intervention capacity at the local level.<sup>107</sup> CIARIS is an informatics tool addressed to the different actors (local collectivities, programme managers, experts, NGOs, trade union and employers, networks) who work in the field to combat social exclusion. CIARIS contains a wide range of useful information and resources on the strategies and concepts used to combat social exclusion. CIARIS offers users an opportunity to choose the methods and tools best suited to their needs and to the context in which they operate. In addition, CIARIS allows users to interact and provides qualified technical assistance to operators in the field.

The technical cooperation facet comprises different technical cooperation projects currently executed by the ILO, one of which is the Pro-social project “Development of social security in Portuguese-speaking Africa”. This project aims at the progressive extension to the whole population of a modern social security system adapted to their needs. The project has three phases with intervals between each of them to allow time for reflection and harmonization. The project started in 1998 and is currently in its final phase. The first phase consisted of opening a dialogue with the respective governments and helping them to define a national social security policy, to adapt the social security systems of administration and to organize the protection of the informal and agricultural sectors. The second phase focused on the drafting of social security legislation that translated into legal texts the social security policy guidelines defined during the first phase. These laws dealt with the extension of social security coverage and the introduction of special schemes. During this phase, the ILO had also undertaken an audit of the organizations whose role would be central in implementing the newly defined social security policy and proposed the necessary reforms. The third phase, currently under way, aims at assisting the national authorities with the implementation of recommendations. The ILO gives technical assistance in the drafting of the decrees specifying how the law should be enforced and for reforming the social security systems of administration. Social security legislation has been adopted in Angola, Cape Verde, Guinea-Bissau, Sao Tome and Principe and is under discussion in Parliament in Mozambique. In these five countries the project has now reached its final phase. This approach has made it possible to formulate a clear national social security policy in each of the five Portuguese-

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<sup>106</sup> For other studies on social exclusion see: Estivill J., 2003, *Concepts and strategies for combating social exclusion. An overview*, ILO/STEP; *The fight against poverty and social exclusion in Portugal. Experiences from the National Programme of Fight against Poverty*, ILO/STEP, 2003.

<sup>107</sup> See: <http://ciaris.ilo.org/english/index.htm>.

speaking African countries and to support these countries in their national strategies for extending social security coverage to all.

### c) Strengthening community-based social security schemes

This approach targets poor and excluded groups in the informal economy, as well as low-income formal economy workers whose social security coverage does not meet their needs. In many countries the rapid proliferation of community-based social security schemes has demonstrated their important contribution to the extension of social security services answering the priority needs of the excluded segments of the population, mainly with regard to health care. While some of these schemes have succeeded in developing efficient services to the benefit of their members, many are still in dire need of more technical support in order to attain their full potential and to become sustainable. At the same time, there is a need for broader awareness and understanding of these schemes and their potential for helping countries expand social security coverage.

The ILO through the introduction of its STEP programme has opened up a new field of intervention.<sup>108</sup> Created in 1998, the Strategies and Tools against Social Exclusion and Poverty (STEP) is a global programme that focuses on two kinds of issues: social inclusion and the extension of social protection to poor and excluded groups, mainly in the informal economy and the agricultural sector. The Programme aims at improving the access of poor and excluded populations to more suited forms of social protection and basic social services. In order to reach its goals, STEP focuses on the identification, the conception, the experimentation and the dissemination of mechanisms, strategies and innovative schemes for both extending social security and combining efficiency, equity and solidarity. STEP has considerably contributed to the development of knowledge in this area. It has, particularly, developed the concept of “micro-insurance”, which is based on an adaptation and generalization of the concept of mutual health insurance to the different contexts of developing countries.<sup>109</sup> STEP also published different studies and books on community-based schemes,<sup>110</sup> developed didactical and methodological tools that deal with the several aspects of the creation and the functioning of these schemes (awareness, feasibility, implementation, management, follow-up, evaluation, contracting). This methodological framework is also forming the basis for a training programme in this area for strengthening the skills of the communities.

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108 See: <http://www.ilo.org/step>.

<sup>109</sup> Dror, D. and Jacquier, C., 1999, “Micro-insurance: extending health insurance to the excluded”, in *International Social Security Review*, pp. 71-97.

<sup>110</sup> This term refers to systems of protection which differ from public schemes of social security with a national coverage. Those schemes do not aim to cover the entire population, but just a part of it. The communities can be constituted at the level of a geographical area (district, village), of a profession (farmers, craftsmen), or by gender (women).

STEP focuses in particular on the improvement of access to health care, an area that constitutes a priority for the poor, by developing community-based schemes in the framework of national policies for extending social security coverage. STEP made the hypothesis that for extending social security it was necessary to develop innovative approaches by helping, and bringing out, an organized demand from the excluded and by empowering them. The second hypothesis was that the community-based schemes could contribute, if they were progressively and correctly integrated into coherent national schemes, in a significant and lasting manner, to the extension of the coverage, together with more efficiency and equity. The idea was therefore, on the one hand, to reinforce the capacities of the community-based schemes and, on the other hand, to build up an articulation between community-based schemes and public schemes of protection and social assistance and health.

STEP thus adopted an approach at four levels. At the local level, STEP supports the community-based organizations to strengthen their capacities by helping in the drafting of feasibility studies, offering training for the management and the administration of the mutual health insurance and micro-insurances, giving technical support for the start and the follow-up of these organizations. The ILO is currently offering technical assistance for establishing a diagnosis and an evaluation of the existing organizations. Nevertheless, those community-based structures have shown their limits in their capacities of management and of penetration of their targeted groups. In order to have a broader impact, STEP has developed an approach at the intermediary level.

At the intermediary level, STEP aims at supporting the progressive creation of federative structures that could play a supportive role for the financial management and the risk management. Support has thus been given to the Mutual Health Union of Dakar for the constitution of common services of management, follow-up and guarantee funds. STEP also aims at developing protection schemes from federative community organizations of considerable size that are dealing with activities other than health (agriculture, fishing, arts and crafts). The idea is that these structures can, according to the number of their beneficiaries, reach an important amount of persons in a brief period of time. For example, STEP supports the National Union of Agricultural Cooperatives of Senegal that gathers 4500 cooperative organizations and develops a health insurance system for its members. STEP also strengthens the role of workers' and employers' organizations for the extension of social security.

At the national level, it strives to set up, by means of social dialogue, a suitable institutional and political environment to promote social protection and social inclusion for all. It is important that community-based schemes can be integrated progressively into coherent national social security schemes that promote solidarity. They should also be articulated with other schemes and public services. Such an articulation is fundamental for avoiding segmentation and fragmentation of social protection that could create inequity and exclusion. On the contrary, appropriate mechanisms of articulation could contribute to certain redistribution and to the expression of national solidarity. It is therefore crucial to establish a better articulation between the social protection community-based schemes, health-care supply and the rest of the social security system throughout the country. It is also important that those community-based schemes are recognized and supported by the public authorities. Legislation on mutual health insurance has already been adopted in Mali and Senegal.

At the international level, STEP works with key actors in the field of health and has developed important partnerships with the World Health Organization (WHO), Gesellschaft für technische Zusammenarbeit (GTZ), UNFPA (United Nations Population Funds) and the

World Bank among others. One form of partnership has been created by the development of a coordination and knowledge-dissemination mechanism (“Coordination Network” called “La Concertation” in French) among mutual health organizations in French-speaking African countries. The “Coordination Network” has been initiated by a set of partners that were supporting the development of mutual health in Africa. This network puts into relation many actors at the national and international levels (agencies and development programmes, informal economy organizations, social partners and national public bodies). The “Coordination Network” covers 11 countries in Central and Western Africa and provides a broad variety of services: a web site,<sup>111</sup> a newsletter, a monitoring system for mutual health organizations and thematic workshops to support the mutual health organization movement. In 2002, the “Coordination Network” boasted over 150 members representing mutual health organizations, unions, federations, public structures, research centres, and support structures for mutual health organizations in Africa and at the international level. A similar coordination network is being set up for Asia.

The STEP programme is now the key operational tool of the Global Campaign for Social Security and Coverage for All. So far, it is active in more than 30 countries all over the world.

### **3. Advocacy and promotion**

The last aspect of the Campaign relates to a more classical element of a campaign, that is to say the advocacy and mobilization of the main actors. These activities aim at a variety of target audiences, such as national and international policy-makers, the social partners, the general public and civil society, as well as development agencies. The ILO has to work closely with all these actors, mainly by developing partnerships in order to attain the goal of social security for all. The partnership with governments, social partners, civil society organizations, development agencies, donor countries and international organizations is vital. Forms of collaboration already exist with organizations such as World Health Organization (particularly important for access to health care), the World Bank, the German Development Agency (GTZ), the Council of Europe, and the International Social Security Association.

As an example, the ILO has launched an initiative with PAHO (Pan-American Health Organization) for extending health-care coverage in Latin America and the Caribbean. In this venture the ILO is working together with PAHO to help countries define national action plans to extend health-care coverage through a combination of various mechanisms that include: social health insurance, community-based approaches and the opening of access to public health-care facilities. The programme will operate at two levels. At the regional level, it will provide training, advice and evaluation for the national projects. At the national level, all participating countries will – during the first two years – define national action plans on ways to extend health-care coverage through a combination of various mechanisms.

During the next three years, a first trial will be made with the implementation of the action plans. The objective of this initiative is to attempt to reverse the decline in health-care

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<sup>111</sup> <http://www.concertation.org>.

coverage in Latin American and the Caribbean countries, where about 140 million people do not have access to health services. The ultimate aim is to ensure health-care coverage for all.

Through the Global Campaign the ILO is aiming to create a catalyst capable of mobilizing the main actors. The extension of social security is a strong instrument for fighting against poverty and for concretely promoting the Decent Work Agenda.