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The ILO and Social Protection in the Global South, 1919-2005

Jeremy Seekings
University of Cape Town



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Abstract¹

The International Labour Organisation (ILO) played an important role in developing institutions of social protection – i.e. in promoting welfare state-building – outside of the earlier industrializing societies of north-western Europe and North America. For most of the century the ILO promoted its preferred model based on social insurance, even in the face of disagreement within the ILO over the limits of contributory social insurance in societies in which formal wage employment was the exception rather than the rule. This paper examines three episodes of model-building within the ILO from the perspective of their relevance in the global South. First, in the 1920s and 1930s, the ILO grappled with the difficulties of extending Northern models to the global South. Secondly, in the 1940s, the ILO debated the appropriate mix of contributory and non-contributory provision, whilst in practice promoting the former and downplaying the latter. Thirdly, between the 1950s and 1980s, the ILO grappled with the challenge of combining its emphasis on social insurance with more directly pro-poor policies, in contexts where workers in formal employment were rarely among the poorer sections of society. Pro-poor policies meant, in general, developmental policies, that sought to transform the rural and urban poor into workers. Throughout, the ILO retained a strong emphasis on social insurance, i.e. on a ‘workerist’ model of welfare. Only in the early twenty-first century did the ILO begin to consider seriously and promote the possibility of expanded social assistance schemes. Whilst previous studies have identified three ‘generations’ of policy that correspond broadly to the episodes discussed in this paper, they typically underestimate the continuities between them.

Introduction: The ILO and Welfare-State-Building

The literature on welfare-state-building tends to concentrate entirely on political, social and economic conditions *inside* countries. But, in building – and later rebuilding – welfare states, policy-makers typically drew on ideas from abroad as well as at home. Prominent among the foreign ‘ideas’ were the actual models of welfare states constructed (or proposed) elsewhere and hence available for replication (perhaps with adjustments). Collier and Messick (1975) argued that the diffusion of policies across national boundaries explains why, as the twentieth century progressed, states adopted social insurance programmes at earlier and earlier stages of development. Whilst ideas might only be taken up if they are congruent with the interests of politically powerful elites or parties and are actionable within existing state institutions (Hall, 1989), elites and parties typically act only when appealing ideas are available. As Blyth remarks, ‘structures do not come with an instruction sheet’ (Blyth, 2002).

¹ Professor of Political Studies and Sociology, University of Cape Town, Rondebosch, South Africa. Email Jeremy.seekings@uct.ac.za. Parts of this paper were presented at a conference organized by the International Institute of Social History in Brussels, Belgium on ‘The Past and Present of the International Labour Organisation’, in October 2007. I am grateful to participants in the conference for their comments. This version of this paper includes some important corrections to the discussion of the 1944 Philadelphia Declaration and accompanying Recommendations, pointed out by Jasmien Van Daele.

Taking up foreign ideas entailed choice, as there have always been more than one set of ideas on offer. Collier and Messier unfortunately paid no attention to variations and choices in the design of welfare systems. The growing literature on case-studies of the precise reception and use of foreign models confirms that ideas and models matter, albeit within the tight constraints of domestic politics, but it is hard to detect any general framework for understanding choice (see Hecló, 1974; Kuhnle, 1978; Hennock, 1987; Hills, Ditch and Glennister, 1994). This literature focuses on Northern cases. When we turn to the experience of the global South, an additional set of players enter the picture: international institutions. At the end of the Twentieth Century, the World Bank's energetic promotion of the 'Chilean model' of pension reform was a powerful factor in the spread of this particular model across much of the developing and post-Communist worlds – although, again, external influences (or pressures) were mediated through the prisms of domestic politics (see Weyland, 2004, 2005; Madrid, 2003; Orenstein, 2005). In the early and mid-Twentieth Century, the equivalent international organization was the International Labour Organisation (ILO).² For about half a century from the mid-1920s, the ILO played a major role not only in promoting social welfare reforms but, perhaps more importantly, in promoting a particular model of reform based on a 'workerist' model of social insurance funded through contributions by workers and employers.³

ILO officials have often, in the past, emphasised the ILO's importance in the promotion of social welfare reform. In 1929, in the midst of the introduction and expansion of social insurance schemes both inside and outside Europe, the ILO Director reported that:

It may be said without exaggeration that the [International Labour] Organisation has had some part in all the great reforms recently accomplished and is sharing in the preparation of most of the important Bills at present being elaborated. Governments, reporters of Parliamentary commissions, employers' organizations, trade unions, insurance institutions and their national and international unions, and medical associations take into consideration the international Conventions, utilize and quote from the Office's publications, and seek information and sometimes even advice from the Office. (Director's Report, 1929: 190)

In a retrospective paper published as part of the ILO's fiftieth anniversary celebrations in 1969, Perrin referred to the ILO's 'deep influence on the concept and growth of social security at certain decisive moments in its history' (Perrin, 1969: 564). The ILO's 'Conventions and Recommendations relating to social insurance ... were largely instrumental in establishing the essential characteristics of this type of protection and in determining the pattern of its subsequent development' (*ibid*: 569). The spread of social insurance between the wars and of 'social security' after the Second World War were 'largely the result of legislative example and the influence of the standards laid down by

² This is not to say that the ILO was the only mechanism for transmitting ideas around welfare policy during this time. In the early Twentieth Century, other possible mechanisms included international trade union organizations (the International Federation of Trade Unions, the Soviet-run Red International of Trade Unions or Profintern, and, briefly, the Pan-American Federation of Labour), the Second International and Comintern (comprising political parties), and organizations such as the Fabian Society in the British Empire. Studies of these organizations pay little attention to their role in disseminating ideas about welfare reform.

³ Elsewhere (Seekings, 2008), I have distinguished between 'workerist' models of welfare reform focused on workers and other models focused instead on peasants, paupers, or, exceptionally until recently, citizens.

the International Labour Organisation' (*ibid*: 570, 581-2). ILO-linked scholars writing in ILO publications emphasise the role of the ILO and its conventions in stimulating or shaping legislative reform in countries in the global South (e.g. Menon, 1956, on India) as well as the global North.

Quantitative analyses of the patterns and consequences of the ratification of ILO conventions by countries in the late Twentieth Century provide findings of unclear relevance for an assessment of the ILO's role. Strang and Chang (1993) examine the consequences of ratification, identifying two possible mechanisms: Conventions 'offer a script or model that actors can draw upon to design policy' (especially when conventions define benefit categories, minimum levels and periods of coverage, and conditions for eligibility), and they 'might provide reasons for action' through shifting policies symbolically 'out of the realm of zero-sum, partisan politics and into the realm of fundamental, universally recognized rights' (242-243). Strang and Chang's empirical work does not, however, help to assess the relative importance of these two channels. What they did find was that ILO ratifications seem to stimulate increased welfare spending in the advanced capitalist societies, but not in less developed countries (LDCs).

ILO standard setting does not seem to contribute similarly to the growth of welfare programs in the developing world. ... LDCs tend not to ratify ILO standards on social security, and spending does not markedly increase when they do ratify them. In such cases, ratification may be best understood as a symbolic commitment to programs whose realization faces severe fiscal and organizational constraints. (257)

In the advanced capitalist countries, for which there are better data, right-wing governments were more likely to respond to ratifications than left-wing ones, presumably in large part because left-wing governments had often expanded welfare spending *prior* to ratification. This emphasis on the ratification of conventions leads us to ask 'what determines ratification?'. Boockmann (2001) found that the ratification of conventions in general (*not* social welfare conventions in particular) in less developed countries in the late Twentieth Century correlated with GDP per capita – and with the past record of ratification, but not (in contrast to the advanced capitalist countries) political factors.

The importance of the ILO probably seems greater when viewed from Geneva than when viewed from the global South. Independent case-studies of policy-making rarely even mention the ILO. In more than one dozen books on industrial and related issues in South Africa during this period, I found only one index entry for the ILO. Similarly, major studies of the 'incorporation' of labour in Latin America (such as Collier and Collier, 1991) do not seem to mention the ILO.⁴ This may be a reflection of a more general lack

⁴ The case of Collier and Collier (1991) is ironic given that one of the Colliers was a co-author of the previously-cited article on policy diffusion. There are growing literatures on the role of ideas and models in other areas of public policy, including public health (see, for example, Martinez Franzoni (1998), Birn (2006), Weindling (2006), Marks (2006) and, on birth control in South Africa, Klausen (2004)). There are methodological problems in assessing the importance of ideas. The ILO and individual states may have responded at much the same moment to the same global social and economic changes. The introduction or extension of unemployment insurance in many countries in the mid-1930s might have reflected the influence of the ILO's 1934 convention on this, but then again it might be the case that the ILO simply responded faster to the same external causes as individual states. Furthermore, as Swenson (2002) has

of attention in the existing literatures on welfare state-building in individual Southern countries on the significance of transnational ideas, models and organizations.⁵ The ILO's own studies provide little evidence to back up the standard assertion of influence. Where, when, how and why the ILO had a concrete impact in the global South are questions that require considerable further analysis, beyond the scope of this paper, but it certainly seems that there might have often been a big gap between the ILO's provision of a script or justification for reform – to use Strang and Chang's concepts – and subsequent policy reform.

This paper focuses on one specific aspect of this bigger story. Regardless of the actual influence of its models, what precisely was it that the ILO was promoting? The ILO was important, especially from the 1940s, in promoting one particular *model* of welfare reform, despite its rhetorical commitment, from 1944 at least, to a more diverse array of models. This paper examines the ILO's favoured 'workerist' model and the marginalization of alternatives.

1. The ILO and Social Security: The View from 2001

At the 89th session of the International Labour Conference, in 2001, the ILO passed a resolution on social security, having discussed at length a substantial report on *Social Security: Issues, Challenges and Prospects*.⁶ The conference noted that more than half of the world's population was not covered by either contributory or tax-financed social security. The resolution referred to a set of 'conclusions' that the conference adopted. The conclusions did not entail any real commitment on the part of the ILO members, but instead committed the ILO and its Director-General to promote reforms 'with the seriousness and urgency they deserve in order to overcome a fundamental social injustice affecting hundreds of millions in member States' (ILO, 2001: 1). Social security was praised for contributing to productivity, development and growth, social cohesion and democracy. The ILO should promote social security, especially extending it to people who were not yet covered.

The 2001 debate harked back to previous discussions within and statements by the ILO. Most notably, the documentation referred repeatedly to the Declaration of Philadelphia, i.e. a resolution on Income Security adopted more than half a century earlier, at the ILO's 1944 conference (see ILO, 2001: v, 1, 5, 8, 56, 98). The first of the 'conclusions' adopted in 2001 quoted the Declaration, and went on to say that 'it is time for a *renewed* campaign by the ILO to improve and extend social security coverage to all those in need of such protection' (*ibid*: 1, emphasis added). Later, the conclusions state that 'ILO

illustrated for Sweden and the USA, what actors do or do not say in public might not reflect what they say in private, let alone their real but possibly unspoken motivations and attitudes.

⁵ The one partial exception is the case of Uruguay, where many studies acknowledge the importance of European influences on Batle in the early 1900s, in the period prior to the First World War and the subsequent establishment of the ILO (see, for example, Vanger, 1980). But I am unaware of any English-language studies that analyse these influences in any detail.

⁶ The Governing Body of the ILO had proposed this discussion two years earlier, in 1999. The 2000 *World Labour Report* addressed many aspects of social security, under the title *Income Security and Social Protection in a Changing World*.

activities should be anchored in the Declaration of Philadelphia' (as well as in 'the decent work concept and relevant ILO social security standards' (*ibid*: 5)).

A subsequent (and generally excellent) summary by the ILO of its conventions on social security divided identified them into three 'generations': the pre-1944 generation, the 1944 Declaration and its expression in Convention no. 102 of 1952, and subsequent conventions (Humblet and Silva, 2002). In this account, the ILO's engagement with social security revolves around the 1944 Declaration, since which the ILO has merely expanded or built on it. This picture of post-1944 progress sits uneasily with some of the comments made in the 2001 debate. The spokesperson for the Workers Group on the Social Security Committee said that the ILO had made 'too little progress' since 1944 (ILO, 2001: 8). In this paper, I support (and expand on) Humblet and Silva's identification of 1944 as marking an important shift in policy. But I am less confident that the innovations of 1944 led thereafter to substantial reforms. In key respects, the post-war history of the ILO's efforts in welfare reform is one of failing to move beyond its pre-1944 'workerist' emphasis on social insurance and neglect of alternative forms of social protection. The 2001 debate marked a recognition of this failure.

The documents prepared for and record of the 2001 debate were collated into an ILO volume optimistically titled *Social Security: A New Consensus*. But the record of the discussion in 2001 suggests that there had been little consensus. The Workers spokesperson emphasized the importance of increased employment, or at least of increased numbers of 'decent' jobs. The spokesperson insisted that the extension of social security to the previously excluded should be subsidized, but without any diminution of benefits in existing schemes (*ibid*: 9). The Employers' spokesperson unsurprisingly emphasized the importance of economic growth, and warned about imposing excessive costs on employers (*ibid*: 10). Employers were especially concerned about the fiscal implications of ageing and of HIV/AIDS (*ibid*: 23), and insisted that discussions should be at the national rather than international level, so as to be fully cognizant of national conditions and constraints (*ibid*: 25). Some Government speakers favoured the ILO setting legally binding minimum standards, but others pointed out that the ILO's social security conventions had been ratified by few members, and were opposed to any further social security conventions (*ibid*: 28).

The positions staked out by the various parties within the ILO were broadly ones that they had held since the 1920s, and the terms of the debate were for the most part old and familiar ones. This dissensus explains in part the lack of progress in fulfilling the promise of the 1944 Declaration.

The 2001 conclusions echoed the 1944 Declaration also in their endorsement of the variety of approaches to social security:

There is no single right model of social security. It grows and evolves over time. There are schemes of social assistance, universal schemes, social insurance and public or private provisions. Each society must determine how best to ensure income security and access to health care. These choices will reflect their social and cultural values, their history, their institutions and their level of economic development. (*ibid*: 2)

In addition, the 2001 conclusions noted, ‘certain groups have different needs and some have very low contributory capacity’ (*ibid*: 2). Like the 1944 Declaration, the 2001 conclusions entailed little in the way of substantial commitment. The only commitment on ILO member States was that ‘each country should determine a national strategy for working towards social security for all. This’, the ILO conclusions continued, ‘should be closely linked to its employment strategy and to its other social policies’ (2).

The ILO’s endorsement of diverse approaches was not matched in practice, or at least not until after the 2001 conference. The basic reason for this lay in the combination of globally unequal wages and related costs of employment, on the one hand, and the very structure of the ILO. Workers from the more industrialized countries had a strong incentive to set high minimum standards for social security, as for other aspects of employment, not simply out of an altruistic commitment to a just global distribution between employers and employees but also out of self-interest, as better-paid workers sought to inhibit low-cost competition. Employers in the more industrialized countries were generally opposed to cost-raising reforms, but sometimes had an incentive to combine with their workers and set high minimum standards so as to inhibit low-cost competitors. Governments in the more industrialized societies sought to maintain social order (as well as often being responsive to working-class voters). Workers in formal employment in the countries of the global South shared some of the interests of their northern counterparts, but employers and governments in the global South had much less incentive to encourage higher costs, especially given that these were of benefit to relatively small sectors of these societies. With the possible exception of some governments in competitive democracies, the participants in the ILO had little incentive to promote social assistance. Throughout its history the ILO therefore faced two basic dilemmas with respect to social security. First, to what extent should the higher standards of interest to the more industrialized countries of the North be imposed on the less industrialized countries of the South? Secondly, to what extent should welfare be extended beyond workers in formal employment, especially given that the poor in the global South were generally poor because they were *not* in formal employment? The consequence was a rhetorical commitment to ‘social protection’ for all, but without much substance. These dilemmas can be traced through successive phases of the ILO’s engagement with social welfare reforms.

2. The ILO and Social Welfare Policy, 1919-39

The ILO paid little attention to social welfare policies in the first five or so years after its formation in 1919, focusing instead on wages and conditions of employment. The ILO was established under Part XIII of the Treaty of Versailles, in order to promote ‘social justice’ which was a necessary foundation of ‘universal peace’. The preamble to Part XIII identified explicitly ‘the protection of the worker against sickness, disease and injury arising out of his employment’ and ‘provision for old age and injury’ as elements in ‘social justice’, but these were not mentioned in the nine principles identified in the final article (no. 427) of Part XIII and which later became known as the ‘Labour Charter’ (ILO, 1931: 367).⁷

⁷ Comprehensive social insurance had been part of the 1916 Leeds and 1917 Berne programmes of social democratic trade unions from both sides of the First World War. At Berne, German unionists seem to have

There were two main strands to the ILO's work at this time: the adoption of 'conventions' and 'recommendations' in the (usually) annual sessions of the International Labour Conference (ILC), and the collation and dissemination of information (including labour statistics) through the International Labour Office (henceforth, the Office) (see Article 396 of Part XIII). The first of these strands is the most visible measure of the ILO's concerns, although the adoption of a convention did not require the ILO's members to implement its contents (even when the government's own delegates had voted for it). ILO officials later admitted that they were surprised how difficult it was to secure the ratification of conventions in the face of 'administrative delays, national prejudices, constitutional contradictions, legal objections, economic apprehensions, press of Parliamentary work, Government negotiations, opposition manoeuvres, indifference or hostility in public opinion, mutual misunderstandings and suspicions, and so on' (ILO, 1931: 6-7). But, even when conventions were not ratified, they still had an indirect influence, often setting the standard for debates within countries. 'Through all the tangle of legal procedure, through all the confusion of committees, commissions and conferences, beneath all the apparent emptiness of congress resolutions and the jumble of texts, we see with amazement the desired reforms being adopted in every part of the world – slowly, it may be but surely and sometimes even beyond our highest hopes (*ibid*: 9).

It was not until 1924 that social insurance was first discussed seriously, excepting the issue of compensation for industrial accidents.⁸ The ILO Director later reported that it had seemed as if the development of social insurance had been 'paralysed' in the early 1920s.⁹ By 1924-25, however, concern with social insurance was growing across much of the world. The German system was reestablishing itself after the German currency crisis. Australia and Britain had appointed Royal Commissions. New legislation had been passed or tabled in Belgium, Bulgaria, France, Greece and elsewhere. Even Argentina had passed (in 1923) what would prove to be short-lived legislation for an ambitious social insurance scheme,¹⁰ and Chile introduced major reforms in 1924.

In 1923, the ILO's Governing Body decided that social insurance should be discussed at the Seventh Session of the ILC two years hence, in 1925. The Office published reports surveying existing legislation on unemployment and sickness insurance¹¹ as well as a summary report for the ILC (on *General Problems of Social Insurance*) that formed the basis of discussions, mostly by a special committee, at the 1925 ILC. The committee – chaired by one of the German Government delegates – concluded that 'the scope of social

suppressed a Dutch proposal that tax-funded pensions be considered equivalent to a contributory, insurance system (Tosstorff, 2005: 441).

⁸ The ILO had had a Social Insurance Section since 1919. In 1921, it established a Correspondence Committee on Social Insurance, comprising experts, who met in 1921, 1923 and 1925. But it seems that these achieved little, so that advocates of social insurance looked elsewhere for co-ordination, setting in motion the process that led to the establishment of the International Social Security Association (see Guinand, 2008, and below).

⁹ Report of the Director to the 10th Session of the ILC, 1927 (Geneva, 1927): 164.

¹⁰ See the Reports of the Director to the 6th Session of the ILC, 1924 (Geneva, 1924), and the 7th Session of the ILC, 1925 (Geneva, 1925).

¹¹ Series C, no.10 (unemployment) and Series M, no.1 (sickness). Series M was a new series, dedicated to social insurance.

insurance should be as wide as possible, having due regard to economic conditions in each country', and it should be financed through contributions from employers and workers (and, perhaps, public funds) rather than by the state alone. A contributory system promoted thrift among workers and social responsibility among employers: 'The whole social body rises from a moral and physical point of view', said the Committee's chairman.¹² A Christian Democratic perspective thus entered into what would otherwise have seemed a more social democratic approach to social protection.

The ILC approved a resolution drawn up in the Committee. The preamble described social insurance as the 'best' mechanism for protecting workers and their families against the risks that endangered their livelihoods (and at the same time ensured a healthy labour supply for employers). The resolution identified sickness insurance as the priority to be discussed at the 1927 ILC, and for invalidity, old age and widows' and orphans' insurance to be discussed then (if possible) or subsequently.¹³ The 1925 ILC also adopted conventions and recommendations on Workmen's Compensation.

Two years later, in 1927, the ILO Director reported to the 10th Session of the ILC that there had been progress in extending social insurance in countries as diverse as Australia, Austria, Czechoslovakia, France, Britain (where contributory old-age pensions had been introduced and a Royal Commission on sickness insurance had reported), Italy and Sweden.¹⁴ This widespread progress paved the way for the ILC to adopt two conventions and a recommendation on sickness insurance, on the basis of the report prepared by the Office. Convention no.24 provided for compulsory sickness insurance for workers in industry and commerce as well as domestic servants (excepting specified categories of mostly unwaged workers). Convention no.25 made the same provision for agricultural workers. The accompanying Recommendation (no.29) set out general principles as well as specific suggestions with respect to benefits and other details. Whilst the two conventions notionally allowed for other forms of provision, the Recommendation unambiguously described social insurance as 'the best provident measure'. In October 1927, following the 10th Session of the ILC, an International Conference of National Unions of Mutual Benefit Societies and Sickness Insurance Funds was established to strengthen international networks around compulsory sickness insurance. This was a forerunner of the ISSA (ISSA, 1987; Guinand, 2008).¹⁵

The conventions on sickness insurance came at a time of continuing innovation (or replication) in social insurance schemes across Europe and elsewhere. In 1928, after reviewing developments in the ILO's member-states, the Director concluded that 'social

¹² Proceedings of the 7th Session of the ILC, 1925 (Geneva, 1925): 488. Workmen's compensation was different, in that employers alone should bear the cost.

¹³ Report of the Committee on General Problems of Social Insurance, included in Proceedings of the 7th Session of the ILC, Appendix VIII: 807-16.

¹⁴ Report of the Director to the 10th Session of the ILC, 1927 (Geneva, 1927): 168-78. In Argentina, however, a bold reform had been annulled.

¹⁵ Guinand (2008) argues that the ILO's embrace of social insurance in 1927 was a response to an incipient, rival organization emerging from sickness funds. This argument seems to overlook the discussions of social insurance within the ILO prior to 1927. Guinand's evidence does, however, suggest that the rival initiative served to concentrate the minds of ILO leaders and accelerate their engagement with social insurance. It might also explain why the focus was so narrowly placed on social insurance, to the exclusion of tax-financed social assistance.

insurance has never been in a more flourishing position' (Director's Report, 1928: 173). The following year he reported that 'the principle of social insurance as a corollary of the wage-earning system has been internationally accepted' (Director's Report, 1929: 168). The Director attributed this in part to the ILO's own role: '... despite national idiosyncrasies and preferences, the systems of legislation are following the main principles embodied in the decisions of the [International Labour] Conference' (*ibid*). The ILO itself boldly proclaimed in a 1931 self-assessment that 'the principle that every wage-earner should be protected by insurance is gaining ground not only in European countries but also in a great number of overseas countries. ... In less than fifty years social insurance has conquered Europe and is well on the way to conquering the world' (ILO, 1931: 147).

Why then was the ILO so slow to follow up its 1927 sickness insurance conventions with similar conventions on insurance against other risks, notably old age, invalidity, and the death of a breadwinner? Insurance against such risks had been part of the original plan of the mid-1920s, but seem to have fallen by the wayside once sickness insurance was prioritized. Writing in 1928, the Director of the ILO noted the difficulties posed by inflation to old-age insurance schemes that relied on the accumulation of contributions in funds. Pensions had 'depreciated in purchasing power to such an extent as to be almost valueless', but neither taxpayers nor current contributors wanted (or perhaps could afford) to subsidise existing pensioners (Director's Report, 1928: 174). Two years later, in 1930, the ILO went through a period of introspection, reassessing its role in the face of the disappointingly slow rate of ratification of its conventions (see Director's Report, 1930: 317-20). By 1931 the ILO was preoccupied with the challenge of the Depression, including especially mass unemployment. The Director again lamented the slow rate of ratification, explaining that too many governments and even workers did not appreciate the importance of international labour legislation.¹⁶

Only in 1932 did progress resume in the promotion of social insurance. The Office delivered a Report to the ILC on invalidity, old-age, and widows' and orphans' insurance, together with a draft set of questions to be sent to member-states in preparation for drafting a convention that could be discussed at the 1933 ILC. These were considered by a dedicated committee at the 16th Session, approved by the ILC, and referred back to the Office. The following year – i.e. 1933 – the Office presented a set of draft conventions, which were then worked on first in committee, and then in the ILC as a whole. The final conventions committed member-states, upon ratification, 'to set up or maintain' schemes of compulsory insurance for old-age, invalidity, widows and orphans. These social insurance programmes should be compulsory, although certain groups of people could be exempted. They should be administered by the state, and funded out of contributions from workers and employers (and, possibly, public funds). The conventions allowed the exemption for anyone who is or would become entitled to non-contributory old-age benefits. Article 15 also made provision for a minimal scheme: 'In countries which, at the time when this Convention first comes into force, have no laws or regulations providing for compulsory old-age insurance, an existing non-contributory pension scheme which guarantees an individual right to a pension under the conditions defined in Articles 16 to 22 hereinafter shall be deemed to satisfy the requirements of this Convention.'

¹⁶ Director's Report, 1931: 2-7.

The ILC adopted an additional convention on social insurance in 1934, covering 'benefits or allowances to the involuntarily unemployed'. This convention differed from those of 1933 in several respects. Firstly, it allowed for either unemployment insurance, remuneration linked to employment on relief works, or social assistance. Secondly, insurance schemes could be voluntary or compulsory. The accompanying Recommendation (no. 44) urged countries to establish compulsory unemployment insurance schemes, but recognized also that social assistance schemes might be needed also for workers who had either exhausted their insurance benefits or had not yet acquired the right to benefit (through contributions) (see Lowe, 1935: 588-94).

The renewed enthusiasm for the expansion of social insurance in 1932-34 probably reflected three concerns. First, state and other elites were growing concerned about the costs to taxpayers of social expenditures, and saw contributory schemes as a devious way of raising revenues. In Britain, assistance to the unemployed expanded far beyond the actuarial possibilities of its existing unemployment insurance system (Gilbert, 1970). A series of enquiries (in Britain, Australia, South Africa and elsewhere) advocated the introduction of contributory schemes for the elderly. Secondly, the politics of welfare shifted. In the cases of Germany and Denmark, social welfare reforms had been introduced by the right in the face of ambivalence or even opposition from the left. In the 1920s, however, social democratic parties incorporated welfare into the centre of their programmes. 'In both countries they were pushed, or allowed themselves to be pushed, towards welfare capitalism by other parties trying to diminish welfare, and by finding that the defense of welfare was a winning issue politically' (Levine, 1983: 84).¹⁷ As the left became the primary defenders of the welfare state, so social democracy as an ideology was redefined around non-revolutionary aims. Thirdly, and informing the first two points also, the economic depression sharpened demands for income support during and as a consequence of periods of unemployment.

What precisely was it that the ILO was promoting? Despite the inclusion of clauses accommodating tax-financed, non-contributory alternatives to social insurance, this was, as far as the ILO was concerned, 'the social insurance era'. In the 1920s and 1930s, many countries were inspired by the German model, which 'seemed eminently suitable for the protection of employees in the industrial and related sectors'. The more advanced countries extended 'the model to cover all risks likely to jeopardise the working man's capacity or possibility of supporting himself by work' (Perrin, 1969: 565). The ILO recognized explicitly that there were alternatives, but considered the German model of social insurance superior to all others and appropriate to both 'industrialized and industrializing countries' (*ibid*: 567). In a 1931 self-analysis, ILO officials referred disparagingly to 'social relief', which apparently encompassed (in their minds) social assistance also. These would, in some process of natural and inexorable progression, be replaced by social insurance (ILO, 1931: 146, 159).

But social insurance was certainly not as hegemonic as the ILO tended to imply. In a survey of existing provision in nineteen countries published in 1933, the Office listed numerous social assistance as well as social insurance schemes. The crucial debate over

¹⁷ Social democrats may have been ahead of organised labour on this. In Sweden, unions had pushed for tax-financed unemployment benefits – and were unimpressed by the Social Democrats' 1934 legislation, which employers opposed but quickly accepted (Swenson, 2002: 246).

the ILO's formal position took place in 1932-33 over the ILO's advocacy of social insurance against the risks of old age, invalidity and the death of a breadwinner. The background (or 'Gray') Report produced by the Office before the 1932 ILC apparently assumed that provision would be based on compulsory insurance. When the report and accompanying draft questions for member-states were discussed in committee at the ILC, however, a Danish delegate motivated for the recognition of non-contributory old-age pensions (on which the Office had apparently compiled a second report), subject to their guaranteeing an 'individual right as secure as the right under an insurance system'. He pointed out that, in Denmark, neither workers nor the general public would 'consider the adoption of compulsory contributory insurance as an improvement'. The Committee in effect voted against this proposal (with probably only the British and Danish delegates supporting it). In its report, the Committee argued that:

Workers who, in consequence of premature invalidity and old age, are no longer able to earn their living have ... a right to better protection than that which can be given through public assistance. ... Many countries have met the problem by introducing social insurance. ... The insured persons obtain a genuine right to benefits.¹⁸

Introducing the report to the whole ILC, the chairman of the committee (Dr Grieser, the German government delegate who had also presided over the process culminating in the 1927 convention) described non-contributory schemes as being 'half way between poor relief and ... insurance' (336).

Further objections were raised in the discussion on the floor of the ILC. The debate formally concerned the questionnaire to be sent to member-states, but in effect it concerned the terms on which the matter would be tabled on the agenda of the next (17th) session of the ILC. The British workers' delegate objected to the idea that only insurance accorded a clear right to benefits:

We in Britain, and in particular the workers, pin great faith to the social soundness of the principle of non-contributory provision for social services. The mere fact that a person covered by those social service insurances makes payment indirectly through taxes, through the purchase of commodities which he consumes, and through the general exchequer and finances of the country, gives him as a citizen no less right to social services in times of need than if he pays his contributions direct. ... Are we now to be told that the system of old-age pensions at 70 years of age in Great Britain today is not as effective and does not give the citizen as great a claim to pension rights, merely because it is non-contributory? (342).

Dr Grieser refused to accept this suggestion, on the grounds that they had already been rejected in committee. But the Government Delegates of Denmark, Estonia, Finland, Norway and Sweden moved an amendment that allowed for non-contributory pensions as an alternative to contributory ones, subject to their guaranteeing an 'individual right as secure as the right under an insurance system' (358). The Danish delegate, Lassen, spoke in favour:

¹⁸ Report of the Committee on invalidity, old-age and widows' and orphans' insurance, in Record of Proceedings, 16th Session of the ILC, 1932: 700.

We do not deny that advances in social legislation during recent years have justified us in preparing a Convention on the subject of insurance; but we think that non-contributory pension schemes have also had a certain utility. ... In my country, every person over 65 years of age whose income does not exceed a certain limit has a legal right to a pension, even though he has not paid any contributions directly. That pension, we find, is higher than the average pension granted under any contributory system. We therefore think that the Conference should take note of such systems and give Governments an opportunity of supplying information concerning them. ... I have no wish to attack the contributory system of insurance, but it is not yet proved that the contributory system is the ideal one, or that it is the only one. (English translation of speech delivered in French; 359-60)

The French Government adviser opposed the amendment, describing non-contributory pensions as mere 'relief', and pointing out that the maximum pension in all such schemes was way below the maximum value of contributory pensions in countries such as France and Germany (360-1). The Swedish government delegate supported the motion, noting that, with respect to the unemployed, the ILO recommended unemployment insurance or 'other methods of unemployment relief' (361). Grieser continued to oppose the amendment. But it was passed nonetheless, by a vote of 51:32, by a show of hands and so without a record of who voted which way. The amended motion was then passed (against the opposition of only two Indian delegates).¹⁹

The debate continued at the 1933 ILC, which was to adopt formally the conventions.²⁰ The extent of continuing disagreement over old-age insurance is indicated by the fact that the committee considering the draft convention was deluged with no less than 83 amendments on the first convention, and had to meet for a total of sixteen sittings. This Committee – not chaired by Grieser, who was not part of the German delegation sent by the new Nazi state – sought to broaden the appeal of the draft conventions by combining a 'requirement' that compulsory and contributory insurance schemes be established with a wide range of possible exceptions including coverage by non-contributory arrangements (under Article 2). Article 15 of the initial draft permitted countries to offer non-contributory schemes instead of insurance schemes (subject to satisfying Articles 16 to 22). In committee, this was amended to refer only to countries that did not yet have any compulsory, contributory schemes; in other words, countries with even a rudimentary social insurance system could not introduce social assistance instead of expanding social insurance. This amendment was carried by the slenderest of majorities (18 votes to 16, with many abstentions). In the ILC itself, the advocates of the conventions emphasized that the objective was to serve as a standard for countries that did not yet have any arrangements. The more demanding aspects of social insurance would be left out of the conventions and included in a Recommendation instead. Countries could therefore choose to ratify the conventions but not the Recommendation. Article 15 and other details were challenged unsuccessfully in the ILC, and various provisions in the Recommendation were also opposed by employers and by the British Government. But the conventions were eventually adopted.

¹⁹ Debate, 27-28 April 1932; Record of Proceedings, 16th Session of the ILC, 1932: 336-65.

²⁰ It was decided to separate out old-age insurance, invalidity insurance and widows'/orphans' insurance; for each, there were separate conventions for non-agricultural and agricultural workers, giving six conventions in total.

The respective merits of social insurance and social assistance were debated strongly in some countries where real choices were being made. Social assistance was aimed at the poor, and did indeed grow out of poor laws. But, by the early twentieth century, in Britain (and its Dominions) and Scandinavia, it has become linked to the rights of citizenship. It was egalitarian in that benefits were fixed; indeed, most were means-tested, meaning that the rich were ineligible. It was redistributive in that it was financed out of general taxation (mostly paid by the rich). The German model of social insurance, in contrast, accorded benefits only to former contributors, and was thus limited to the formally employed and excluded some of the poor. It was inegalitarian in that its benefits reproduced prior inequality in earnings. Workers and employers did not line up on opposite sides of the battlefield over social insurance and assistance. Workers in many countries favoured tax-financed social assistance, based on the rights of citizens, over ‘workerist’ social insurance. Employers in other countries favoured social insurance because it incorporated organized labour into corporatist institutional arrangements and blunted its militancy. The ILO, with its inherent focus on the concerns of workers rather than those of citizens, and its institutional preference for corporatist collaboration between employers, workers and the state, was always likely to favour the German social insurance model. But it is striking that, in 1932-33, the ILC prevented the model being endorsed formally without qualification.²¹

3. The problems of applying conventions outside of the most industrialized countries

Officials regularly acknowledged that the ILO was ‘intended’, inter alia, ‘to protect and help the more socially advanced countries against the “unfair competition of backward countries”’ (1931 Director’s Report: 4) – which was an important reason why conservative governments and employers supported the ILO.²² This reflected the ILO’s primary concern with the needs of industrial workers (and their employers) in the most industrialised countries. The ‘General Principles’ in Part XIII of the 1919 Treaty of Versailles identified the well-being of specifically ‘*industrial* wage-earners’ as being of ‘supreme international importance’ (Article 427).

Even within Europe the ILO faced difficulties in addressing the problems of agricultural workers. The French government even contested the legal competence of the ILO to regulate agricultural labour. ILO officials insisted that, from the outset, they were determined not to treat ‘agricultural labour as the Cinderella of the industries’ (ILO, 1931: 207), but the ILC’s conventions on agricultural workers were ratified by many fewer states than their counterparts for industrial workers, and the ILC often resorted to approving recommendations rather than conventions on agricultural work.

²¹ Guinand (2008: 95) shows that the ISSA together with key ILO officials connived to discourage British participation in the former, precisely because British delegates would promote their different systems and thus weaken the organized social *insurance* movement.

²² In his 1931 Report, the ILO Director had to counter charges from British employers that it had failed to do this adequately; he countered that the British employers were not playing their part within the ILO.

The problems were magnified with respect to less industrialized countries. Article 405 (paragraph 3) of Part XIII of the Treaty of Versailles provides explicitly for qualifications to the applicability of conventions approved by the ILC:

In framing any recommendation or draft convention of general application the Conference shall have due regard to those countries in which climatic conditions, the imperfect development of industrial organization, 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. (Reproduced in ILO, 1931: 374)

The ILO's members included a number of less industrialized countries from the outset. The first ILC, held in Washington DC in late 1919, was attended by delegates from 41 countries. Thirteen of these were in the industrial heartland of north-west Europe and North America.²³ Another six countries were located in the southern or central European periphery.²⁴ More than half of the countries (22 in total) that were present at the first ILC were *outside* of Europe and North America (Lowe, 1935: xxxviii). The numerical preponderance of non-industrial countries continued with subsequent accessions, except perhaps in 1920-22.²⁵ The ILO was forced by these countries to reserve for them some seats on the ILO's Governing Body (Lowe, 1935: xlvi; Alcock, 1971: 40-1).

The membership of less industrialized countries imposed more substantial challenges on the reach of the ILC's conventions. The very first Convention approved at the first ILC (in 1919) – concerning the eight-hour working day in industry – contained articles that specifically excluded China, Persia and Siam (for the time being) and qualified the application of the convention in Japan, India, Greece and Romania.²⁶ The ILCs through the 1920s were concerned with the problem of the 'special countries' of the Far East. In 1924, the Director of the ILO reported to the ILC in typical terms:

Whilst the stage of industrial organization reached in these countries is not such as to permit of the automatic adaptation to their economic and social conditions of Conventions and Recommendations the provisions of which are designed more particularly to meet the needs of great industrial States, the International Labour Organisation cannot neglect the possibilities of progress in these States and must seek means of promoting the enactment of legislation affording increased protection to their workers. It would seem that the Draft Conventions and Recommendations adopted at successive Sessions of the Conference indicate the lines along which that progress should be directed and that by the prudent application of their principles a suitably adapted

²³ Belgium, Czechoslovakia, Denmark, France, Great Britain, Italy, Holland, Norway, Poland, Sweden, Switzerland, together with USA and Canada. The defeated powers from the First World War – i.e. Germany and Austria – were admitted almost immediately. The US Congress voted to take the USA out of the ILO; it only returned in 1934, at the same time as the USSR joined.

²⁴ Finland, Greece, Portugal, Rumania, Serbia-Croatia-Slovenia, and Spain.

²⁵ Germany, Austria, Bulgaria and Luxemburg (1920); Estonia, Latvia and Lithuania (1921), Hungary (1922), Ireland, Australia, Honduras, Panama, Ethiopia (1923); Dominican Republic (1924), Mexico (1931), Iraq and Turkey (1932), USA and USSR (1934) (Lowe, 1935: lxxiii).

²⁶ Articles 9 to 13, reproduced in Lowe (1935): 415-7.

system of labour protection may be gradually created which will ensure to the workers of these countries fair and humane conditions of labour.²⁷

The Office initiated – but seems not to have completed – an enquiry into the ‘special countries’. For the most part, less industrialized countries simply did not ratify conventions, many did not report their reasons to the ILO (as they were supposed to do), and some did not even send delegates to the ILCs.

It was only in 1927, with respect to the two conventions on sickness insurance, that the generalised limitation in Article 405 (of the Treaty of Versailles) was first invoked (Lowe, 1935: 1v). Article 10 of the draft convention ‘concerning sickness insurance for workers in industry and commerce and domestic servants’ (and Article 9 of the corresponding draft convention for agricultural workers) specified that:

It shall be open to States which comprise *large and very thinly populated areas* not to apply the Convention in districts where, by reason of the small density and wide dispersion of the population and the inadequacy of the means of communication, the organization of sickness insurance, in accordance with the Convention, is impossible.

The States which intend to avail themselves of the exception provided by this Article shall give notice of their intention ... [and] shall inform the International Labor Office as to what districts they apply the exception and indicate their reasons therefore.

In Europe it shall be open only to Finland to avail itself of the exception contained in this Article. (Reproduced in Lowe, 1935: 482; emphasis added)

The accompanying Recommendation elaborated:

States which, by reason of the small density of their population or of the inadequacy of the means of communication, cannot organize sickness insurance in certain parts of their territory should: (a) Establish in such parts of their territory a sanitary service adequate to the local conditions; (b) Examine periodically whether the conditions required for the introduction of compulsory sickness insurance in the parts of their territory previously excepted from the compulsory scheme are fulfilled. (*ibid*: 488)

The ‘sparsely-populated states’ – notably Argentina, South Africa, Australia and Spain – were countries which identified with those of northern Europe and their delegates did not want to be associated with the ‘special countries’ of East Asia. Rather, they were countries which sought to emulate European standards in some respects but not others. For South Africa, the sparsely-populated argument seems to have been, at least in part, a euphemism for racial discrimination.

The 1927 conventions were not ratified widely within or, especially, outside of Europe. Chile (1931), Colombia and Uruguay (1933), and Nicaragua (1934) were the only four countries outside of Europe to ratify the convention (no.24) on sickness insurance for non-agricultural workers prior to 1945. Of the ‘sparsely-populated states’, Spain and Uruguay ratified them, but Argentina, Australia and South Africa did not. By contrast, the Minimum Wage-Fixing Machinery Convention of 1928 was ratified by 23 countries

²⁷ Director’s Report to 6th Session of the ILC, 1924, in Proceedings, Vol.II: 934.

prior to 1945, including nine outside of Europe, North America or Australasia: China (1930), South Africa (1932), Uruguay, Chile and Colombia (1933), Nicaragua and Mexico (1934), Cuba (1936), Venezuela (1944).²⁸ It is unclear how seriously the 1927 conventions were considered in all of the non-European countries. In some cases, however, countries reported back to the ILO that they had explicitly decided against ratification. The Indian government, for example, decided against ratifying any of the 1927 conventions and recommendation (Director's Report, 1929: 170) – and later also voted against the 1933 conventions.

It was the less industrialised countries whose indifference in (or opposition to) conventions was the main cause of low overall ratification rates. Although Europe accounted for just less than half of the members of the ILO by 1931, it accounted for seven out of every eight ratifications of conventions. The average ILO member-country in Europe had ratified thirteen, whilst the average ILO member-country outside of Europe had ratified just two – and many countries had ratified none (ILO, 1931: 269, 282-5). The ILO remarked that this may have been because the latter had 'not yet attained a sufficiently high standard of industrial development' or had 'entirely different' working conditions (*ibid*: 285).²⁹

The 1933 conventions on insurance for old-age, invalidity, and widows and orphans contained no geographical qualifications for 'sparsely-populated' states, but did list a set of categories of person who could be exempted from the otherwise compulsory scheme. These included high-waged workers and public officials, unwaged or family labour, outworkers and temporary workers (reproduced in Lowe, 1935: 543-4). As we saw above, the conventions were formulated with many exemptions precisely in order to encourage broader ratification. But the Old-Age Insurance (Industry etc) Convention (no.35) was ratified by only three countries prior to 1945: Chile (in 1935), Britain (in 1936) and France (on the very eve of war, in August 1939). The 1934 Convention on support for the unemployed (no.44) was ratified by only four countries prior to 1945: Britain (1936), Ireland (1937), New Zealand (1938) and Switzerland (1939).³⁰ Non-European countries were ratifying conventions, but not the ones concerning social welfare policy. Thus Argentina ratified sixteen conventions, Brazil ratified five, South Africa ratified eight and India ratified fourteen, prior to 1939 – but none of these ratified any of the nine social welfare conventions.³¹ Chile was the exception, ratifying the sickness insurance conventions in 1931 and the following insurance conventions in 1935.

Despite the efforts of the ILC to accommodate diversity, through provisions for sparsely-populated countries in 1927, a battery of exemptions in 1933, and the accommodation of various alternatives to unemployment insurance in 1934, the social insurance conventions were ratified by very few of the ILC member-states either in Europe or, especially, outside of it. If the ILO was influencing national policy-making outside of its industrial

²⁸ <http://www.ilo.org/ilolex>

²⁹ The ILO did note that, in some of the countries that had not yet ratified any conventions, ratification had been recommended by the government. For example, the Argentine government had recommended the ratification of as many as sixteen conventions (ILO, 1931: 285).

³⁰ *Ibid*.

³¹ I am excepting workmen's compensation from the list of social welfare conventions.

heartland (and even within it, with respect to social welfare policy), it was not doing so through the mechanism of the ratification of its conventions.

Insofar as the ILO had influence on social welfare policy at this stage, it was more indirect than direct. Perhaps the most important mechanism through which the ILO exerted influence was the collation and dissemination of information. Further research is required into this, but it is clear that the International Labour Office played an important role in providing information to national policy-makers about experiences elsewhere. This meant presenting some models more favourably than others.

This can be illustrated with respect to South Africa, which regularly sent delegates (from government, employers and trade unions) to the ILC, and where ILO documentation circulated widely. Between 1924 and 1928 the ILO provided South African officials with extensive information on old-age pension, unemployment and sickness insurance schemes across the world. Key members of a South African government commission attended the 10th Session of the ILC. In one of its reports, this commission acknowledged that:

The International Labour Office at Geneva has been instrumental in collecting and collating much information and has published a large number of books and pamphlets on various aspects of the subject. These publications are a mine of valuable information. The issue of such books goes far to prove that the International Labour Office is amply fulfilling the first function for which it was created, viz., the collection and dissemination of information on industrial conditions and industrial legislation. At the 1927 Convention the delegates were furnished with a work in six volumes on Compulsory Sickness Insurance which deals in great detail with the schemes already in existence. This work and the other publications referred to have been of great assistance to us in our investigations. (South Africa, 1928: 9)

The experiences of northern European countries were, however, of qualified relevance to 'sparsely-populated' countries such as South Africa. The commission recommended non-contributory old-age pensions (which were introduced in 1928-29), a partial health insurance scheme (which the government decided against) and a partial unemployment insurance scheme (which the government introduced, in part). Whilst the Office was of considerable assistance in terms of collating information on schemes around the world, and participation in the ILC influenced the thinking of important individuals, South African governments did not simply replicate the ILO's favoured model.

4. The Second World War and the ILO

The Second World War transformed the global landscape of welfare reform. The allies, led by Britain and (later) the USA, needed to articulate a vision of a more just and democratic postwar world. This vision, manifested first in the Atlantic Charter, clearly entailed more systematic redress of poverty. At the same time, the internal politics of the ILO shifted, as the primary proponents of the German model were absent (the German delegation having withdrawn as early as the middle of the 1933 ILC) and the proponents of what might be called a more mixed model were ascendant (through the growing involvement of the USA, which first attended an ILC in 1935, at the same time as it

designed its federal system of social security, and later through the inspiration of the Beveridge Report).

The Office, relocated from Geneva to Montreal because of the war, produced in 1941 a new survey of *Approaches to Social Security*. The preface made clear the context for this new document: ‘This essay concerns one of the great purposes of the nations now fighting for freedom and for a civilization based on respect for human personality.’ It was intended ‘to prepare the way for the planning of a complete social security programme, in readiness for post-war reconstruction’ (ILO, 1941: i). Social assistance programmes were no longer derided as anachronistic variants of poor relief, but were elevated to the same status as social insurance. ‘Social security’ was presented as integrating social assistance with social insurance: ‘Both approaches are needed in a complete programme of social security’ (2). The report emphasized the many similarities (as well as the differences) between social assistance and social insurance (see especially 81). Neither was seen as inherently inferior to the other. Indeed, if ‘social assistance is a progression from poor relief in the direction of social insurance’, as the neo-Bismarckians in the ILO had argued earlier, then ‘social insurance is a progression from private insurance in the direction of social assistance’ (82)! Recent reforms entailed elements of each, in that state subsidies to national insurance programmes allowed the poor to benefit even if they could not afford to contribute. Whilst the report avoided holding up any country as the model to be emulated, it clearly approved most of the New Zealand and Danish cases where ‘we can no longer say whether social assistance or social insurance predominates, but only that they possess a national system of social security’ (83).³² This reflected a major shift in thinking – and power – within the ILO.

What was appealing about the New Zealand and Danish cases was that they were seen as national and comprehensive ‘systems’. The subsequent Beveridge proposals in Britain (and the similar Marsh proposals in Canada) were similarly seen as proposals for even more comprehensive systems, distinguishing them from either the German model (which, in any case, had been tainted by the rise of the Nazis and the German withdrawal from the ILO) or the American model of the 1935 Social Security Act (although the name ‘social security’ did become popular).

The shift towards an embrace of social assistance alongside social insurance was to some extent countered by the emphatic endorsement of social insurance from the ILO’s member-states in Latin America. In the late 1930s the ILO had established a strong presence in Latin America, through a series of conferences, new offices and, especially, technical support to policy-makers. The political context in the region was, however, different to those in countries like New Zealand and Denmark. The objective of welfare reform was to incorporate the industrial working-class into a corporatist institutional framework. The goal was not so much the relief of poverty or addressing the rights of people as citizens, but the maintenance of stability. Social insurance suited better this objective, as it had in Germany in the late Nineteenth Century. The endorsement of social insurance in, for example, the Santiago Declaration of 1942 (see further below) served to offset in part the shift within the ILO towards social assistance, and may explain why the ILO had retreated a little from its 1941 position by 1944.

³² It is striking how few references there are in this report to the USA.

This overall shift in thinking, albeit perhaps somewhat diluted, gave rise to the well-known 1944 Philadelphia Declaration and accompanying Recommendation on Income Security, adopted at the 26th Session of the ILC. The Philadelphia Declaration committed the ILO to ‘the extension of social security measures to provide a basic income to all in need of such protection and comprehensive medical care’, as part of a broad strategy to raise the standard of living. More detail was provided in the Recommendation, which emphasized the combination of social insurance and assistance:

1. Income security schemes should relieve want and prevent destitution by restoring, up to a reasonable level, income which is lost by reason of inability to work (including old age) or to obtain remunerative work or by reason of the death of a breadwinner.
2. Income security should be organized as far as possible on the basis of compulsory social insurance, whereby insured persons fulfilling prescribed qualifying conditions are entitled, in consideration of the contributions they have paid to an insurance institution, to benefits payable at rates, and in contingencies, defined by law.
3. Provision for needs not covered by compulsory social insurance should be made by social assistance; certain categories of persons, particularly dependent children and needy invalids, aged persons and widows, should be entitled to allowances at reasonable rates according to a prescribed scale.
4. Social assistance appropriate to the needs of the case should be provided for other persons in want. (Reproduced in ISSA, 1948: 68-9).

The Recommendation specified the range of risks against which working people should be insured: sickness, maternity, invalidity, old age (or death of a breadwinner), and unemployment. Social assistance should ensure the well-being of dependent children, the aged and invalids, widows, and ‘all persons who are in want’. This was later represented in terms of a ‘doctrine of social security’, that sought to reconcile social insurance and social assistance ‘within a totally new framework’ (Perrin, 1969: 571). The authors of the 1944 Declaration ‘did not share the widespread illusions concerning the decline of assistance’ (*ibid*: 573).

The 1944 ILC also adopted a Recommendation on ‘minimum standards of social policy in dependent territories’ as part of its focus on the problems of postwar reconstruction. The Office recognized the limits of earlier conventions. For example, only one colonial power (Britain) had ratified the three conventions on ‘indigenous workers’. The ILO needed to move beyond its existing conventions but do so in ways that were sensitive to local conditions.

A proposed ‘recommendation’ and a detailed background report were distributed prior to the conference. The report – which was impressive – emphasized the need for a ‘general programme of well-being and development’ because it was insufficient to regulate employment relationships. The ILO should ‘contribute positively, not merely to better labour laws and administration, but also to policies that should provide for more wealth and for a better distribution of wealth’ (ILO, 1944a: 26). The Report advocated an approach that was much broader even than the doctrine of social security.

Education, health and labour policies are links in a single chain, and the strength of the whole will be the strength of the weakest link. In under-developed countries, where there is so much to be done and so little time to do it, where policies have in many cases not yet become firmly established, the dangers of acting as if welfare were divisible are great. In many of these countries, too, the structure of production is not yet and may never become one in which the regulation of employment can provide for more than a minority of the people and may become futile by virtue of the slower advance of the majority. Nor can the general economic situation be left out of account. Its results determine what social advance is possible; its aim should be to further such advance. Social policies, which are not based on economic possibilities, would at the best perpetuate the colonial system through philanthropy. Economic policies, not designed to broaden well-being, would lead back to exploitation.

... The standards of protection and well-being which have been treated in detail through the machinery of the International Labour Organisation need to be set out in a framework of economic possibilities and with due regard to all factors in the development of healthy social relations. This means that the standards of social progress for the protection of workers in employment should be explicitly attached to a general programme of well-being and development.’ (*ibid*: 25)

The regulation of employment needed to be supplemented with a ‘general programme of well-being and development’; the ILO should ‘contribute positively, not merely to better labour laws and administration, but also to policies that should provide for more wealth and for a better distribution of wealth’ (ILO, 1944a: 26). This approach was much broader even than the doctrine of social security embraced in the Recommendation on Income Security adopted at the same ILC.

A key factor in propelling the ILO towards a more encompassing approach was its recognition that the regulation of formal employment – including any social insurance for workers in formal employment – affected only a small proportion of even the working population in most colonies. In colonies where most people were ‘engaged in independent production, possessing in their lands, crops and herds some safeguards against personal disaster, measures of social security, by which the individual usually without such resources is granted a measure of protection against the hazards of his life, must have a lower priority than policies designed to raise the productivity and remuneration of the population as a whole’. Social insurance was of reduced importance in societies where illiteracy, malnutrition and poor health were widespread, and few people were involved in the money economy (ILO, 1944c: 43-5).

The ILC adopted a Recommendation comprising a set of ‘minimum standards’, a set of ‘general principles’, and mechanisms for implementation and reporting. The general principles entailed a general commitment to economic development and social progress in the interests of the people of the territory. The minimum standards were more specific. Most covered aspects of employment: forced labour, recruitment, contracts, the employment of women and children, and remuneration. There were also, however, specified standards for land, health, housing and nutrition, although these included many

qualifications (and the final wording of the Recommendation was much more restricted even than the wording proposed prior to the ILC). The final Recommendation stipulated that ‘such arrangements as are practicable, having due regard to local conditions, shall be made for the maintenance and treatment of the sick and for the care of the aged, of the incapacitated and of the dependent survivors of deceased persons’. A proposed article that stipulated that ‘compulsory insurance’ should be introduced ‘for the protection of employed persons and their dependents in cases of sickness and maternity, old age, death of the breadwinner and unemployment’ (albeit subject to the caveat ‘as soon as the necessary conditions for the operation of such insurance are present’) was diluted to a mere commitment to workmen’s compensation (see ILO, 1944c: 53-61; and ILO, 1944d: 489).

However qualified, this Recommendation (and a supplementary Recommendation passed the following year) marked, in Cooper’s words, a ‘decisive break’ in the ILO’s view of colonial labour, from the prevention of forced labour to its regulation as a ‘normal part of life’; ‘such issues as job security, trade union rights, and social security came onto the agenda’ (Cooper, 1996: 216-7). Whilst the Recommendation certainly marks a shift in the ILO’s approach, and a more decisive and direct intervention in colonial matters, it seems to me that Cooper misinterprets the precise nature of this shift. The primary route by which the ILO had engaged with colonial labour hitherto had been within the core ILO conventions, by way of Article 421 of Part XIII of the 1919 Treaty. As we have seen above, it was long concerned with the problems of the Asian ‘special countries’ (which included colonies). The 1944 Recommendation entailed a shift in the way that the colonies would be approached. Lower (‘minimum’) standards would be recommended than in northern Europe, but it would be harder to invoke the ‘unsuitability’ clauses in Article 421. This was, however, only a Recommendation, not a Convention.

Cooper’s primary thesis in his book is that British and French colonial governments shifted to accepting a permanent urban working class in their African colonies, and accordingly reformed a battery of policies so as to ‘stabilise’ African labour; moreover, this had powerful repercussions in terms of their acceptance of political change. The ILO clearly played some part in this important shift (notwithstanding the nature of the shift in the ILO itself). Cooper writes that the ‘French and British governments ... took the ILO agenda quite seriously in internal discussions’ (219), and sought to use it to their advantage. ‘They sought to use international fora simultaneously to claim moral high ground through their efforts in economic and social development and to depoliticize the questions involved’ (220). British and French government colonial experts met regularly to discuss (in technical terms) policy reforms. The first Inter-African Labour Conference was held in Nigeria in 1948. The policy agenda included social welfare reforms: Officials agreed that African workers should be insured against all risks, and old-age pensions should be introduced ‘where tribal organization has ceased to be effective’ (quoted, *ibid*: 222).³³ Cooper provides little evidence, however, that the ILO was responsible for changes in colonial policies. Rather, it provided another incentive to a process that was already underway and had other, more powerful causes.

³³ This view was reiterated after the war by a Committee of Experts on Social Policy in Non-Metropolitan Territories, established by the ILO. The Committee met in London (1947), Geneva (1951), Lisbon (1953) and Dakar (1955). See ILO (1956): 627-31.

The ILO's embrace of 'development' alongside workerist welfare policies followed the turn to development of the British state. Britain – and the ILO – adopted 'development' in part as a strategy for deflecting demands for European-style social assistance. Faced with precedents such as the Barbados old-age pensions (see Seekings, 2007b) and an Empire-wide flurry of excitement in response to the 1942 Beveridge Report, the British Colonial Office had finally formulated a statement on welfare policy that explicitly discouraged British-style reforms and steered colonial governments towards 'development' instead.³⁴ The underlying view had been expressed earlier by the Colonial Office's labour advisor:

There seems to be some reason for doubt whether the methods of the Beveridge Report are quite suited to colonial conditions. It is designed for an advanced democratic community with a high standard of education and a long experience of social services; such a description is clearly inapplicable to the populations of the African colonies, or even the West Indies.³⁵

British advisors – including the social scientist Audrey Richards, Lord Hailey and the Colonial Office's labour advisor – played key roles in drafting the ILO's revisionist documentation in the war years of the early 1940s. They ensured that European-style reforms might be required for the small but politically significant population of urban workers, many of whom had weak links to rural society, but 'development' was the answer for the vast majority of the population living in the countryside. Even without the ILO, the British and other imperial powers were moving towards a dualistic policy that emphasised development in rural areas and stabilization – including the kinds of reforms introduced in Europe over the previous half-century – for the small minority of urban workers. The appeal of social insurance was that it could be limited to the latter, whereas social assistance was both difficult to contain and entailed dreaded 'philanthropy'. Africa was thus steered down a path of social insurance for a privileged minority, without the ILO having to play much of a role.

In Latin America, the ILO promoted social insurance for formally-employed workers without any attention to social assistance schemes. The pioneers in welfare state-building in Latin America – Uruguay, Argentina, Chile – had already established embryonic social insurance systems without much or any ILO involvement (on Chile, see Morris, 1966). From the late 1930s, however, the ILO played a growing role through the appointment of technical experts and its support for regional conferences. The American members of the ILO first met separately in Santiago in January 1936. The conference passed resolutions including ones embracing social insurance, notwithstanding the acknowledged problems caused by scattered, heterogeneous and non-industrial populations. Following the conference, the ILO began to appoint American technical experts and officials, and opened offices in Havana, Caracas, Montevideo, Santiago, Bogota and Lima (Alcock, 1971: 137). A second Labour Conference of American State members was held in Havana at the end of 1939. The growing concern with social welfare issues led to the formation of a specialist body. First, in 1940, an 'Inter-American Committee to Promote Social Security' was established at a meeting in Lima. Then, in September 1942, the first

³⁴ The key document here was a Memorandum on *Social Security in the Colonial Territories*, completed in mid-1943 but only published in 1944. This paragraph summarises an argument that I am in the process of exploring in much greater detail elsewhere.

³⁵ Orde-Browne, 'Social Insurance in the Colonies' (21.4.43) (CO 859/78/1, document 1), p.4.

Inter-American Conference on Social Security was held in Santiago. The ‘Declaration of Santiago de Chile’ – which formed the first resolution of the conference – grandly proclaimed that ‘every man and woman must be afforded physical and economic protection against social and economic risks’, as well as calling for a ‘just social order’ (ILO, 1944e). But the primary mechanism to achieve this would be social insurance. The accommodation of social assistance that was emphasized in the ILO’s *Approaches to Social Security* in late 1941 is not reflected in the Declaration of Santiago. Given the membership structure, it is hardly surprising that social insurance predominated here. A Permanent Inter-American Committee on Social Security was constituted (in 1943) and a secretariat established. The ILO paid for most of the expenses of the Permanent Committee, including the salary of the secretary-general.

Subsequent to the Declaration of Santiago, official statements accommodated social assistance along with social insurance, and the broader concept or doctrine of ‘social security’. At a parallel Inter-American Conference on Problems of War and Peace, in Mexico City in February/March 1945, countries signed up to a ‘Declaration of Social Principles of America’ that included the injunction that ‘the American nations should ratify conventions and incorporate in their legislation and enforce measures to protect the worker against the various risks, in accordance with the bases of social insurance, assistance and security, approved by the sessions of the International Labour Conference and by the Inter-American Committee on Social Security’ (quoted in ILO, 1950: 47). At the 1947 session (in Rio de Janeiro) of the Inter-American Conference on Social Security, a resolution referred to the need for ‘a wide and harmonious development of social insurance, assistance and essential welfare systems, in order to meet the requirements of the population’ (quoted in *ibid*: 48).

In practice, however, the ILO was promoting social insurance only. The prewar trickle of technical assistance became a flood after the 1939 Havana Conference. In 1940-41, the Chief of the ILO’s Social Insurance Section traveled extensively in Latin America, and other senior officials were central in the reforms introduced in Mexico. The ILO played an especially important role in providing specialist actuarial advice (see ILO, 1946: 147-9; see also ISSA, 1950). In 1946, the Director of the ILO summarized these contacts in the grandiose terms that seem typical of the ILO:

Social insurance has unquestionably been the most fertile field of collaboration between the countries of Latin America and the International Labour Office. It may in fact be claimed that there is no system of social insurance in these countries which has not been inspired by international labour Conventions and Recommendations and which has not received technical assistance from the ILO’s competent service. (ILO, 1946: 147)

In Mexico, ILO technical assistance became available at just the moment that the Mexican state sought to incorporate organized labour into corporatist relationships. State officials produced plans for a social security system, then met with ILO advisers who revised them, and then the state brought in selected labour leaders. Some groups of workers objected: workers with existing privileges worried about seeing these eroded, critics of the compliant labour leaders saw an opportunity for political gain, and ordinary workers worried about the cost of contributions. The state responded by recognizing the privileges of the labour aristocrats in key sectors, offering concessions, and then

repressing opposition (Spalding, 1980: 424-6). Similarly, advice from the ILO was important in the concurrent reforms ‘from above’ in Costa Rica (Rosenberg, 1979).

The technical emphasis of the ILO in Latin America reflected the expertise of the ILO’s Social Insurance Section, the needs of existing social insurance institutions in Latin America, and the interests of states (like Mexico) which sought to build corporatist social insurance as a solution to what was previously known as the ‘social question’ (rather than as an anti-poverty strategy).³⁶ The provision of technical assistance did not entail the kind of rethinking of social welfare policy that was reflected in the ILO’s more strategic and visionary documents of 1941-44. Under the ILO’s influence, therefore, social insurance schemes were reformed in ways such as unification. The list of technical assistance provided by the ILO (1946: 147-9) includes not a single mention of social assistance.

The emphasis on social insurance in Latin America meant that most of the poor were excluded from social welfare policies. The 1947 Rio conference made a qualified commitment to rural workers, but only ‘to the extent and at the pace permitted by the national and regional characteristics of each country’ (quoted in ILO, 1950: 66). Uruguay, which drew on a tradition of combining social assistance and social insurance, had already introduced reforms that moved in this direction. From 1944, rural workers were covered by an insurance scheme, providing old-age, invalidity and survivors’ benefits, that was financed not out of direct contributions but from a tax on landed property, i.e. an earmarked part of general taxation (ILO, 1946: 99). In general, however, social insurance schemes in Latin America were, over the following decades, to expand into a mechanism for redistribution not from rich to poor, but if anything from poor to rich, with the poor paying through higher prices as well as taxes used to subsidise the social insurance benefits of workers in formal employment. Put another way, the formally employed were to be maintained at European-style levels at the expense of the poor. This is what the German model meant in the context of the later and partially industrializing countries of the global South.

In the thirty-odd years prior to this period of transition, the ILO had played a loud role in promoting welfare state-building as part of its efforts to regulate wage labour on a global scale. But what had the ILO actually achieved, outside of its industrial heartland of north-west Europe? Had it succeeded in promoting the diffusion of policies from the advanced industrial countries to the later industrializing and less industrialized parts of the world?

Spalding, in her case-study of Mexico in the 1940s, concludes that foreign models have been more important in developing countries than for the pioneer European countries, largely because in organized interest groups (notably labour) have much less power in the former than in the latter. By the mid-twentieth century,

a consensus began to emerge that a social security system was a defining characteristic of modern, progressive government. ... Late-developing, dependent, nations, in which ambitious state leaders are attempting to establish international credibility, seem especially susceptible to these pressures. Certainly in the Mexican case the continued absence of a policy

³⁶ The corporatist ambitions are suggested in the 1942 Declaration of Santiago, which refers to the benefits of social insurance to society as a whole. Workers need social insurance so as to maintain their productive contribution to national welfare. There is no mention of individual rights, or of citizenship.

deemed abroad as the hallmark of progressive government caused political leaders considerable chagrin and provided an impetus for policy adoption. A special need to secure the symbols of modernity, therefore, may well accentuate the imitative policy actions of developing states. (Spalding, 1980: 433)

This aspiration to modernity may indeed have driven many political elites in the global South, but precisely which modernizing ideas or modernist models were especially influential? The timing of the pioneering reforms in the South suggests that the initial sources of inspiration and guidance preceded the ILO: Uruguay, Chile and Argentina all introduced large-scale social insurance (and, at least in Argentina's case, planned even grander reforms) prior to the first substantive discussions of this in the ILC or Office; South Africa (see Seekings, 2007a), as well as some of Britain's colonies (notably Barbados – see Seekings, 2007b) turned to social assistance in the first instance, despite the ILO's determined evangelism (at that time) in favour of social insurance. The ILO's preoccupation with global standard-setting may indeed have limited its influence in much of the South, because governments like South Africa's were all too aware of the inappropriateness of much of what the ILO deemed 'standard', from the point of view of industrial Europe.

The ILO certainly did shape national agenda on occasion, although shaping the agenda did not guarantee that reforms would follow. In South Africa, reformers in the 1920s were undoubtedly influenced by the ILO, although the schemes that were implemented by successive governments were less workerist than the ILO-influenced proposals. Similarly in the British West Indies, reformist governors were aware of the ILO's conventions and recommendations – communicated through the British Colonial Office – but could nonetheless advocate and implement very different kinds of reform. In Latin America, countries that lagged behind the pioneers were especially susceptible in the early 1940s to advice from the ILO. But they took that advice when it suited them, especially when the corporatist thrust to social insurance suited their own political strategies of incorporation.

5. The postwar world

The postwar world was one of rapid change, to which the ILO itself responded with a mix of continuity and change. The colonial powers adopted strategies of rural development and urban 'stabilisation', and then sudden decolonization, resulting in the rapid expansion of ILO membership and the growing political power of member countries from the global South. The ILO itself, under a new Director-General (Morse) was to embrace the developmental agenda envisaged at Philadelphia, alongside a strong commitment to the German model of social insurance – especially in Latin America, where tripartite corporatism became politically entrenched.

The first major initiative was the attempted codification of one part of the 1944 Declaration as well as Recommendation on Social Policy in Dependent Territories as the Social Security (Minimum Standards) Convention. The 1951 ILC had discussed a report prepared within the Office on *Objectives and Minimum Standards of Social Security*. The item came up for a second discussion in 1952, and the ILC passed its Social Security

(Minimum Standards) Convention (no 102). This set out globally-applicable minimum standards for provision against poor health, disability and death, unemployment and old age, as well as family benefits (although countries that ratified the convention were obliged to provide social security in at least three of the nine listed branches). Standards were set in terms of both coverage and benefit rates. Programmes had to cover a specified proportion of the relevant population, and benefits had to be above a specified minimum in terms of a percentage of the individual earnings or 'standard wages'. The minimum was set at different rates for different benefits, with higher rates for employment-related injury than for sickness or unemployment, which in turn were higher than for old age.

The convention stipulated that provision could be made through either social insurance or social assistance (including either targeted or universal schemes), in the same way as the Declaration of Philadelphia, and even accommodated the possibility of systems of 'voluntary' insurance as existed in Scandinavia. Old-age benefits, for example, must cover either a specified proportion of workers (i.e. through social insurance) or of people with incomes below a specified minimum (i.e. through means-tested social assistance). In debate, a workers' adviser from Austria (who also served as deputy-chairperson of the Committee on Social Security) referred to the convention as drawing on these diverse traditions:

From Germany ... we learned the principles of the classical type of social insurance, the principles that governed social security before the war. From the British Commonwealth we learned the notion of social security and we learned how social security was going to develop into a wider system. We looked upon the constitutional stipulations of the Latin American countries and we found that very big changes, as far as social security goes, have been made in the last few years in order to incorporate the principles of social security into the State Constitution. From the Scandinavian countries we learned just how far one can go to compromise between voluntary insurance and compulsory systems of insurance in so far as voluntary insurance is a national substitute for compulsory insurance ... I think that what we have achieved in incorporating those principles into one document is the creation of an international document which, in the history of social security, can be regarded as a certain – and a very important – landmark in the development of international social security.³⁷

(The reference to Latin American countries was in recognition of the strong claims made by delegates from, especially, Argentina, then constructing a Peronist brand of corporatism.)

But the convention clearly favoured contributory social insurance. This is clear in the articles that allow for partial exemptions for any country 'whose economy and medical facilities are insufficiently developed'. Most of the exemptions were partial in that they required 50 percent coverage of the *industrial* workforce rather than of the total workforce or population. Industrial workers were privileged. This presumably reflected both their power within the tripartite structure of the ILO and the general assumption that 'development' should and would steadily transform peasants into workers.

³⁷ ILC, 35th Session, Geneva, 1952, *Record of Proceedings* (Geneva: International Labour Office, 1953), p.310.

Employers resisted strongly the convention, speaking against it in committee at almost every stage. If the ILC was to adopt anything, they said, it should be another 'recommendation', not a convention. Conventions that were not ratified were a 'masquerade'. The standards stipulated, they said, were not minimal. Some employers complained that coverage should not extend beyond employees, whilst others complained that it would not reach the poorest members of society. Whether amendments to drafts had the effect of extending or cutting back on provision, the votes split almost evenly, and several votes did in fact split exactly down the middle.³⁸ Workers' delegates felt that the convention did not go far enough. They had pushed for discussion of a second item, on 'Objectives and *Advanced Standards of Social Security*'. A report had been tabled, but the ILC had run out of time – primarily, it seems, because it had taken so long to get through the Minimum Standards convention. At the end of the proceedings, delegates voted on whether to place the item on the agenda of the next year's ILC or to defer further discussion, pending either further investigation (by the ILO's Committee of Social Security Experts) or consideration 'in the light of the experience gained of the workings' of the Minimum Standards convention. The ILC voted, by 156 votes to 155, to defer discussion.³⁹

The British Government delegate supported the convention, with reservations.

I believe that the Organisation is now faced with this choice: either we have to entertain the possibility of an instrument more or less along the lines of the one now before us, or we have to reconcile ourselves to the thought that the Organisation just cannot keep up with modern developments in social security. I believe that the latter is an idea that Members of the Organisation cannot really entertain, and that they will feel that new developments outside should be paralleled by new concepts of the type of instrument to be adopted.

The draft convention represented a compromise between setting 'a standard which is not so low that it represents no advance at all and not so high that it is really impossible of attainment by a majority of countries'.⁴⁰ The final compromise on the convention entailed reducing, from four to three out of nine, the number of branches of social security that countries had to implement in order to comply with the convention. This reduction was proposed by the Indian Government's delegate, whose motivation set out the dilemmas facing countries such as India. He appreciated, he said, the efforts of delegates 'in respect of the difficulties facing countries like mine', but felt that one further amendment was required:

This amendment ... is of the utmost importance to my country and perhaps to other underdeveloped countries as well. ... The Conference has decided that the present Convention should relate only to minimum standards. It would be more appropriate, therefore, to keep the minima reasonably easy so as to make implementations possible for a large number of countries. Much higher standards can be laid down for advanced countries when dealing with advanced standards of social security. Unless this distinction is made, the real

³⁸ The Record of Proceedings records the tally in each vote but not who voted which way: *Ibid*, especially Appendix VIII.

³⁹ *Ibid*, pp.539-40.

⁴⁰ *Ibid*, p.318.

advantage of adopting these standards may lose its value. ... [I]t will take a very long time to cover a substantial percentage of the population in underdeveloped countries even under three parts of the Convention. It may even prove impossible to do so if four parts are to be included.

He pointed out that India already had legislation providing for factory workers. This, he said, was relatively easy. But their ambition was to extend coverage more broadly, and that required more flexibility in the convention.⁴¹

The final vote on the convention was carried by 123 votes to 32, with 22 abstentions. The convention was opposed by almost all of the employers' delegates, but not a single workers' or government delegate joined them in their opposition.⁴²

This Convention was ratified by very few countries, especially across the global South. On average, only one country ratified the convention each year, with a total of nine by 1960 and nineteen by 1970 (including only six from the global South). As earlier, whatever influence and role played by the ILO in the field of social protection did not revolve around the ratification of relevant conventions. Rather, this was a period of rapid expansion of ILO technical assistance, with respect to both social security – social insurance, in practice – and development. As peasants were transformed into workers, and productivity rose, so poor countries would be able to afford more ambitious social policies including social security programmes.

The ILO's increasing commitment to developmental issues did not entail any diminution of its concern with social security. In the 1960s, the Governing Body of the ILO decided that all of the prewar conventions on social security needed to be reconsidered and a series of new conventions adopted to expand on the commitments in Convention 102 of 1952. Old-age pensions, for example, were discussed in the 1965 and 1966 ILCs, with Convention no.128 being adopted at the latter. The purpose of the new convention was to bring the prewar conventions on old-age pensions into line with Convention no.102 whilst allowing sufficient flexibility to encourage countries to ratify it. As the Government advisor from the USA put it:

The proposed Convention ... takes cognizance of the manifold variety of approaches in the more than 80 countries that presently have [pension] systems, each of which is designed to meet the countries' particular social, economic and political needs. But what is really unique is that it takes account of at least four possible levels of a country's economic and social development, and encourages progress from one level to another. It takes account of the countries whose economies have not yet sufficiently developed to enable them to meet the full standards. It takes account of countries which have a long history of social security but which have special problems that still prevent them from fully meeting the standards. Temporary exceptions to specific standards have been provided to enable each of these groups of countries to ratify the Convention, but with due regard to encouraging them

⁴¹ *Ibid*, p.407. Whilst the Indian amendment was rejected, another amendment was adopted that allowed for three parts as long as these included at least one branch of social security that did *not* entail provision for ill health.

⁴² *Ibid*, p.409. The record does not list abstentions.

to improve their systems as soon as possible. ... The proposed Recommendation is and must be recognized as a future goal, a fifth step towards which all countries must strive, but which none can be expected to achieve in the short run.⁴³

The Convention stipulated minimum coverage and benefit rates along the lines of the 1952 Convention, but more onerous. Thus old-age benefits should cover '(a) all employees, including apprentices, or (b) prescribed classes of the economically active population, constituting not less than 75 per cent of the whole economically active population, or (c) all residents or residents whose means during the contingency do not exceed [prescribed] limits' – except that countries whose economies were 'insufficiently developed' might apply for a partial exemption, allowing more limited coverage.

Almost as the ILC passed this series of new conventions, Paukert published a paper showing that social insurance programmes typically entailed inequality-worsening redistribution in developing countries (Paukert, 1968). Whilst it is unclear what impact this – and other, similar research – had within the ILO, it certainly served to highlight the paradox of an organization that proclaimed its pro-poor credentials whilst championing in practice programmes that, on their own, benefited semi-privileged minorities in the global South. In his retrospective paper on the ILO's half-century, in 1969, Perrin listed some of the *disadvantages* of the German model:

The restricted notion of risk, the dependence of entitlement on contribution, the various requirements for eligibility related to determination of the persons to be protected, and the often very strict financial limits imposed on the provision of benefits. These disadvantages no doubt corresponded to the limited means available to the insurance institutions and society at large for social protection purposes. But they helped to reveal the serious shortcomings of the schemes, which were organized in such a way as to exclude members of the worker's family, or groups of workers unfit for regular employment, or those in the greatest distress. These persons continued to depend on traditional assistance.' (Perrin, 1969: 567-8).

At the same time, however, Perrin refers to 'the coherence and completeness' of the German model (570).

It was perhaps not entirely coincidental that, in the 1970s, the ILO deepened its efforts to promote poverty-reducing development or growth paths. An inquiry in Colombia in 1970 (followed by an inquiry in Kenya in 1972) fed into new emphasis on employment creation, the satisfaction of 'basic needs', and later the informal sector also. The ILO adopted the concept of 'basic needs' at its World Employment Conference in 1976. One of the first opportunities to apply the new concept came in Tanzania, one of the poorest countries in the world. In the 1970s, the ILO's concern in Tanzania was with increasing employment. In 1980, it shifted its emphasis to the broader issues entailed in addressing 'basic needs'. Tanzania was unusual in that the post-colonial state had emphasized basic needs since at least 1967. But this meant that there was less scope for gains to be made through pro-poor shifts in public policy. The ILO's 1982 report on *Basic Needs in Danger: A Basic Needs Oriented Development Strategy for Tanzania* (ILO, 1982) was

⁴³ ILC, 51st Session, Geneva, 1967, *Record of Proceedings* (Geneva: International Labour Office, 1968), p.435.

less significant in terms of the policy recommendations for Tanzania – essentially, more of the same – than they were for the ILO itself. The Report placed the emphasis on measures to ensure improved health, education, shelter, access to water and sanitation, and to promote small-scale agricultural production – and not simply on the need to expand formal employment. Even in Tanzania, however, the small number of urban wage workers had been privileged in the past – on the recommendation of the ILO and similar agencies. The ILO team’s work was made easier by the related facts that, firstly, food crop prices had risen relative to minimum wages (for urban workers) since the mid-1970s, and secondly that Tanzania had a relatively egalitarian distribution of income.

In Tanzania, the ILO team concluded, poverty in both urban and rural areas was not because of open unemployment but rather because of a lack of opportunities to earn an income high enough to support working people and their dependents out of poverty.

The objective, then, cannot be to “find jobs” for the poor in Tanzania – almost all of them have work already, even if this does not fit the notion of a “job” in the sense of the labour contract between a working individual and a hiring firm. What the poor need in order to increase their level of basic needs satisfaction is better incomes – not more work, but better work. Thus, the question of poverty alleviation and of basic needs satisfaction becomes almost indistinct from that of development itself basically aimed at increasing the productivity of labour and more evenly distributing the fruits of technical change. (ILO, 1982: 76)

The ILO therefore recommended investments in education, health care, rural water supply, and so on. The 1982 Report included no discussion of social security. The closest it came to increasing the income of the poor directly was its advocacy of labour-intensive public works programmes to build infrastructure.

As the discussion of public works made clear, the ILO was still trapped within a framework of promoting high-wage employment. The ILO team agonized over whether rural public works programmes could pay below the urban minimum wage. Committed to a very northern conception of decent work, the ILO could only address the challenges of income poverty in places like Tanzania through emphasizing, paternalistically, development. Low-benefit income transfers were not on the agenda. The ILO faced much tougher challenges in middle-income countries, especially in Latin America, where public policy was more blatantly hostile to the poor.

In the 1990s, the ILO once again turned to the question of social assistance and safety nets in the global South. A work programme was described in terms not unfamiliar to reformers over most of the century:

The programme has two objectives: First to examine the reasons why statutory social security schemes do not reach larger proportions of the labour force; and second, to develop a more informed base for the consideration, design and implementation of tax-financed social assistance and contributory social insurance schemes. (Gillion, 1999: v)

The director of the ILO’s Social Security Department described ‘the basic reasons for low social security coverage’ as being ‘complex’ – although, again, the stated reasons would have been familiar to previous generations of reformers:

Usually a large proportion of the labour force lies outside the formal sector and does not have a regular job whose earnings can be monitored and on which mandatory contributions can be collected from both the worker and the employer. This weakens the participatory basis on which most formal sector social security schemes are predicated. Often the formal sector schemes open up participation to informal sector workers on a voluntary basis. But many workers outside the formal sector are not able or willing to take up this possibility. They are generally poor, and it would mean contributing a relatively high proportion of their income (the equivalent of the worker's plus the employer's contribution) to finance social security benefits that do not meet their priority needs. (*ibid*).

These stated reasons are quite simple really. There are more complex reasons that are left unstated. Most importantly, for much of the Twentieth Century in many Southern countries, a high proportion of the formal sector workers covered by statutory social security schemes are in sectors that are heavily protected through tariffs and are thus able to pass onto consumers the costs of contributions, whether by employers (including the state, in the case of the public sector) or workers. This was especially true in countries in Latin America, where the result was considerable redistribution from consumers – including the poor – to formal sector workers. Insofar as social insurance systems redistributed *between* classes – as opposed to within classes, especially across the life-course – they often if not generally redistributed from both the very rich *and* the poor to formal sector workers.

ILO officials began to recognize the assumptions that underlay the ILO's developmental agenda: 'In its standard-setting and most of its technical cooperation activities on social security,' wrote van Ginneken (1999: 3), 'the ILO had traditionally expected that all workers would sooner or later end up in secure formal sector employment'. 'Traditionally' is an interesting expression here, and presumably refers to a widespread and institutionalized assumption. Van Ginneken himself emphasized, as had many of his predecessors, the need for social security to comprise both social insurance and social assistance. Unlike some of his predecessors, however, he explicitly recognised that different forms of welfare reached different sections of the population. In his 'policy recommendations', van Ginneken proposed a multi-pillar approach: the extension and reform of existing contributory institutions to extend their reach from 10-25 percent of the working population and their dependents by an additional 5-10 percent of the working population; tax-financed social assistance and other schemes to reach the poorest, approximately 30 percent of households; and new contributory schemes for the 40-60 percent of the working population in between the first and second groups, who have some capacity to contribute (1999: 179). The latter might entail, first, insurance against illness, disability and death, which many working people recognize as priorities. It seems likely that this belated recognition of the distributional consequences of different forms of welfare was in part due to the impact of structural adjustment and the rise of insecure employment for formerly secure formal sector workers.

Similar views were later expressed by the former secretary-general of ISSA, Vladimir Rys. Social insurance became hegemonic, 'for better or worse', in part because 'continuing economic growth was being taken for granted'. It was not intended to prevent poverty in general, but only to insure workers in the formal economy against specific

risks that would otherwise push them into poverty. The broader problem of poverty would be dealt with through high and sustained economic growth, which would draw more and more workers into the formal economy and the realm of social insurance. In the different circumstances of the end of the Twentieth Century, Rys (2007) acknowledged, there might sometimes be a need for tax-financed social assistance.

Conclusion

The actual impact of the ILO on legislative reform and implementation in the global South is a subject demanding further research. The ILO's own assertions of its importance need to be interrogated. It is likely that, in general, the ILO's influence was most pronounced on technocrats across the global South, and the impact on legislation thus reflected in large part the authority of technocrats in politics and the policy-making process. And, when technocrats' visions accorded with the 'modernising' ambitions of political elites or the self-interest of key institutional actors or social groups, then they would be more likely to feed into reforms.

What is clear is that, with respect to social welfare policies, the model being promoted by the ILO through almost the entire Twentieth Century was the social insurance model, derived originally from the German experience, and focused narrowly on workers in formal employment. The German model dominated the ILO in the 1920s and early 1930s. Efforts to emphasise social assistance programmes, aimed directly at the currently poor rather than protecting workers against the risks that might impoverish them, were largely frustrated in the early 1930s. Only in the context of the Second World War, the relocation of the ILO to Canada, and the widespread excitement prompted by reforms in New Zealand and the Beveridge Report in Britain (and similar proposals elsewhere), did the ILO rhetorically embrace a mix of social welfare approaches, as articulated in the 1944 Philadelphia Declaration and related documents. Even after the war, however, the ILO continued to emphasise social insurance programmes and to downplay social assistance. Insofar as poverty was to be addressed, it would be through 'development' programmes that would help the formal economy to grow, leaving fewer and fewer people outside of formal employment and hence contributory coverage. This developmentalism meant that the more expansive vision of 1944 could be side-stepped. ILO policy thus shows marked continuities across the Twentieth Century, despite the radicalism and promise of change of 1944.

More than fifty years later, in 2001, the ILO conceded that 'there is no single right model of social security', and that the social insurance model was insufficient in many contexts. The following year, the ILO embarked on a *Global Campaign on Social Security and Coverage For All*. It was not long before one of the most deep-rooted assumptions underlying the ILO's long emphasis on social insurance alone was challenged. Michael Cichon (director of the ILO's Social Security Department) questioned the unaffordability of social assistance:

We have done simulations on how many countries could actually afford a basic system in the developing world, and in 10 out of the poorest 12 countries that we actually analyzed, and where such systems don't exist, could have afforded some form of basic social security without external

assistance provided. In a country like Tanzania or Senegal, if you were to spend between 3 to 4 per cent of GDP on social security, you could reduce the number of people living in poverty by 40 per cent, which is – of course – a rule of thumb.⁴⁴

Cichon couched this in developmental terms: the emphasis on development before redistribution had now switched into an emphasis on redistribution as an investment in (and prerequisite for) development. But, for the first time in almost a century, the ILO's rhetorical nods to social assistance were being matched by more substantive support. What difference in the countries of the global South the ILO's reorientation makes *in practice* is another topic for further research.

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