adopted
by the International Labour Conference
at its 89th Session
(Geneva, June 2001)

I

Resolution concerning social security

The General Conference of the International Labour Organization,
Having undertaken a general discussion on the basis of Report VI, Social
security: Issues, challenges and prospects;
1. Adopts the following conclusions;
2. Invites the Governing Body of the International Labour Office:
   (a) to give due consideration to them in planning future action on social
       security;
   (b) to request the Director-General to take them into account both when
       preparing the programme and budget for the 2004-05 biennium and in
       allocating such resources as may be available during the 2002-03 biennium.

Conclusions concerning social security

1. In 1944 the Conference recognized “the solemn obligation of the
   International Labour Organization to further among the nations of the world
   programmes which will achieve ... the extension of social security measures to
   provide a basic income to all in need of such protection and comprehensive
   medical care”. 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. The
   Director-General is invited to address the conclusions set out below with the
   seriousness and urgency they deserve in order to overcome a fundamental social
   injustice affecting hundreds of millions in member States.

2. Social security is very important for the well-being of workers, their
   families and the entire community. It is a basic human right and a fundamental
   means for creating social cohesion, thereby helping to ensure social peace and
   social inclusion. It is an indispensable part of government social policy and an
   important tool to prevent and alleviate poverty. It can, through national solidarity
   and fair burden sharing, contribute to human dignity, equity and social justice. It
   is also important for political inclusion, empowerment and the development of
   democracy.

3. Social security, if properly managed, enhances productivity by
   providing health care, income security and social services. In conjunction with a
   growing economy and active labour market policies, it is an instrument for
   sustainable social and economic development. It facilitates structural and
   technological changes which require an adaptable and mobile labour force. It is
   noted that while social security is a cost for enterprises, it is also an investment
   in, or support for, people. With globalization and structural adjustment policies,
   social security becomes more necessary than ever.

4. 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. The State has a priority role in the facilitation,
   promotion and extension of coverage of social security. All systems should
conform to certain basic principles. In particular, benefits should be secure and non-discriminatory; schemes should be managed in a sound and transparent manner, with administrative costs as low as practicable and a strong role for the social partners. Public confidence in social security systems is a key factor for their success. For confidence to exist, good governance is essential.

5. Of highest priority are policies and initiatives which can bring social security to those who are not covered by existing systems. In many countries these include employees in small workplaces, the self-employed, migrant workers, and people – many of them women – active in the informal economy. When coverage cannot be immediately provided to these groups, insurance – where appropriate on a voluntary basis – or other measures such as social assistance could be introduced and extended and integrated into the social security system at a later stage when the value of the benefits has been demonstrated and it is economically sustainable to do so. Certain groups have different needs and some have very low contributory capacity. The successful extension of social security requires that these differences be taken into account. The potential of microinsurance should also be rigorously explored: even if it cannot be the basis of a comprehensive social security system, it could be a useful first step, particularly in responding to people’s urgent need for improved access to health care. Policies and initiatives on the extension of coverage should be taken within the context of an integrated national social security strategy.

6. The fundamental challenge posed by the informal economy is how to integrate it into the formal economy. This is a matter of equity and social solidarity. Policies must encourage movement away from the informal economy. Support for vulnerable groups in the informal economy should be financed by society as a whole.

7. For persons of working age, the best way to provide a secure income is through decent work. The provision of cash benefits to the unemployed should therefore be closely coordinated with training and retraining and other assistance they may require in order to find employment. With the growth of economies in the future, education and skills of the workforce will be increasingly important. Education should be made available to all children to achieve adequate life skills, literacy and numeracy, and to facilitate personal growth and entry into the workforce. Lifelong learning is vital to maintain employability in today’s economy. Unemployment benefits should be designed so that they do not create dependency or barriers to employment. Measures to make work financially more attractive than being in receipt of social security have been found effective. However benefits must be adequate. Where it is not deemed feasible to establish a system of unemployment benefits, efforts should be made to provide employment in labour-intensive public works and other projects, as is successfully done in a number of developing countries.

8. Social security should promote and be based on the principle of gender equality. However, this implies not only equal treatment for men and women in the same or similar situations, but also measures to ensure equitable outcomes for women. Society derives great benefit from the unpaid care which women in particular provide to children, parents and infirm family members. Women should not be systemically disadvantaged later in life because they made this contribution during their working years.

9. As a result of the vastly increased participation of women in the labour force and the changing roles of men and women, social security systems originally based on the male breadwinner model correspond less and less to the needs of many societies. Social security and social services should be designed on the basis of equality of men and women. Measures which facilitate the access of women to employment will support the trend towards granting women social security benefits in their own right, rather than as dependants. The nature of survivors’ benefits needs to be kept under review and, in the event of reform, appropriate transitional provisions must be made to protect women whose life course and expectations have been based on the patterns of the past.

10. In most societies, continued inequalities in earnings between men and women tend to affect women’s social security entitlements. This underlines the
need for continued efforts to combat wage discrimination and to consider the desirability of introducing a minimum wage, where it does not already exist. Where either parent provides care for children, social security benefits for childcare purposes should be made available to the caregiver. Furthermore, each society should consider introducing positive discrimination in favour of women where systemic discrimination is faced.

11. The ageing of the population in many societies is a phenomenon which is having a significant effect on both advance-funded and pay-as-you-go pension systems and on the cost of health care. This is transparent in pay-as-you-go systems where a direct transfer takes place from contributors to pensioners. It is, however, just as real in advance-funded systems, where financial assets are sold to pay for pensions and purchased by the working generation. Solutions must be sought above all through measures to increase employment rates, notably of women, older workers, youth and persons with disabilities. Ways must also be found to achieve higher levels of sustainable economic growth leading to additional numbers in productive employment.

12. In many developing countries, particularly in sub-Saharan Africa, the HIV/AIDS pandemic is having a catastrophic effect on every aspect of society. Its impact on the financial base of their social security systems is particularly acute, as the victims are concentrated among the working age population. This crisis calls for a much more urgent response through research and technical assistance by the ILO.

13. In pay-as-you-go defined benefit pension systems, risk is borne collectively. In systems of individual savings accounts, on the other hand, risk is borne by the individual. While this is an option which exists, it should not weaken solidarity systems which spread risks throughout the whole of the scheme membership. Statutory pension schemes must guarantee adequate benefit levels and ensure national solidarity. Supplementary and other negotiated pension schemes tailored more to the circumstances and contributory capacity of different groups in the labour force can be a valued addition to, but in most cases not a substitute for, statutory pension schemes. The social partners have an important role to play with regard to supplementary and other negotiated schemes, while the State’s role is to provide an effective regulatory framework, and supervisory and enforcement mechanisms. Governments should consider that any support or tax incentives for these schemes should be targeted towards low- or medium-income earners. It is for each society to determine the appropriate mix of schemes, taking account of the conclusions of this general discussion and relevant ILO social security standards.

14. To be sustainable, the financial viability of pension systems must be guaranteed over the long term. It is therefore necessary to conduct regular actuarial projections and to implement the necessary adjustments sooner rather than later. It is essential to make a full actuarial evaluation of any proposed reform before adopting new legislation. There is a need for social dialogue on the assumptions to be used in the evaluation and on the development of policy options to address any financial imbalance.

15. Social security covers health care and family benefits and provides income security in the event of such contingencies as sickness, unemployment, old age, invalidity, employment injury, maternity or loss of a breadwinner. It is not always necessary, nor even in some cases feasible, to have the same range of social security provisions for all categories of people. However, social security systems evolve over time and can become more comprehensive in regard to categories of people and range of provisions as national circumstances permit. Where there is limited capacity to finance social security, either from general tax revenues or contributions - and particularly where there is no employer to pay a share of the contribution – priority should be given in the first instance to needs which are most pressing in the view of the groups concerned.

16. Within the framework of the basic principles set out earlier, each country should determine a national strategy for working towards social security for all. This should be closely linked to its employment strategy and to its other social policies. Targeted social assistance programmes could be one means to
commence the introduction of social security for excluded groups. As government resources are limited in developing countries, there may be a need to broaden the sources of funding for social security through, for example, tripartite financing. Where possible, government support might cover initial start-up costs, in-kind support in the form of facilities and equipment, or support for low-income groups. In order to be effective, initiatives to establish or extend social security require social dialogue. Any changes to established social security systems should be introduced with adequate protection for existing beneficiaries. Innovative pilot schemes are to be encouraged. Well-designed and cost-effective research is necessary in order to provide objective evaluations of pilot schemes. Research and technical assistance are necessary to improve governance of systems.

17. ILO activities in social security should be anchored in the Declaration of Philadelphia, the decent work concept and relevant ILO social security standards. Social security is not available to the majority of the world’s people. This is a major challenge which needs to be addressed in the coming years. In that regard the Conference proposes that:
- a major campaign should be launched in order to promote the extension of coverage of social security;
- the ILO should call on governments to give the issue of social security a higher priority and offer technical assistance in appropriate cases;
- the ILO should advise governments and the social partners on the formulation of a national social security strategy and ways to implement it;
- the ILO should collect and disseminate examples of best practice.
Constituents should be encouraged to approach the ILO for special assistance to achieve outcomes which significantly improve the application of social security coverage to groups which are currently excluded. The programme is to be undertaken as soon as practicable and be subject to regular reports to the Governing Body.

18. The main areas identified for future social security research and meetings of experts are:
- the extension of coverage of social security;
- HIV/AIDS and its impact on social security;
- governance and administration of social security systems;
- equality, with an emphasis on gender and disability;
- ageing and its impact on social security;
- financing of social security;
- sharing of good practice.
These activities should form the basis for the further development of the ILO policy framework on social security and should be clearly linked to the further work programme, technical assistance priorities and activities of the ILO in this area.

19. The ILO’s technical cooperation with governments and the social partners should include a wide range of measures, in particular:
- extending and improving social security coverage;
- developing innovative approaches in the area of social security to help people to move from the informal economy to the formal economy;
- improving the governance, financing and administration of social security schemes;
- supporting and training the social partners to participate in policy development and to serve effectively on joint or tripartite governing bodies of social security institutions;
- improving and adapting social security systems in response to changing social, demographic and economic conditions;
- introducing means to overcome discrimination in outcomes in social security.
20. The ILO should complete the programme of work as recommended above and must report regularly to the Governing Body on the results of that work, thereby enabling the Governing Body to monitor progress and decide how to proceed further.

21. The ILO should continue to develop interagency cooperation in the social security field, including with the International Social Security Association. The ILO should invite the IMF and the World Bank to support the conclusions adopted by the Conference and to join with the ILO in promoting social justice and social solidarity through the extension of comprehensive social security.

II

Resolution to place on the agenda of the next ordinary session of the Conference an item entitled “Promotion of cooperatives” ¹

The General Conference of the International Labour Organization,
Having adopted the report of the Committee appointed to consider the fifth item on the agenda,
Having in particular approved as general conclusions, with a view to the consultation of Governments, proposals for a Recommendation concerning the promotion of cooperatives,
Decides that an item entitled “Promotion of cooperatives” shall be included in the agenda of its next ordinary session for second discussion with a view to the adoption of a Recommendation.

III

Resolution concerning the arrears of contributions of the Central African Republic ²

The General Conference of the International Labour Organization,
Having regard to paragraph 7 of article 10 of the Financial Regulations,
1. Accepts the arrangement proposed by the Government of the Central African Republic for the settlement of its arrears of contributions due for the period 1994-2000 to the effect that:
(a) in 2001, the Government of the Central African Republic will pay in full its contribution for the year 2001;
(b) in subsequent years, the Government of the Central African Republic will continue to pay its current contribution in full in the year for which it is due;
(c) the Government of the Central African Republic will settle arrears that have accumulated up to and including 31 December 2000, amounting to 156,109 Swiss francs, by payment, beginning in 2002, of 19 annual instalments of 7,805 Swiss francs and a final instalment of 7,814 Swiss francs.
2. Decides that the Central African Republic shall be permitted to vote, in accordance with paragraph 4 of article 13 of the Constitution of the International Labour Organization, after the conclusion of the present business.

¹ Adopted on 20 June 2001.
² Adopted on 21 June 2001 by 428 votes in favour, 1 against, with 7 abstentions.
IV

Resolution concerning the arrears of contributions
of the Democratic Republic of the Congo

The General Conference of the International Labour Organization,
Having regard to paragraph 7 of article 10 of the Financial Regulations,
1. Accepts the arrangement proposed by the Government of the Democratic Republic of the Congo for the settlement of its arrears of contributions due for the period 1996-2000 to the effect that:
   (a) in 2001, the Government of the Democratic Republic of the Congo will pay in full its contribution for the year 2001;
   (b) in subsequent years, the Government of the Democratic Republic of the Congo will continue to pay its current contribution in full in the year for which it is due;
   (c) the Government of the Democratic Republic of the Congo will settle arrears that have accumulated up to and including 31 December 2000, amounting to 147,959 Swiss francs, by payment, beginning in 2002 of four annual instalments of 29,590 Swiss francs and a final instalment of 29,599 Swiss francs.
2. Decides that the Democratic Republic of the Congo shall be permitted to vote, in accordance with paragraph 4 of article 13 of the Constitution of the International Labour Organization, after the conclusion of the present business.

V

Resolution concerning amendments to the Financial Regulations

The General Conference of the International Labour Organization,
Recognizing that amendments to the Financial Regulations are required to put into effect the direct use of arrears of contributions received to reimburse the Working Capital Fund or to repay amounts borrowed to finance a cash deficit in a previous financial period;
Decides to make the following amendments to the Financial Regulations:

Article 18

1. The excess [or shortfall of income over expenditure] of income over expenditure (surplus) or the shortfall in income compared with expenditure (deficit) in any complete financial period shall be calculated by deducting budgetary expenditure from budgetary income with a financial provision being made for delays in the payment of contributions. Such provision shall amount to 100 per cent of the contributions unpaid at the [date of the financial statements at the] end of the financial period.
2. Any such [excess of income over expenditure] surplus, expressed in Swiss francs calculated at the budget rate of exchange for that financial period, shall be used to reduce the contributions of Members in the following way: Members which paid their ordinary contributions in the financial period in which this surplus accrued shall have their share of the surplus deducted from their contributions assessed for the second year of the succeeding financial period; other Members shall not be credited with their share until they have paid the contributions due from them for the financial period in which the surplus accrued. When they have done so their share of such surplus shall be deducted

1 Adopted on 21 June 2001 by 425 votes in favour, 2 against, with 11 abstentions.
3 Additions are shown in bold type; deletions are indicated by square brackets.
from their contributions assessed for the first year of the next financial period for which a budget is adopted after such payment.

Article 21

1. (No change.)

2. If any sums withdrawn from the Working Capital Fund or borrowed to finance [budgetary] expenditure [pending receipt of contributions or other income and/or expenditure incurred in the financing of contingencies and emergencies under prior authorization of the Governing Body] cannot be reimbursed in the course of the same financial period, then:

(a) to the extent that the sums were withdrawn or borrowed to finance budgetary expenditure pending the receipt of contributions or other income, they shall be reimbursed from arrears of contributions received in the following financial period or periods;

(b) to the extent that the sums were withdrawn or borrowed to finance expenditure incurred in respect of contingencies or emergencies under prior authorization of the Governing Body, they [owing to the fact that the total budgetary income for the period falls short of total authorized expenditure incurred during the period, the sums so borrowed or withdrawn] shall be reimbursed to the lender or lenders and to the Fund in the second year of the next following financial period by adding to the contributions assessed on member States for that year an additional assessment in Swiss francs equivalent to the amount so borrowed or withdrawn[, provided that temporary surpluses [of budgetary income over expenditure occurring at any time] shall be utilized to the extent possible to reduce the amount of outstanding loans or advances.

3. (No change).

VI

Resolution concerning the composition of the Administrative Tribunal of the International Labour Organization

The General Conference of the International Labour Organization, Decides, in accordance with Article III of the Statute of the Administrative Tribunal of the International Labour Organization, to renew the appointment of Mr. Michel Gentot (France) and that of Mr. Jean-François Egli (Switzerland) for a term of three years.

VII

Resolution concerning appointments to the ILO Staff Pension Committee (United Nations Joint Staff Pension Board)

The General Conference of the International Labour Organization, Appoints to the ILO Staff Pension Committee (United Nations Joint Staff Pension Board) for a period of three years until 8 October 2004, the following members and alternate members:

Members:
Mr. W. Ringkamp (Government, Germany)
Mr. M. Barde (Employer)
Mr. M. Blondel (Worker)

1 Adopted on 19 June 2001.
Alternate members:
Mr. R. Schibli (Switzerland)
Mr. P. Simonsen (Denmark)
Mr. A. Young (United Kingdom)

VIII
Resolution concerning the assessment of contributions
of new member States

The General Conference of the International Labour Organization,
Decides, in accordance with article 9, paragraph 2, of the Financial
Regulations, that the contribution of the Federal Republic of Yugoslavia to the
ILO budget for the period of its membership in the Organization in 2000 and
2001 be based on an annual assessment rate of 0.026 per cent and 0.020 per cent
respectively.

IX
Resolution concerning the scales of assessment
to the budget for the 2002-03 biennium

The General Conference of the International Labour Organization,
Decides, in accordance with article 9, paragraph 2 of the Financial
Regulations, to adopt the draft scales of assessment for the years 2002 and 2003
as set out in column 3 of Appendix II and Appendix III respectively to this
report.

X
Resolution concerning the adoption of the
Programme and Budget for 2002-03 and the allocation
of the budget of income among member States

The General Conference of the International Labour Organization,
In virtue of the Financial Regulations, adopts for the 68th financial period,
ending 31 December 2003, the budget of expenditure of the International Labour
Organization amounting to US$434,040,000 and the budget of income
amounting to US$434,040,000, which, at the budget rate of exchange of 1.77
Swiss francs to the US dollar, amounts to 768,250,800 Swiss francs, and
resolves that the budget of income, denominated in Swiss francs, shall be
allocated among member States in accordance with the scale of contributions
recommended by the Finance Committee of Government Representatives.

1 Adopted on 19 June 2001.
2 Adopted on 21 June 2001 by 439 votes in favour, with 7 abstentions.
## CONTENTS

<table>
<thead>
<tr>
<th>Resolution</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Resolution concerning social security</td>
<td>1</td>
</tr>
<tr>
<td>II. Resolution to place on the agenda of the next ordinary session of the Conference an item entitled “Promotion of cooperatives”</td>
<td>5</td>
</tr>
<tr>
<td>III. Resolution concerning the arrears of contributions of the Central African Republic</td>
<td>5</td>
</tr>
<tr>
<td>IV. Resolution concerning the arrears of contributions of the Democratic Republic of the Congo</td>
<td>6</td>
</tr>
<tr>
<td>V. Resolution concerning amendments to the Financial Regulations</td>
<td>6</td>
</tr>
<tr>
<td>VI. Resolution concerning the composition of the Administrative Tribunal of the International Labour Organization</td>
<td>7</td>
</tr>
<tr>
<td>VII. Resolution concerning appointments to the ILO Staff Pension Committee (United Nations Joint Staff Pension Board)</td>
<td>7</td>
</tr>
<tr>
<td>VIII. Resolution concerning the assessment of contributions of new member States</td>
<td>8</td>
</tr>
<tr>
<td>IX. Resolution concerning the scales of assessment to the budget for the 2002-03 biennium</td>
<td>8</td>
</tr>
<tr>
<td>X. Resolution concerning the adoption of the Programme and Budget for 2002-03 and the allocation of the budget of income among member States</td>
<td>8</td>
</tr>
</tbody>
</table>

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