

EXTENDING SOCIAL SECURITY IN THE DEVELOPING COUNTRIES: BETWEEN UNIVERSAL ENTITLEMENT AND THE SELECTIVENESS OF INTERNATIONAL STANDARDS

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Social security is a concept so familiar that we hardly bother to define it. The copious legal writing on the subject and the many historical experiences associated with social security have given it such a solid, commonly understood meaning that it needs no definition. Yet as a fundamental right,¹ it would probably have been preferable to have specific standards determining its content and allowing an objective assessment to be made of countries' efforts to comply with it. In the absence of such standards, the temptation is to turn instead to the ILO Social Security (Minimum Standards) Convention (No. 102) ("Convention 102"),² which sets out nine fundamental benefits that should form the substance of social security,³ and most importantly establishes institutional thresholds to be met for their implementation. However, Convention 102 was not drawn up to serve as a yardstick for the universal application of this right, and the relatively small number of States that have ratified it should be enough to deter people from using it in this way.⁴ Moreover, even if the benefits Convention 102 provides for are certainly still relevant today, the social needs for which they cater have altered a great deal

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1. Universal Declaration of Human Rights, art. 22, *available at* <http://www.un.org/Overview/rights.html>; International Covenant on Economic, Social and Cultural Rights art. 9, *available at* http://www.unhchr.ch/html/menu3/b/a_ceschr.htm.

2. Social Security (Minimum Standards) Convention, 35th Session of the International Labour Conference, *adopted* June 28, 1952, *available at* http://193.134.194.11/ilolex/cgi_lex/convde.pl?C102 [hereinafter Convention 102].

3. These are the sections on, respectively, medical care, sickness benefits, unemployment benefits, old-age benefits, employment injury benefits, family benefits, maternity benefits, invalidity benefits, and survivors' benefits.

4. Forty-one countries have ratified Convention 102 to date, and only a few of these have accepted all of Parts II to X, Convention 102, *supra* note 2.

over the last fifty years, bringing subsequent changes, including changes to prescribed rules.⁵

However, as well as laying down criteria in order to establish a minimum standard, Convention 102 has the advantage in that it sets out a range of fundamental benefits and specifies the groups that should form the focus of national social security policies. Viewed against the background of the changes in its fundamental values and in the actual needs of States (which are given a completely free hand to implement it), it becomes a linchpin for the “third generation” of social security standards.⁶ These standards, together with all the conventions and recommendations drawn up by the ILO to date, constitute “a normative framework held together by a unique set of common aims and principles underpinning the social security system.”⁷

From this point of view, international social security standards certainly have a homogeneousness that is “an invaluable achievement to be preserved and consolidated in the ILO’s future standard-setting activities in the field of social security.” They have been able to form the basis for a new consensus on social security⁸ because they represent a certain continuity with the Declaration of Philadelphia and can thus claim to have, if not a constitutional status, then at least

5. These are the Equality of Treatment (Social Security) Convention No. 118 (1962), *available at* <http://www.ilo.org/ilolex/cgi-lex/convde.pl?C118>; Employment Injury Benefits Convention No. 121 (1964) (Schedule I amended in 1980), *available at* <http://www.ilo.org/ilolex/cgi-lex/convde.pl?C121>; Recommendation 121 (1964) (Schedule I amended in 1980), *available at* <http://www.ilo.org/ilolex/cgi-lex/convde.pl?C121>; Invalidity, Old-Age and Survivors’ Benefits Convention No. 128, and Recommendation 131 (1967), *available at* <http://www.ilo.org/ilolex/cgi-lex/convde.pl?C128>; Medical Care and Sickness Benefits Convention No. 130, and Recommendation 134 (1969), *available at* <http://www.ilo.org/ilolex/cgi-lex/convde.pl?C130>; Maintenance of Social Security Rights Convention No. 157 (1982), *available at* <http://www.ilo.org/ilolex/cgi-lex/convde.pl?C157>; and Recommendation 167 (1983); Employment Promotion and Protection Against Unemployment Convention No. 168, and Recommendation 176 (1988), *available at* <http://www.ilo.org/ilolex/cgi-lex/convde.pl?C168>; the Maternity Protection Convention No. 183, and Recommendation 191 (2000), *available at* <http://www.ilo.org/ilolex/cgi-lex/convde.pl?C183>.

6. The first-generation standards focused on social insurance and were adopted before the end of the World War II. The second-generation standards were inspired by the modern values and objectives set out in the Beveridge Report and referred to in the Declaration of Philadelphia, *available at* <http://www.ilo-mirror.cornell.edu/public/english/about/illoconst.htm#annex>. Convention 102 constitutes a pivot with the third-generation standards that improve protection, strengthen equality, and introduce greater flexibility in implementation. See ILO, INTERNATIONAL LABOUR STANDARDS: A GLOBAL APPROACH 480 (2002).

7. INTERNATIONAL LABOUR CONFERENCE, REPORT BY THE COMMITTEE OF EXPERTS ON THE APPLICATION OF CONVENTIONS AND RECOMMENDATIONS § 154 (2001).

8. ILO, SOCIAL SECURITY: A NEW CONSENSUS (Geneva 2001) [hereinafter SOCIAL SECURITY]. This document contains the “Resolution and Conclusions” concerning social security adopted by the International Labour Conference in 2001.

the status of having laid the foundations for social security in the ILO's defined objectives.

However, if we take another look at the Declaration of Philadelphia, we have the impression that seeing social security only in terms of the standards of cover provided in international conventions is to take too narrow a view. In the Declaration, "the extension of social security measures" is one of the methods that States and the ILO are supposed to develop in order to achieve the fundamental objectives of "full employment and the raising of standards of living; . . . the employment of workers in the occupations in which they can have the satisfaction of giving the fullest measure of their skill and attainments and make their greatest contribution to the common well-being . . ."⁹

With this approach, the aim of social security is to "provide a basic income to all in need of such protection" and it thus forms part of the overall social policies on "comprehensive medical care," "adequate protection for the life and health of workers in all occupations," "provision for child welfare and maternity protection," "the provision of adequate nutrition, housing and facilities for recreation and culture," and "the assurance of equality of educational and vocational opportunity."¹⁰

Viewed in this way social security is understood in a restricted sense, but it cannot really be seen independently of the fundamental goal of full employment and better standards of living through the definition of negotiated social policies in which development serves to benefit the economic security, dignity, freedom, and equality of opportunity of all workers. It is essentially a way of regulating workers' career paths by allowing them to continue to enjoy economic security during periods when they are not working or when they face greater expense because of illness or family responsibilities. In such cases it cannot simply be reduced to a fixed set of standards to be used as a reference for assessing how far a given country allows its citizens to enjoy this fundamental right, not to mention whether they have regular access to decent work allowing them to provide for their families' basic needs.

Convention 102 was probably devised in a context where the emphasis was very much on the goal of full employment, as defined by the economic theories and reconstruction requirements of the post-war period. Far from establishing a single minimum level of cover

9. Declaration of Philadelphia, *supra* note 6, § III.

10. *Id.*

that would apply to everyone, Convention 102 defines nine separate benefits and provides quantitative and qualitative indicators that allow States to be regarded as meeting the minimum social security standards if the conditions required to provide protection against three of the nine risks are satisfied. Each country is thus free to include this cover in its social security system or in other related or parallel institutional schemes such as public health or social assistance schemes. Achieving a minimum level of real protection for a significant proportion of the population is thus more important than having a legal definition of social security, whether it is mandatory or optional, and regardless of the method of payment.

At the national level, a social security system may include both the benefits provided for in the Convention, which each signatory country will have adjusted while still meeting the minimum criteria, and all the other contingencies that are not necessarily mentioned in the Convention, but that pursue the same aims: food aid for families, disease prevention, training/integration, help for the elderly, etc. Finally, social security can also mean variable systems covering social risks, which all have in common the fact that they provide certain basic benefits and that a significant proportion of the population contribute to these systems.

The flexibility provided for in Convention 102 reflects both the different ways in which industrial societies organized their social cover at the time, and the desire to promote such policies through consultation. What really shaped this approach to social security, however, was the similarity of the problems that the industrial societies faced and that they were already tackling in different ways, in keeping with their legal systems and their traditions in social and socio-professional solidarity. The benefits included in Convention 102 are a representative range of the contingencies that posed the biggest threat to the economic security of most workers and households in industrial society after World War II. De facto communities were thus formed to institutionalize solidarity in the face of common adversities, and to gradually expand to include other risks and other groups, thus opening up the prospect of universal social security.

There is no reason to think, a priori, that the needs of people in poor countries are different and that they could not be dealt with using similar methods. It is clear, however, that workers who fit the industrial socio-professional model in the Third World are often a minority. In most underprivileged countries, workers' earned income is inadequate and irregular, and this prevents them from having a satisfactory standard of living and, a fortiori, from contributing to a

social security system. This means that inevitably public funding for social protection is badly affected and undermined. The everyday poverty of much of the population means that they are excluded from contributory social prevention mechanisms, while social assistance policies tend to become completely inefficient. In these circumstances the existence of a national social security system does not help to promote social cohesion and protection for the most vulnerable workers.

Entitlement to social security thus remains a universal aspiration, but the techniques and standards recommended for ensuring that this entitlement is exercised and enjoyed are more appropriate for the socio-professional relationships common in industrial societies than for the situation of workers in the developing countries. The international standards in this field therefore contribute, quite unintentionally, toward the marginalization of the majority of workers by the very national social security systems that they inspire (Section I). However, provided that the emphasis is placed not on formal conformity with these standards, but on achieving the aims that they were designed to attain, there is plenty of space for reforms to ensure that they provide a better response to the real demand from the majority of workers, in a way that is socially and financially sustainable (Section II).

I. THE INAPPROPRIATENESS OF INTERNATIONAL SOCIAL SECURITY STANDARDS FOR THE SITUATION OF WORKERS IN UNDERDEVELOPED COUNTRIES

In actual fact, the underdevelopment that was rife among ILO members even in 1952 was clear to the authors of Convention 102, who included a number of important flexibility clauses. However, if we look at them closely, we can see that despite their apparent flexibility, they are still geared toward a system focused on industrial workers, which marginalizes most of the population in poor countries (Section A). There is also a considerable gap between the specified risks to be covered and how they are to be dealt with, and the priority needs of a working population whose type of work and income levels do not correspond to the typical industrial worker model (Section B).

A. *Part Played by International Standards in the Exclusion of Workers Marginalized by the Industrial Economy*

After World War II, the ILO members were perfectly aware of how difficult it would be to make all countries subject to the same

social standards, regardless of their level of development. They nevertheless felt that those that were “industrially backward” would catch up, and that international cooperation and exceptions would make it possible to have international law that applied to everyone.

Article 3 of Convention 102 voices this approach, stating, “a Member whose economy and medical facilities are insufficiently developed may, if and for so long as the competent authority considers necessary, avail itself, by a declaration appended to its ratification, of [the] temporary exceptions. . . .”¹¹ These exceptions allow countries to adopt lower standards when it comes to benefits, and also, when evaluating the target population, to include only workers in undertakings employing at least twenty staff.¹²

Both the temporary and even incentivising nature of these exceptions¹³ and the option given to countries of limiting social security to workers in industrial micro-companies are a clear reflection of the hope at the time that industrialization would generate progress around the world. Economic development through “modernization” would inevitably lead to large numbers of lucrative jobs and would enable social security to be expanded in line with the reference model that was already becoming common in the north. Countries that were independent at the time were already far along the path toward this, particularly in Latin America.¹⁴

The subsequent appearance of a Third World contradicted this mechanistic view of development. Industrial employment remains limited in most regions, and social cohesion has never quite materialized, even in the “emerging” countries that have made rapid

11. See Social Security (Minimum Standards) Convention, *supra* note 2, at art. 3(1). These nine exceptions relate to medical care (Arts. 9(d) and 12(2)), sickness benefits (Arts. 15(d) and 18(2)), unemployment benefits (Art. 21(c)), old-age benefits (Art. 27(d)), employment injury benefits (Arts. 33(b) and 34(3)), family benefits (Art. 41(d)), maternity benefits (Art. 48(c)), invalidity benefits (Art. 55(d)), and survivors' benefits (Art. 61(d)).

12. See Social Security (Minimum Standards) Convention, *supra* note 2, at arts. 9(d), 33(b), 42(b), and 48(c).

13. Article 3(2) provides for the continued existence of the reasons justifying the use of derogations to be monitored by the submission of an annual report.

14. Although the international movement in favor of social security began with the Atlantic Charter signed by Roosevelt and Churchill in 1941, which devoted a paragraph to this issue on the initiative of the British Cabinet, and then with the ILO resolution in support of it at the International Labour Conference in the same year, it should be pointed out that an Inter-American Committee on Social Security had been set up in Lima in 1940, following labor conferences held by the countries of South America in Santiago, Chile in 1936 and Havana in 1939. The Committee organized the first Inter-American Conference on Social Security in September 1942 in Santiago, Chile, in order to study all the problems presented by this policy and to organize American cooperation in this field. See LA POLITIQUE CONTEMPORAINE DE SÉCURITÉ SOCIALE, LIBRAIRIE DALLOZ 116–17 (1953); Paul Durand, *A New Structure of Social Security*, 46 INT'L LAB. REV. 612–18 (1942). *The Work of the Inter-American Conference on Social Security at Santiago de Chile*, 46 INT'L LAB. REV. 661–91 (1942).

technological and economic progress. More than one in every five workers lives below the poverty line, and social security constructed on the basis of the reference model covers only 5–10% of the population in sub-Saharan Africa.¹⁵ In Asia, most countries, even those with dynamic economies like India, have a coverage rate of barely 30%, although there are some exceptions, such as medical care in South Korea. In general, “worldwide it can be taken that only 20 per cent of workers enjoy adequate social security.”¹⁶

While the economic and technological performance of the industrial world means that mankind’s basic needs can be covered without too much difficulty, pandemics, famine, unemployment, and infant mortality are still devastating many countries. Against this background social security appears as both a fundamental right that mankind can attain in the immediate future, and an unattainable goal for all vulnerable workers who do not have access to decent work. While we can carry on with the aim of extending it to all those who need it, we also have to admit, particularly in the present free trade environment, that the coverage model that is widespread in the industrialized societies has made no progress over the last fifty years in almost all the countries of the south, and is unlikely to do so.

According to the basic rules set out in Convention 102, in order to meet the minimum standards in social security, the signatory States must provide cover for a target population consisting of:

- either 20% of all residents, where those covered constitute particular classes of the active population;
- all residents with means not exceeding the average income for a typical industrial manual employee; or,
- classes of employees constituting at least 50% of all employees.

The income of the typical beneficiary is assessed with reference to the income of a typical industrial manual worker, which is assumed to represent a decent standard of living. The criteria here are the same for all countries. However, under Article 3 of Convention 102, the developing countries are allowed to base the 50% coverage rate only on employees of undertakings with at least twenty workers, rather than on all employees. As a result, a social security scheme that applies solely to the public sector and to fairly large formal

15. See Report by the Social Security Committee of the International Labour Conference, 89th Session (2001), reprinted in SOCIAL SECURITY, *supra* note 8, at 37.

16. See Emmanuel Reynaud, *The Extension of Social Security Coverage: The Approach of the International Labour Office*, ILO, ESS Document No. 3, at 1 (2003), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=682162.

undertakings would comply with these rules, even though it would cover only a tiny minority of the active population and a small proportion of employees, which is commonly the case where informal work and micro-undertakings predominate.

Far from expanding, a social security system constructed on this basis is likely to collapse if industrial employment stagnates or declines, as often happens in relatively uncompetitive economies in today's world of the virtual economy and free trade. Yet both the potential offered by and the needs of informal and small-scale activities remain excluded from any organized social protection. Social security law places them on the margins of a legal and institutional framework that is designed exclusively for the industrial economy. It could not be extended to the majority of workers without root and branch reform, given the predominance of "atypical" forms of work and pay.

B. The Inappropriateness of the Benefits Established by International Standards for the Needs of the Most Vulnerable Workers

As they are described in Convention 102 and introduced in national labor and social security legislation, the risks associated with occupational health and the corresponding benefits are based on the profile of an industrial manual worker who is a head of household. With any different profile, the coverage becomes unsuitable even though the risks are the same and more appropriate social protection against them could be provided.

Occupational accidents and illnesses are a typical example of the gap that exists between statutory standards and workers' needs. According to the wording of Article 31, employment injury benefits are intended solely for employees. It covers the cost of care following an occupational accident or illness and provides access to replacement income during temporary incapacity for work or a pension in the event of permanent incapacity. From this point of view, it is still obviously very much influenced by the rules on employer liability that have developed over the years on the basis of civil liability legislation.

Even though employers could continue to be made legally responsible for covering this risk, in objective terms the morbidity and subsequent loss of work capacity in such cases are clearly not specific to employees. A self-employed craftsman, farmer, or family helper could easily find himself in the same situation and want the same benefits. Moreover, in underdeveloped countries the risks of accident or illness at work are often greater in self-employed activities or the

informal sector, given the poor working conditions, the workers' lack of safety awareness, and their occupational and geographical mobility. The socio-economic effects of occupational accidents are also more serious, particularly for employees in micro-undertakings, because if one of them has to stop work it often means that his fellow workers have to stop work too, and all those who are dependent on him as a breadwinner are deprived of income.

The fact that social protection for this contingency is organized only in the case of formal industrial undertakings also inhibits the emergence of an occupational health policy incorporating prevention, training, support, and occupational reintegration in a comprehensive strategy linked to both labor legislation and public health. As a result there is often no medical welfare policy whatsoever in entire sectors such as agriculture, where mechanization and chemical products are increasingly used, public transport (passengers and goods), small-scale fishing, etc.

Unemployment compensation is also a telling illustration of the gap that is opening up between international standards and reality in the developing countries. According to Articles 19–24 of Convention 102, unemployment is the contingency in which a protected worker finds himself when his earnings are suspended due to inability to obtain suitable employment. Compensation may be conditional upon completion of a qualifying period. There are also rules covering the situation of a non-seasonal worker who loses his job and is able to find another within a reasonably short period not exceeding thirteen weeks where the target population is employees, and twenty-six weeks where it is all residents.

These hypothetical cases only partly correspond to the sorts of unemployment problems found in underdeveloped countries, where underemployment and unemployment among young first-time job-seekers are rife. Among the latter, a high percentage are often job-seekers who have a high level of education, but do not have either the money to set up their own company or the opportunities to find skilled employment, given the lack of productive investment and the decline in employment in the public sector. Unemployment cover solely for workers in formal undertakings is only possible if it is co-funded by the undertakings and workers concerned, since State funding would appear grossly unjust to those who do not have any sort of work or social cover. Because industrial undertakings are often dependent on foreign markets, they usually avoid getting involved with risky schemes of this type. The result is that unemployment is generally excluded from social cover in the countries

of the south, regardless of the classes of workers concerned. Social security is then unable to play any part in managing the most recurrent risk to economic security in these countries by being prevented from contributing to employment policy and the promotion of income-generating activities.

Family benefits also have some interesting and unusual features. Historically their introduction was linked to efforts to increase the birth rate during the war and reconstruction periods, but in Third World countries the focus instead is on trying to control the birth rate and giving most people access to food and basic services through price support for staple products, free education, and child health programs. Delivering these benefits only to workers in the formal sector often has a counterproductive effect on demography without the benefit of actually helping children.

Sickness and medical care benefits also appear glaringly out of step with the needs of vulnerable populations and of public health policies in disadvantaged countries. The distinction drawn between benefits relating to medical care,¹⁷ employment injury,¹⁸ and maternity,¹⁹ together with compensation for work incapacity,²⁰ is actually a product of the historical context of the mid-20th century, when separate schemes were developed based on employer liability, voluntary mutual solidarity, compulsory social insurance, and public care for those who were vulnerable.²¹ The break-up of the "sickness/accident/maternity" risk into separate contingencies and corresponding benefits is only useful insofar as it makes it easier to take account of them in the context of pre-existing areas of cover. Where these specific contingencies are not covered, however, the natural tendency is for the basic medical care scheme to cover all illnesses and provide care for mothers and children.

Consequently, reproducing these classes of risk in poor countries often means that systems of cover are introduced that focus on individual risks and public health policy is fragmented. Social security remains confined to the elite working in the "modern" economy, while funding for public health comes entirely from the public purse and from individuals who are not covered. The result is often a two-speed health system, with the most lucrative branches of care

17. Social Security (Minimum Standards) Convention, *supra* note 2, at Part II.

18. *Id.* at Part VI.

19. *Id.* at Part VIII.

20. This is provided for separately in Part III of the Convention and in connection with care for maternity and employment injury.

21. For a historical account of this development, see Durand, *supra* note 14, at ch. 1, the historical formation of the social security system.

receiving generous investment, and the most disadvantaged people being abandoned to their fate, alongside public infrastructures that cannot withstand the flood of demand that it cannot meet and the exorbitant costs of universal prevention (pandemics, urban health, school health services, infant mortality, etc.).

The standards relating to health risk coverage for workers therefore actually appear to pursue the aim of good health for all and to promote expensive ways of “skimping” care. In addition, there is no guarantee that social insurance will manage to cover the real needs of beneficiary groups, given the inadequacies of public health policies, particularly on prevention, the small contribution base, and the prohibitive cost of liberal healthcare when it is entirely dependent on other countries. Moreover, workers’ mobility between undertakings and their frequent changes of status in their occupation mean that it is not unusual for them to contribute to this cover without actually benefiting from it because they have not completed a qualifying period. Female mobility in particular, because of the type of work that women do and their family situation and responsibilities, often prevents them from receiving a return on their contributions, particularly when they are pregnant.

Insecure work and changes of status in the occupation also make old-age and survivors’ cover less useful. The low life expectancy of workers in some countries is in itself an illustration of the limited impact that old-age pensions have, and in many countries these selective forms of coverage sometimes introduce needless rigidity on the labor market while only very partially benefiting recipients. Clearly, then, a social security system that reproduces international standards in an underdeveloped country will not necessarily help to meet the priority needs of workers; will not always give the target population access to the promised benefits; and will not provide effective support for integrated public policies particularly on combating unemployment, occupational health, public health, and training. Nevertheless, it will provide irreplaceable services for a vital section of the population, those who enable States to hold their own in international competition, or even to develop, and it will also help to consolidate public services by providing civil servants with a reliable income. The fact that there is a gap between the social security standards laid down in international law and the needs of vulnerable populations in the Third World should therefore be used as an argument not for dismantling social security altogether, but for making it more effective by adapting it to real demand.

II. EXTENDING SOCIAL SECURITY BY ADAPTING IT TO REAL DEMAND

Despite the fact that it is very clearly defined in institutional terms, in normative terms social security is still relatively dependent on other economic and social law.²² However relevant the standards governing it may be,²³ the policy on which it is based must focus not on attempting to achieve formal conformity with legal requirements that will have been overtaken by economic and social developments, but on the lasting objective of establishing sustainable forms of solidarity that allow the population to become less vulnerable to random economic and physiological factors.

Unlike smaller groups that are free to organize mutual provident schemes for limited periods or with limited objectives, the State's responsibility to guarantee entitlement to social security means that it must ensure that cover is continuous and that it is accessible to all those that need it. The strategy it develops for this purpose is necessarily shaped by its economic structures and is linked to the policies it is pursuing in the areas of employment, public health, education, housing, and the environment. This is why the institutional boundaries between these policies and the rights they seek to ensure are so hazy. But the State is not obliged to guarantee everyone the actual enjoyment of social security benefits, any more than it can be held responsible for failing to give every citizen access to decent work, adequate housing, or the highest attainable standard of physical and mental health. On the other hand, it is accountable for the recognition of these fundamental rights, which means that it must not

22. The Universal Declaration of Human Rights states, "Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality." Universal Declaration of Human Rights, *supra* note 1, at art. 22.

The International Covenant on Economic, Social and Cultural Rights Article 9 states, "the States Parties to the present Covenant recognize the right of everyone to social security, including social insurance," while subsequent provisions recognize the right to the widest possible protection and assistance for the family, mothers and children (Art. 10), an adequate standard of living, adequate food and the equitable distribution of food supplies (Art. 11), the highest attainable standard of physical and mental health (Art. 12), and education and training (Arts. 12 and 13). International Covenant on Economic, Social and Cultural Rights, *supra* note 1, at arts. 9-13.

23. All too often, the fact that Convention 102 is out of touch with today's socio-economic realities is used as an excuse to claim that States have no obligations in this field. The relative rigidity of the standards cannot justify abandoning the aims that they are explicitly designed to achieve. On this subject, see R. Filali Meknassi, *The Appropriateness of Social Security Standards in the Southern Mediterranean Region: Contribution to a Debate*, in SOCIAL SECURITY: A FACTOR OF SOCIAL COHESION, PROCEEDINGS OF THE EURO-MEDITERRANEAN CONFERENCE, LIMASSOL (CYPRUS), May 27-28 2004, at 57-63 (Council of Eur. Publ. 2005).

prevent them from being enjoyed and must define a policy for extending their exercise. Thus even States that are deprived of material resources must monitor the rights of citizens under existing insurance systems and promote the extension of cover to include vulnerable populations and priority needs.²⁴

In underdeveloped countries it seems obvious that the way to make social security more widely available is not by including all workers in a system of coverage that is mainly tailored to public-sector workers and workers in industrial undertakings. Nevertheless, the institutions set up for such systems are often a precious asset for their beneficiaries and can be a powerful lever for extending protection to cover other risks and other groups of beneficiaries (Section A). However, the narrowness of the formal labor market and the fragmentation of socio-professional relationships in most poor countries clearly make it necessary to move away from a coverage model designed for an industrial society in order to cater to the priority needs of the various social groups in the best possible way, within an integrated social development policy run by the State (Section B).

A. Taking Account of the Different Collective Needs of Workers

Any national social security system is the product of a historical evolution in which the situations and dependencies of both its contributors and the private and public institutions involved in its operation have gradually been consolidated. It is therefore constantly exposed to economic and social factors that interfere with its regular adaptation to the needs of its members and its extension to other people. In particular, attempts to achieve a financial balance often produce alternative solutions that benefit some groups of contributors while disadvantaging others. The bigger the system grows, the more its administration becomes a political matter.

As the body responsible for social security and for managing national affairs, the State is often torn between the desire to consolidate the national social security system and the temptation to use it for other purposes, particularly as an occasional or continual source of funding for other public needs. This is why the various

24. This is reflected in the 2001 ILO Resolution and Conclusions referred to earlier: "There is no single right model of social security. It grows and evolves over time. . . . The State has a priority role in the facilitation, promotion and extension of coverage of social security. . . . 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 . . . , [but] priority should be given in the first instance to needs which are most pressing in the view of the groups concerned."

duties of the public authorities in the social security field need to be clearly identified and separated, and joint decisions must be reached with the parties concerned setting out clearly how the administration of social security is to be harmonized with sectoral public policies. Transparent and sensible management of social security is far from incompatible with the achievement of related public interest objectives, whether in the health field (national policy on generic medicines, more profitable public hospital infrastructure, extension of preventive care, support for health education, family planning, etc.) or for social programs (housing, leisure, occupational rehabilitation, etc.).

The aim of developing social security for excluded populations is all the more feasible if the necessary adjustments are made. Cover for risks relating to occupational accidents and illnesses for the self-employed, subscription to primary or supplementary voluntary insurance schemes, and the inclusion of non-working spouses in the old-age pensions scheme are just some of the possible options for extending the social security system to the benefit both of original members and of workers previously either formally excluded or excluded in effect. Capitalization, capping benefits, equalization between areas of cover, and the separate management of risks are all there to allow the primary system to stimulate sectoral social protection policies, to draw on them, and to extend its cover to new groups of previously excluded workers, without having to cover unnecessary risks.

Within one social security system it is perfectly possible to have compulsory benefits alongside others that are optional. It is also possible to define the basic benefits in different ways for different socio-professional groups or family situations.

If the protection provided is diversified in this way in order to match as closely as possible the needs and demands expressed by the main social and occupational groups, then it becomes even more obvious that cover should be coordinated with parallel systems such as mutual benefit organizations, NGOs, private insurance schemes, and works sickness insurance funds. Since they all share the same aims, the parties involved will usually find it beneficial to help each other to grow stronger and to make the benefits they offer complement each other. Coordinating pension schemes, harmonizing compensation mechanisms, sharing infrastructures, merging benefits, unifying checks, planning, evaluation, and forecasting are all areas in which both the public authorities and the pensions and social security organizations could work together. Such cooperation is almost certain

to result in frequent conflicts of interest, but the negotiation and transparent arbitration that are then required are not just the price to be paid for this institutional cooperation, they are part of daily life in the administration of social security, even within a unified institutional structure.

But, however flexible a social security system based on compulsory or voluntary insurance may be, it must be recognized that they all operate on the basis of skimping and saving while ensuring that most of the commercial demand can be met. Special methods, involving public, community, or other funding, will be necessary to deal with needs inherent in certain social groups or risks that cannot be met. This is why, in the developing countries where people living on the borderline of absolute poverty often make up a substantial proportion of the total population, a sustainable social security system is only feasible if it is linked to an integrated social development policy.

*B. A National Social Security System Linked to
Social Development Policy*

Where poor populations have no State-organized social protection, spontaneous forms of solidarity often spring up based on family, territorial, or usually ethnic ties. Drawing their strength from the solidarity of the immediate community and from an ancestral, often religiously-inspired culture, these forms of rudimentary social cover provide services for the weakest in society that are particularly welcome for being delivered locally and when urgently needed. Despite being relatively inefficient when it comes to covering the major risks, these mutual assistance mechanisms undoubtedly help to relieve suffering and to help those who are poorest when they face great hardship. Their usefulness is clear when we realize that in their absence the poorest people are often left alone and in distress.

Building on this historical heritage, many communities and associations have set up solidarity schemes for the benefit of the poor and have ended up gaining widespread recognition, including from development bodies such as the World Bank. Their approach is now inspiring Third World governments and international donors, which no longer have any hesitation in launching anti-poverty programs with these organizations. Up to now, they have paid little attention to social security benefits, most of their efforts being focused on providing basic infrastructure, education, and income-generating activities. However, associations that have adopted this approach,

particularly those providing aid for poor children, the disabled, the elderly, or those who are sick (consultation centers, out-patient care, dialysis, diabetes, AIDS, cardio-vascular disease, etc.), have been very successful and have effectively made up for the State's shortcomings by providing a certain coverage for people and by limiting the impact of social scourges (child labor, begging, pandemics, etc.).

Whether these are spontaneous organizations, structured associations of volunteers, or institutional measures supported by the local authorities, their activities come under the umbrella of local development, social assistance, and public health initiatives. They demonstrate a potential for helping poor populations that improve and gradually integrate into social security. Without undermining the flexibility of the actors involved, their material and institutional resources need to be strengthened, their skills improved, and bridges built between public infrastructures and unofficial structures operating in their own particular sphere: dispensaries, maternity hospitals, schools, etc. There are many aims here: making social public spending more efficient; improving the performance of private and voluntary actors; promoting the financial involvement of beneficiaries; monitoring the quality of the services provided, particularly when it comes to education and health care; and gradually introducing the values of equality, transparency, and responsibility in how the services are organized. At least some of these mechanisms can gradually evolve from community assistance for a particular group into public assistance and then toward the establishment of entitlements that would form part of the national social security system.

The very definition of social security thus has a lot to do with the definition of integrated social development, and its extension is largely an institutional and administrative question. If social security in the strictest sense is a series of mechanisms that protect people from need by providing them with care and replacement income if they require it, the clear assumption is that people's basic needs will usually be satisfied through earned income and other public services. This link cannot be ignored when implementing the right to such security, particularly where cover is based on the beneficiaries' contributions. What is needed, therefore, is to recognize that everyone has the right to an adequate standard of living, and to adopt a participative approach in developing a forward thinking, shared vision that allows existing achievements to be consolidated and extended to people whose demand for cover can be met through flexible adjustments, and that enables separate systems of cover,

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managed and supported by the State as part of its sectoral and territorial policies, to be promoted downstream.

